THE BANK OF PUNJAB

دی بینک آف پنجاب رکھے

#HarFardKaKhayal

GROWTH WITH EMPATHY

Nurturing Prosperity, Compassion, Inclusiveness

ANNUAL REPORT
2021

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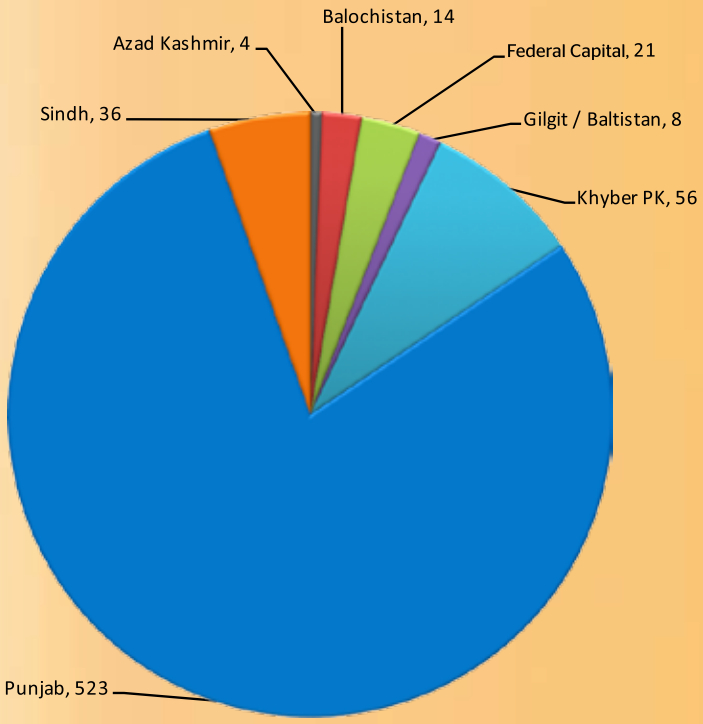
THE BANK OF PUNJAB

The Bank of Punjab was established in 1989 under The Bank of Punjab Act, 1989 by the Government of the Punjab. The Bank was granted status of a scheduled Bank in 1994 by SBP and currently carries a vast network of 662 online branches spanned across the Country along with ATM network of 614 offering 24/7 banking services to its diverse clientele. The Bank's Head Office is located in Lahore whereas Treasury & Capital Market operations are being managed from Karachi. The Bank of Punjab is the second largest public sector bank of the Country.

Geographical breakdown of Bank's branch network as on December 31, 2021 is as under:

Province/ Territory	No. of Conventional Branches*	No. of Islamic Branches*	Total Branches*
Punjab	447	76	523
Sindh	30	6	36
Khyber PK	39	17	56
Baluchistan	8	6	14
Azad Kashmir	3	1	4
Gilgit / Baltistan	6	2	8
Federal Capital	15	6	21
Total	**548**	**114**	**662**

*Including Sub Branches



The Government of the Punjab (GOPb), being majority shareholder and sponsor of the Bank, holds 57.47% shares of the Bank. As majority shareholder, Chairman of the Board is nominated by the Government of the Punjab from amongst official Directors. Further, in terms of section 10(3) of The Bank of Punjab Act, 1989, the Chairman shall preside over meetings of Board of Directors and shall have a casting vote, but he shall not exercise any executive authority or power. The President/CEO, besides being Executive Director, runs the affairs of the Bank in line with governing rules and regulations.

The Bank of Punjab, in order to meet business requirements of its diverse clientele, is offering all permissible products and services in line with modern banking requirements. While having multiple deposits products to cater needs of all type of depositors, the Bank has a strong footprint in the areas of Corporate & Investment, Commercial, SME, Agriculture and Consumer financing products. The Bank launched Islamic Banking operations in the year 2013 and is currently offering a wide range of Shariah compliant products and services to its valued clients through this platform, as well. Through the umbrella of Alternative Delivery Channels (ADCs), the Bank is offering 24/7 services of ATM withdrawals, Branchless Banking, SMS Banking, Mobile Banking, Phone Banking etc.

While achieving the objective of financial inclusion through its presence in remote and unbanked areas, the Bank is playing its due role in the economic growth of the Country through its various specially tailored lending products including initiatives of Government of Pakistan and Government of the Punjab such as Kamyab Jawan Scheme of Prime Minister of Pakistan, Low Cost Housing Scheme of Government of Pakistan and Punjab Rozgaar Scheme.

The Bank of Punjab has following Subsidiaries:

1. **Punjab Modaraba Services Private Limited**
2. **First Punjab Modaraba**
3. **Punjab Capital Securities Private Limited**

TAQWA
ISLAMIC BANKING

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Thankyou State Bank of Pakistan

The Bank of Punjab takes pride in launching Pakistan's First Free Roshan Digital Account

ROSHAN DIGITAL ACCOUNT
دور رہ کر بھی پاس
An Initiative of State Bank of Pakistan

Overseas Pakistanis can now open an account by visiting www.bop.com.pk and execute their transactions in their beloved country for investments and sending money to their loved ones easily from anywhere in the world, completely free of charges* with BOP Roshan Digital Account.

Dial on +92-42-111-267-200 to our dedicated 24/7 BOP Service Excellence Unit for assistance.

*BOP will absorb third party charges including courier & any other charges associated to BOP products.

BOP
THE BANK OF PUNJAB

BOP Phone Banking: 111-267-200 | www.bop.com.pk

VISION STATEMENT

"Your banking partner in creating value and improving lives"

MISSION STATEMENT

"Meet customer needs through innovative technology products/ services to drive business growth while promoting financial inclusion, diversity and prosperity across the nation with a motivated team through culture of excellence and empathy"

VALUES

"E-time"

- Empathy
- Teamwork
- Innovation
- Meritocracy
- Excellence

to ensure best in class customer service

Kamyab Jawan

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#HarFardKaKhayal

YES! We're #1

BOP proudly receives **Top Performing Bank Award** for the highest disbursement under Kamyab Jawan Program aimed at socio-economic empowerment and gender mainstreaming of the youth.

Total Amount Disbursed	Rs. 6 Billion
Disbursement to Small Farmers	more than Rs. 2 Billion
Total Beneficiaries	5000 Households
Jobs Created for	15000 Youth

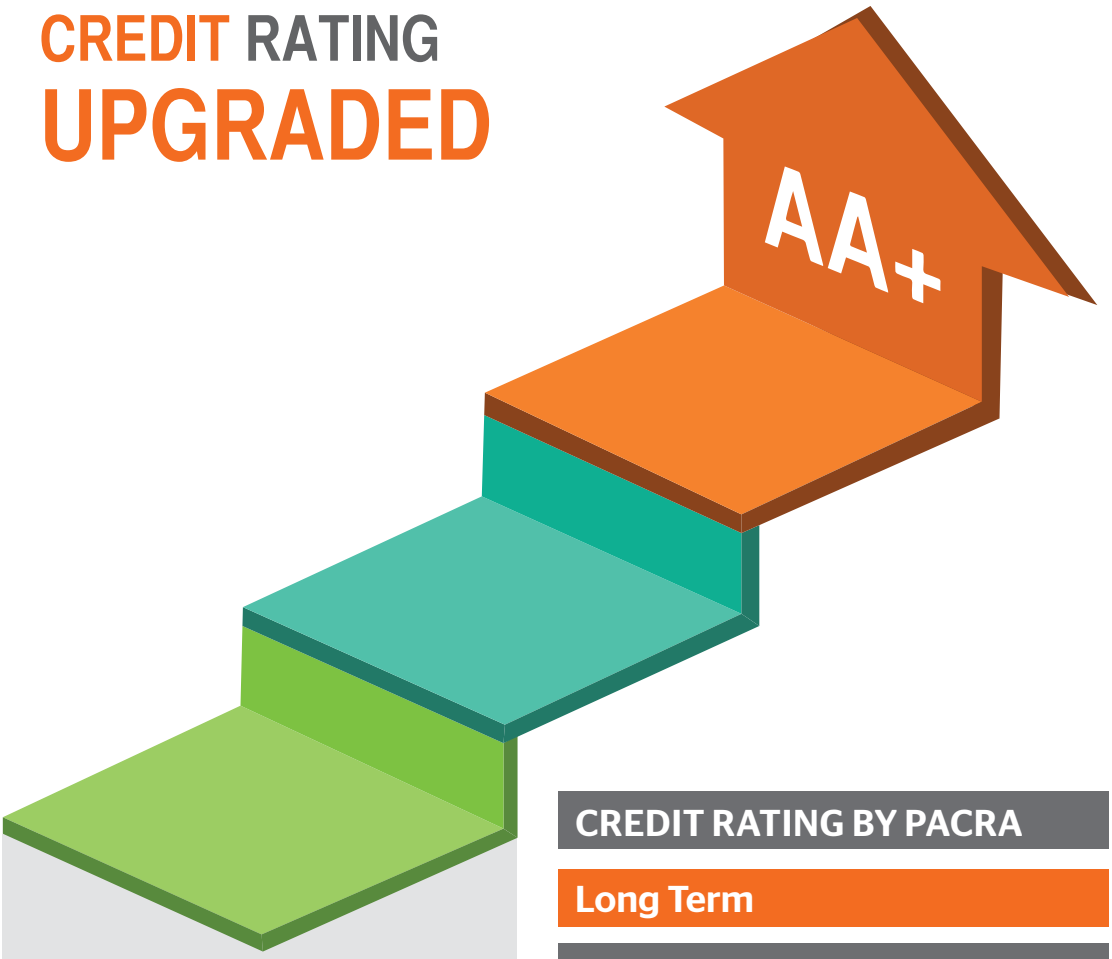
and counting every minute.....

Refueling our passion with this highest acknowledgment, we are committed to invest more in the successful future of our youth – the biggest asset of Pakistan.

BOP
THE BANK OF PUNJAB

BOP Phone Banking: 111 267 200 | www.bop.com.pk

CREDIT RATING UPGRADED



CREDIT RATING BY PACRA	2021
Long Term	AA+
Short Term	A1+

RATING DEFINITION

LONG TERM RATING

AA: Very High Credit Quality. AA Ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable for foreseeable events.

SHORT TERM RATING

A1+: Obligations supported by the highest capacity for timely repayment.

PRODUCTS & SERVICES

Details of some key conventional banking liability products are as under:

CURRENT DEPOSITS

BOP TIJARAT CURRENT ACCOUNT

BOP Tijarat Account is a current account especially designed to cater needs of business Individuals as well as Business entities including but not limited to Proprietorships, Partnerships, Limited / Unlimited Companies, NGOs, NPOs, Trusts , business oriented government / Semi government entity and any legal entity.

Salient Features:

- Value added features on maintaining monthly average balance of Rs.25,000
- Free IBFT through ATM
- Free Online Banking
- ATM/Over the Counter Cash Withdrawal Insurance upto Rs.25,000/- per day (terms, conditions & exclusions of insurance company will apply)
- Business Assets Insurance upto Rs.1 million (terms, conditions & exclusions of insurance company will apply)
- Free issuance of Debit Card. For free renewals, monthly average balance criteria to be met.
- Free unlimited issuance of Cheque Books
- Free small or medium locker subject to availability & on maintaining monthly average balance of Rs. 1,000,000. However, Key Deposit to be taken irrespective of maintenance of annual average balance of Rs. 1,000,000/- and above.
- Free issuance of universal cheques
- Free issuance of CDR
- Free Collection of OBC upto thrice of last month's average balance.
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP LIFE CURRENT ACCOUNT

It is a current account especially designed to cater banking needs of individuals.

Salient Features:

- Value added features on maintaining monthly average balance Rs.25,000/-
- Free issuance of Silver Debit card. For free renewals, monthly average balance criteria to be met.
- Free online banking
- Free issuance of universal cheques .
- Free Life Insurance cover equivalent to three times of last three months average balance of account with an upper limit of Rs 2.0 Million (terms, conditions & exclusions of insurance company will apply).
- Free e-banking facility to view statement of account .
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP SALARY PLUS ACCOUNT

It is a current account designed for salaried individuals working for an organization that is maintaining its salary disbursement account with BOP with a focus on employees of govt/semi govt organizations, their allied corporations, autonomous bodies and private sector entities.

Salient Features:

- Free issuance of Classic Debit card
- Free online banking
- Free Collection of Outstation Cheques upto 3 Gross Salaries in a Month.
- Free Life Insurance of Rs.500,000/- on maintaining Minimum Monthly Balance of Rs.50,000 (terms, conditions & exclusions of insurance company will apply)
- Consumer Loan Facility on Attractive Terms.
- Option to avail salary loan (terms and conditions apply)
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP YOUTH EDUCATION ACCOUNT

It is a current account especially designed for young students of schools, colleges and universities up to 30 years of age with additional feature of Education Insurance.

Salient Features:

- Students upto age of 30 years will be allowed to open the account in this scheme. If the age of student is below 18 years, minor/guardian account will be opened and new/normal YEA account will be opened upon submission of CNIC of the student, as per existing procedure.
- Account can only be opened in Minor/Guardian and Student categories. Joint Accounts are not permitted.
- There is no minimum balance limit hence account maintaining charges will not be applicable.
- Free PayPak Debit card
- Free online banking
- Free issuance of universal cheques favouring any Educational Institution.
- The Student qualifying for education cover must be an account holder for atleast One Calendar Month.
- Student will be provided Insurance cover as long as he/she is less than 30 years of age or his/her parent/guardian is in the age band of 18-60 years.
- Bank will provide free of cost education insurance cover to student amounting Rs.20,000/- per month for 24 months in case of Natural Death and Permanent Total Disability of Parent/Guardian (one person only), whose name has been reported to the bank at the time of account opening.
- In case of Accidental Death, the insurance cover will be doubled to Rs.40,000/- per month for 24 months. Terms, conditions & exclusions of insurance company will apply.
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

PRODUCTS & SERVICES

CURRENT DEPOSITS

BOP FCY SUPREME CURRENT ACCOUNT

This is a foreign currency current account available for all customers who are eligible to open Foreign currency account with BOP as per Bank's criteria.

Salient Features:

- Value added attractions on maintaining minimum balance of USD 10,000 or EURO 8,000 or GBP 7,000.
- Free Debit Card for PKR A/C (issuance and subsequent renewals).
- Free issuance of one Cheque Book per month.
- Free Locker Facility (small and medium) with same title, subject to availability and after maintaining average balance for six months.
- Free OBC Facility (in PKR CD Account, with same title).
- Free issuance of universal cheques in PKR
- Free issuance of CDR in PKR
- Free online facility from PKR account.
- Free e-banking facility to view account balance and statement of account is available.
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP CURRENT ACCOUNT

This is a basic current account to cater day to day banking needs of general public including individuals, partnership, Public / Private Limited Companies, Trust, Not for profit organizations, government and semi government organizations and any type of business entities.

Salient Features:

- Free online banking
- No limit for debit / credit transactions.
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP CURRENT DIRECT
PENSION CREDIT ACCOUNT

It is a current account opened in the light of Supreme Court's SUO MOTO notice (in year 2007) regarding problems being faced by the pensioners and its subsequent order that pension may be disbursed through all branches of all the licensed banks in Pakistan. BOP Current Direct Pension Credit Account can be opened by any individual pensioner. Purpose of account opening will be specifically mentioned on the AOF as "Direct Credit of Pension" only.

Salient Features:

- Free online banking
- No fee or service charges for maintaining such account will be charged.
- Copy of Pension Book mentioning monthly amount of pension and other particulars will also be required alongwith other documents as required in case of individual accounts.
- Pensioner & Co-indemnifier will indemnifying the bank (on stamp paper) to the extent of six month's aggregate pension amount or authorize the bank to mark lien on his/her account upto this amount either by depositing cash or by no withdrawal of monthly pension upto six consecutive months.
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP BASIC
BANKING ACCOUNT

It is a current account available especially for customers like students, mustehkeen-e-zakat, salary accounts of government and semi government employees, pensioners, widows and children of deceased employees eligible for family pension/benevolent fund grant.

Salient Features:

- The Account can be opened with an initial/minimum deposit of Rs.1,000
- Free online banking
- No account maintaining charges
- There is no limit for maintaining minimum balance in the account. However; if balance in BBA account remain "NIL" for continuous (06) months period, such accounts will be closed by the bank.
- Account holder will be allowed a maximum of 2 deposit transactions and 2 chequing withdrawals, free of charge either through cash/through clearing per month otherwise service charges of a regular banking account shall be applicable for that month as per Bank's Schedule of Charges.
- Unlimited free ATM withdrawals from Bank's own ATMs
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

PRODUCTS & SERVICES

CURRENT DEPOSITS

BOP ASAAN CURRENT ACCOUNT

Opening a bank account is not an easy task nowadays. A long list of formalities is required to open a bank account. The Bank of Punjab has introduced a simplified account "BOP Asaan Current Account". This is a current account for low risk/low income unbanked/under banked individuals who face difficulties in account opening due to strict requirements/formalities. These segments of society may include but are not limited to self-employed, pensioners, students, farmers, women/housewives, young adult population, work force etc.

Salient Features:

- Account can be opened with minimum of Rs.100
- Account can be opened as individual, joint or minor type.
- Account can be opened with minimum formalities and on one pager account opening form.
- There is no minimum balance requirement, no account maintaining charges.
- The account will preferably be Debit Card based. However, cheque book may be issued as per choice of the customer.
- Free 1st 25 leaf cheque book
- Free online banking
- SMS Alerts service is available at subsidized charges of PKR 40 per month
- Per Month Total Debit Limit and total Credit Balance limit is Rs.500,000
- Account can be converted into normal current account after completion of remaining formalities if later on, accountholder requires financial services for higher amounts than the above specified limits.
- Free e-banking facility to view statement of account
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP KISSAN DOST CURRENT ACCOUNT

BOP Kissan Dost Current Account is a current account Agricultural Business Solution to cater to banking needs of agricultural sector.

Salient Features:

- Initial deposit required for account opening is Rs. 1,000
- Monthly Average Deposit Rs. 10,000 to be maintained for value added features
- Free issuance of PayPak Debit Card
- Free 1st 25 leaf cheque book
- Free 2 Universal cheques per month
- Free online banking
- Rate break/discount of 1.00% per annum on all Agricultural(ACD) Financing Products

BOP ASAAN REMITTANCE
CURRENT ACCOUNT

Opening of a bank account to receive home remittances from our dear ones is not easy nowadays and involves a long list of formalities. The Bank of Punjab has introduced "BOP Asaan Remittance Current Account" to facilitate opening of bank accounts by low risk/ low income unbanked/under banked customers for receipt of home remittances directly into bank account instead of resorting to traditional over the counter cash transactions. These segments of society may include but are not limited to skilled/unskilled work force, farmers, less educated/ uneducated people, laborers/daily wagers, women/housewives, self-employed individuals, pensioners, young adult population etc.

Salient Features:

- The account will open in PKR currency as current account only.
- This account shall be fed through Home Remittances from abroad only.
- Only “Individuals” can open this account in Single or Joint capacity.
- There is no requirement of initial deposit and minimum balance.
- Free online banking
- No account maintaining charges
- No commercial remittances shall be deposited in the account.
- No local credit shall be allowed in the account.
- No outward remittance will be allowed.
- Maximum credit balance of upto PKR 2,000,000.
- Cash withdrawal upto PKR 50,000 per day.
- Fund transfer from Asaan Remittance Current Account to any other account upto PKR 50,000 per day.
- Account can be opened with minimum formalities and one pager account opening form.

PRODUCTS & SERVICES

CURRENT DEPOSITS

BOP GID BUSINESS CURRENT ACCOUNT

In order to provide self-employment opportunities to unemployed youth, Government of Pakistan has launched Prime Minister's Kamyab Jawan National Youth Development Program (Youth Employment Scheme) across the country. For this purpose, a current deposit account with the name of BOP GID Business Current Account is developed which will be utilized for loan disbursement and business transactions. This will ensure proper MIS keeping and monitoring of the lending program. Those who have been issued Facility Offer Letter (FOL) by BOP will be eligible to open this account.

Salient Features:

- Free SMS Alerts
- Free Mobile Banking subscription
- Free online banking
- No account maintaining charges.
- All other services/product charges and current account charges will apply as per bank's prevailing Schedule of Charges.
- Applicant must bring Facility Offer Letter (FOL) to the branch for opening of BOP GID Business Current Account .The account will not be opened without FOL
- Feeding of FOL number into FOL field in Flexcube will be mandatory for account opening by CPU.
- BOP GID Business Current Account can be opened in any BOP branch.

BOP KHAAS CURRENT ACCOUNT

It is a current account for all individual and sole proprietor customers who have relationship balance of PKR 3 million or Clients with monthly salary of PKR 500K or more. These accounts will be allowed to grow in 12 month period to reach minimum threshold of PKR 3million as relationship balance.

Salient Features:

- Account will be opened in PKR Currency only
- No Initial Deposit requirement to open KHAAS Current Account
- PKR 50 will be deducted if monthly average balance falls below PKR 10,000
- Free Cheque book
- Free Universal cheques
- Free KHAAS Platinum Card (Annual Fee Waiver only if customer is marked as "Priority")
- Free Platinum KHAAS Supplementary Card--- Free KHAAS Supplementary Card (only if Primary Card is kHAAS Platinum)
- 50% waiver on Locker Fees (Any Size)
- Free SMS alerts

- Free Mobile Banking
- Free IBFT (ATM & Mobile Banking)
- For KHAAS Current account, a shadow(reward) account will also open in Flexcube by CPU simultaneously.
- The shadow(reward) account is not a regular account .Account opening formalities will not be required for this shadow(reward) account.
- Shadow(reward) account will only be utilized by customer to earn rewards in the form of profit on deposit balance available in Shadow(reward) account.
- Funds can only be transferred between KHAAS Current account and shadow(reward) account through Mobile App.
- Profit will be calculated @3% per annum on monthly average balance of the shadow(reward) account and will be disbursed in Shadow account on a monthly basis.
- Withholding tax will apply on the rewards(profit) earned on the shadow(reward) account balance.
- Zakat will also be applicable on the shadow(reward) account and will be deducted from Shadow account.
- Enhancement in KHAAS Platinum Debit Card limit i.e:

- Cash Withdrawal: PKR 200,000
- POS/E-Commerce: PKR 1,000,000
- Fund Transfer/ IBFT: PKR 1,000,000

SAVING DEPOSITS

BOP PLS SAVING BANK ACCOUNT

It is a saving account available for general public, govt/semi govt organizations, companies, business entities etc who are eligible to open account as per bank's criteria.

Salient Features:

- The Account can be opened with an initial/minimum deposit as stipulated by the Bank from time to time unless specifically exempted.
- Free online banking
- Calculation of profit is on monthly average balance method at minimum savings rate.
- Payment of profit is on half yearly basis.
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

PRODUCTS & SERVICES

SAVING DEPOSITS

BOP BEHTAREEN MUNAFA ACCOUNT

It is a saving account for general public, govt./semi govt. organizations, companies, business entities etc. who are eligible to open account as per bank's criteria.

Salient Features:

- Free online banking
- Calculation of profit on monthly average balance basis.
- Profit payment is on monthly basis.
- Free issuance of Classic Debit card.
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP CORPORATE PREMIER ACCOUNT

This is a saving account especially designed to cater the needs of business entities/corporate entities. Account can be opened singly or jointly.

Salient Features:

- Calculation of profit is on monthly average basis.
- Payment of profit is on monthly basis.
- Free online banking
- Priority banking and counter services.
- Free e-banking facility to view account balance and statement of account is available.
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP FCY SAVING ACCOUNT

This is a foreign currency saving account available for all customers who are eligible to open foreign currency account with BOP as per Bank's criteria.

Salient Features:

- Calculation of profit is on monthly average balance
- Payment of profit is on half yearly basis.
- Terms and conditions apply

BOP FCY SUPREME SAVING ACCOUNT

This is a foreign currency current account available for all customers who are eligible to open Foreign currency account with BOP as per Bank's criteria.

Salient Features:

- Value added attractions on maintaining minimum balance of USD 15,000 or EURO 12,000 or GBP 10,000.
- Free Debit Card for PKR A/C (issuance and subsequent renewals).
- Free issuance of one Cheque Book per month.
- Free Locker Facility (small and medium) with same title, subject to availability and after maintaining average balance for six months.
- Free OBC Facility (in PKR CD Account, with same title).
- Free issuance of universal cheques in PKR
- Free issuance of CDR in PKR
- Free online facility from PKR account.
- Free e-banking facility to view account balance and statement of account is available.
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP YOUNG LIONS SAVING ACCOUNT

It is a Saving account which provides a disciplined method of savings for children. The account will be opened with Parent/Guardian.

Salient Features:

- It is available for children under 18 years of age.
- Account will be opened as Minor account with Child (M)/Parent or Guardian (G).
- Calculation of profit is on monthly average balance basis.
- Payment of profit is on monthly basis.
- Free issuance of first Cheque Book of 25 leaves.
- Free issuance of PayPak Debit card.
- Free online banking
- Free e-banking facility to view statement of account
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

PRODUCTS & SERVICES

SAVING DEPOSITS

BOP PLS DIRECT PENSION
CREDIT ACCOUNT

It is a saving account opened in the light of Supreme Court's SUO MOTO notice (in year 2007) regarding problems being faced by the pensioners and its subsequent order that pension may be disbursed through all branches of all the licensed banks in Pakistan. BOP PLS Direct Pension Credit Account can be opened by any individual pensioner. Purpose of account opening will be specifically mentioned on the AOF as "Direct Credit of Pension" only.

Salient Features:

- No account maintaining charges
- Free online banking
- Copy of Pension Book mentioning monthly amount of pension and other particulars will also be required alongwith other documents as required in case of individual accounts.
- Pensioner & Co-indemnifier will indemnifying the bank (on stamp paper) to the extent of six month's aggregate pension amount or authorize the bank to mark lien on his/her account upto this amount either by depositing cash or by no withdrawal of monthly pension upto six consecutive months.
- Free e-banking facility to view account balance and statement of account is available.
- SMS Alert facility is available subject to payment of annual charges as per bank's schedule of charges.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP ASAAN
SAVING ACCOUNT

Opening a bank account is not an easy task nowadays. A long list of formalities is required to open a bank account. The Bank of Punjab has introduced a simplified account "BOP Asaan Saving Account". This is a saving account for low risk/low income unbanked/under banked individuals who face difficulties in account opening due to strict requirements/formalities. These segments of society may include but are not limited to self-employed, pensioners, students, farmers, women/housewives, young adult population, work force etc.

Salient Features:

- Account can be opened with minimum of Rs.100/- as initial amount.
- Account can be opened as individual, joint or minor type.
- Account can be opened with minimum formalities and on one pager account opening form.
- There is no minimum balance requirement, no account maintaining charges
- The account will preferably be Debit Card based. However; cheque book may be issued as per choice of the customer.
- Free online banking
- Per Month Total Debit Limit and total Credit Balance limit is Rs.500,000
- Account can be converted into normal saving account after completion of remaining formalities if later on, accountholder requires financial services for higher amounts than the above specified limits.
- Free e-banking facility to view statement of account
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self service IVR system is available.

BOP PLS LG ACCOUNT

In order to ensure monitoring of Local Govt. Accounts and to provide them required banking facilities, BOP has introduced a BOP PLS LG Account only for Local Government under Government of Punjab. All Local Government bodies as per Punjab Local Government Act, 2019 will be eligible to open this account including Metropolitan Corporation, Municipal Corporation, Municipal Committees, Town Committees, Tehsil Councils and Village Punchayats & Neighborhood Councils.

Salient Features:

- Free Universal Cheques
- Free CDRs
- Free Duplicate Account Statements
- Free online banking
- Profit calculation on monthly average deposit at minimum saving rate
- Profit payment on half yearly basis
- All facilities and free features allowed to Governments accounts as per prevalent Schedule of Charges will apply.
- Restriction on Cash payment/withdrawal per transaction from accounts as per limit to be notified under Punjab Local Govt. Accounts Rules 2019. The limit will be communicated in the light of instructions received.
- However in the meantime no cash payment/withdrawal from LG Accounts is to be made till limit amount is received.

BOP KISSAN DOST SAVING ACCOUNT

BOP Kissan Dost Saving Account is a saving account Agricultural Business Solution to cater to banking needs of agricultural sector.

Salient Features:

- Initial deposit required for account opening is Rs. 1,000
- Monthly Average Deposit Rs. 25,000 to be maintained for value added features
- Free 1st 25 leaf cheque book
- Free 2 Universal cheques per month
- Free online banking
- Rate break/discount of 1.00% per annum on all Agricultural(ACD) Financing Products
- Profit payment on half yearly basis
- Profit calculation on monthly average basis

PRODUCTS & SERVICES

SAVING DEPOSITS

BOP KHAAS SAVING ACCOUNT

It is a saving account for all individual and sole proprietor customers who have relationship balance of PKR 3 million or Clients with monthly salary of PKR 500K or more. These accounts will be allowed to grow in 12 month period to reach minimum threshold of PKR 3million as relationship balance.

Salient Features:

- Account will be opened in PKR Currency only
- No Initial Deposit requirement to open KHAAS Saving Account
- No Account maintenance Charges
- Profit shall be disbursed Semi annually (Normal PLS Saving rate)
- Free Cheque book-(Any Size)
- Free Universal cheques
- Free Platinum KHAAS Card
- Free Platinum KHAAS Supplementary Card
- 50% waiver on Locker Fees (Any Size)
- Free SMS alerts
- Free Mobile Banking
- Free IBFT (ATM & Mobile Banking)
- No shadow account is linked with KHAAS Saving Account
- Zakat and Withholding Tax will apply
- Enhancement in Platinum KHAAS Debit Card limit i.e:
  - Cash Withdrawal: PKR 200,000
  - POS/E-Commerce: PKR 1,000,000
  - Fund Transfer/ IBFT: PKR 1,000,000

TERM DEPOSITS

BOP BONUS MUNAFA TERM DEPOSIT

BOP Bonus Munafa Term Deposit (BMTD) a term deposit available for general public i.e. anyone who is eligible to open bank account and invest as per bank's criteria. The term deposit can be booked singly or jointly.

Salient Features:

- BOP Bonus Munafa Term Deposit offers monthly profits on your savings
- Earn a minimum profit rate of 6.10% p.a to 7.25% p.a. depending on the tenor chosen.
- Earn additional 0.5% p.a to 3% p.a. bonus profit by maintaining only 25% of total BMTD amount as monthly average balance in the linked Current Account
- Minimum amount of investment is Rs.50,000/- and no maximum limit

Salient Features:

- Available in flexible placement periods of 1 Month, 3 Months, 6 Months, 1 Year, 2 Years, 3 Years, 4 Years & 5 Years
- Customer can open linked current account of any type (current account, BOP Tijarat Account, BOP Life Current Account, BOP Salary Plus Account, BOP Youth Education Account, BOP Current Direct Pension Credit Account, BOP Basic Banking Account, BOP Kissan Dost Current Account, BOP Asaan Current Account, BOP Yes Business Account)
- If the requirement of 25% monthly average deposit in the linked current account is not met in any month, customer will not qualify for bonus profit
- Incase of pre-mature encashment, rate corresponding to the highest completed tenure, as available at the time of TD booking for respective Term Deposit Product, shall be applied for the entire outstanding period of TD. However, in case of term deposit of one month, the prevailing normal savings rate shall be applied. The differential of profit already paid will be deducted out of accrued profit payable &/or customer's account
- Upto 90% Financing Facility available as per bank's policy in vogue.

BOP PLS TERM DEPOSIT

It is a Term Deposit account for general public, govt./semi govt. organizations, companies, business entities etc. who are eligible to open account as per bank's criteria.

Salient Features:

- Term Deposit is available in flexible placement periods of 1 Month, 3 Month, 6 Month, 1Year, 2 Year, 3 Year, 4 Year, 5 Year
- Profit payment on Monthly, Quarterly, semiannually and at Maturity

BOP FOREIGN CURRENCY TERM DEPOSIT

BOP Foreign Currency Term Deposit is term deposit available for all customers who are eligible to open foreign currency account with BOP as per Bank's criteria.

Salient Features:

- Term Deposit is available in flexible placement periods of 1 Month, 3 Month, 6 Month, 1Year
- Profit payment at Maturity

PRODUCTS & SERVICES

TERM DEPOSITS

BOP ROSHAN DIGITAL ACCOUNT

Roshan Digital Account is a major initiative of State Bank of Pakistan which provides banking solutions for millions of Non Resident Pakistanis. BOP offers Roshan Digital Account for Non-Resident and Resident Pakistanis (with declared assets held abroad) to invest in Pakistan with ease. Customer can open either Foreign Currency USD/ GBP/EUR or Pak Rupee denominated account, under Conventional Banking and Islamic Banking, with exciting investment opportunities i.e Naya Pakistan Certificates/ Islamic Naya Pakistan Certificate issued by government and Term deposit products/Riba Free Certificates of the Bank.

Salient Features:

- Roshan Digital Account is a major initiative of State Bank of Pakistan which provides banking solutions for millions of Non Resident Pakistanis.
- BOP offers Roshan Digital Account for Non-Resident and Resident Pakistanis (with declared assets held abroad) to invest in Pakistan with ease. Customer can open either Foreign Currency USD/ GBP/EUR or Pak Rupee denominated account, under Conventional Banking and Islamic Banking, with exciting investment opportunities i.e Naya Pakistan Certificates/ Islamic Naya Pakistan Certificate issued by government and Term deposit products/ Riba Free Certificates of the Bank.
- Roshan Digital Account will provide prospective customers an exclusive opportunity to remotely open an account in Pakistan through an entirely digital and online process without visiting any BOP branch in Pakistan. Further, RDA product will provide innovative banking solutions to individuals seeking to undertake banking, payment and investment activities in Pakistan.
- To open an account, Non- Resident customers are requested to access a user-friendly and easy-to-use digital portal by visiting website. www.bop.com.pk
- For Resident Pakistani, account can only be opened by visiting BOP branches that are authorized to open Foreign Currency accounts.
- Resident Pakistani can open account in multiple currencies i.e USD, GBP, EUR. Normal account opening procedure will be followed.
- Non-resident Pakistani can open Joint account with Resident/Non-Resident Pakistanis in NRVA and FCVA.
- Resident Pakistani can open FCVA account singly as well as jointly with Resident Pakistani only.

Eligibility Criteria:

- Individual Non Resident Pakistani
- Employees or officials of the Federal or Provincial Governments posted abroad in the tax year
- Foreign Nationals having Pakistan Origin Card (POC)
- Resident Individual Pakistanis who have duly declared assets held abroad as per wealth statement declared in latest tax return with FBR is eligible for opening of Foreign Currency Value account in individual capacity.

BANCASSURANCE

"Bancassurance" "Bancassurance" means distribution of insurance products of insurance companies through bank's distribution channels. The concept of bancassurance in Pakistan took birth in 2003 but this sector got encouragement during 2008-2009. This product attracted a number of banks in Pakistan, especially those with large branch network and extensive clientele. At present, there are more than twenty banks involved in the business of bancassurance with different companies.

This business is managed by Life Insurance Companies and falls under the purview of Securities and Exchange Commission of Pakistan (SECP) who has provided comprehensive guidelines for Bancassurance business which are mandatory to be followed by the banks & insurance companies.

The Bank of Punjab is in agency arrangements with two insurance companies i.e. M/s EFU Life Assurance Limited and M/s IGI Life Insurance Limited for Bancassurance plans whereby BOP act as corporate insurance agent for specified insurance products of these companies. It is to be cleared that these plans are underwritten by these insurance companies and the Bank of Punjab is only acting as their corporate distribution agent. These plans are not guaranteed by The Bank of Punjab or its affiliates and are not The Bank of Punjab product.

Presently, The Bank of Punjab is offering under-mentioned Bancassurance Plans:

- EFU Child Savings Plan
- EFU Marriage Plan
- EFU Savings Plan
- EFU Retirement Plan

RETAIL FINANCE

BOP CAR LEASE - CARGAR

BOP Cargar (Auto Financing) is assisting the small and large businessmen, salaried individuals in fulfilling their desire of having a car of their own, by helping them to purchase local/ imported new or used vehicles at a very minimum documentation and flexible financing options with low down payment.

BOP APNA GHAR HOUSE FINANCING

Your home is the center of your world, a place where you find peace and comfort. BOP understands your desire to make your house truly your home. BOP House Financing ensures this happens.

PRODUCTS & SERVICES

RETAIL FINANCE

BOP APNA GHAR LOW COST HOUSING FINANCE

The Bank of Punjab, under guidance of State Bank of Pakistan through Prime Minister's NAYA Pakistan Housing Program and NAPHDA is contributing towards country's development and prosperity by fulfilling dreams of millions through financing for affordable (Low Cost) housing.

BOP ADVANCE SALARY PERSONAL LOAN

A need based unsecured term loan that can help you meet your immediate financial needs, through cash pay back vide equal monthly installments.

BOP BOP SOLAR

Power your home with solar energy Avail BOP's Revolutionary financing offer BOP is the pioneer bank in financing option for customers to purchase solar power on east terms and discounted prices.

BOP CARVAAN FLEET FINANCING

Carvaan Asan is making efforts to explore new opportunities and expand the horizons by taking your business to new destinations. BOP Carvaan Fleet Financing is offering commercial vehicles on easy and simple financing options by leasing Cars, Vans, Small and Large Trucks etc. with Tracker facility.

BOP KISSAN DOST PRODUCTION LOAN

To provide short-term facility to the Individual & Corporate farmers for purchase of Farm Inputs (Seeds, Fertilizers, Pesticides, Fungicides etc).

BOP KISSAN DOST LEASE FINANCE FACILITY

The scheme has been designed to provide financial assistance to farmers for purchase of Agri implements/Machinery etc. exclusively for agri related activities.

BOP KISSAN DOST COLD STORAGE FINANCE FACILITY

The purpose of this loan is to establish compartmentalized cold storage units where perishable Agri commodities can be stored for a longer duration to obtain a year round supply, reducing post-harvest losses.

BOP KISSAN DOST LIVESTOCK DEVELOPMENT SCHEME

Encourage dairy farmers to establish dairy farm to meet the growing demand of dairy products at reasonable prices.

BOP BOP AGRI VEHICLE LEASING

All Commercial & Semi Commercials (Light Commercial) vehicles for Agricultural use.

SME PRODUCTS

Some of the SME loan products are as under:

Product & Services Offered

- BOP Apni Dokan
- BOP Fori Sahulat
- BOP Kamyab Karobar
- BOP Shamsi Tawanai
- BOP Sonay pe Sohaga
- BOP Supply Chain Finance

SBP Refinance Schemes

- Export Finance Scheme
- Financing Facility for Storage of Agricultural Produce
- Long-term Financing Facility for Plant & Machinery
- Mark-up & Guarantee Facility for Rice Husking Mills in Sindh
- Refinance Scheme for Modernization of SMEs
- Refinance Scheme for Special Persons
- Refinance Scheme for Women Entrepreneurs
- Refinance Scheme for Working Capital Financing of SEs & low-end MEs

PRODUCTS & SERVICES

GOVERNMENT INITIATIVES

Punjab Rozgar Scheme:

Small & Medium Enterprises are the back bone of a country's economy, and their growth is one of the key factors of economic uplift. Despite their importance, these businesses lack access to financing options. In order to give boost to this neglected sector, Government of Punjab has been working on various uplift initiatives which have been merged as a single scheme post-COVID. "Punjab Rozgar Scheme", launched by Punjab Small Industries Corporation (PSIC) in collaboration with The Bank of Punjab aims to provide subsidized small business loans in the range of Rs. 100,000/- to Rs. 10,000,000/-.

Prime Minister's Kamyab Jawan - Youth Entrepreneurship Scheme (YES):

In order to uplift the youth of the country by offering opportunities to utilize their entrepreneurial potential to the fullest, Government of Pakistan has re-opened the applications under Kamyab Jawan - Youth Entrepreneurship Scheme for provision of subsidized business loans.

All eligible persons can apply for the loan by visiting Kamyab Jawan Portal at https://www.kamyabjawan.gov.pk/BankForm/newApplicantForm. No other mode of application submission other than through designated online portal is acceptable.

Government's Mark up Subsidy Scheme for Housing Finance:

Lack of affordability is a key factor depriving low-income population from access to institutionalized housing finance to meet their respective needs. In order to facilitate availability of long-term affordable funding for housing to these segments of society, GOP and State Bank of Pakistan (SBP) have decided to introduce a "Government's Mark up Subsidy Scheme for Housing Finance".

PRODUCTS OFFERED BY CORPORATE BANKING

The Bank of Punjab has recently created a new segment of "Corporate Banking" targeted at providing seamless banking services to its Commercial and Corporate clients by sharing maximum value with its relationships and to ensure improved services under one roof.

Dedicated teams of Relationship Managers ensure the delivery of our entire range of financial products and services to our clients and provide tailored financial solutions to the customers with respect to their business needs.

Some of the Corporate Banking loan products are as under:

- Project Finance
- Debt Syndications and Consortium Financing
- Corporate Finance
- Long Term/Demand Finance
- Working Capital Finance
- Letter of Credit, Contracts and Export collection services
- FE Loans, Pre and Post Shipment Export Financing
- Import Financing
- Bills Discounting
- Letter of Guarantees
- Cash Management Services and etc.
- Housing & Construction Finance
- Advisory Services
- Hospital Finance
- Employee Banking

TAQWA ISLAMIC BANKING PRODUCTS

BASIC BANKING ACCOUNT

Basic Banking Account is based on the Islamic principle of Qard such that the Bank is the 'Borrower' and the depositor is the 'Lender'.
Main purpose of introducing Basic Banking Account is to facilitate and provide basic banking facilities to the low income people.

The salient features of this account are as follows:

- The minimum initial deposit will be Rs. 1,000/-
- Account will be opened in PKR.
- The account will be non remunerative account.
- No limit on minimum balance. In cases, where balance in BBA remains 'nil' for a continuous six month period, such accounts will be closed.
- No fee for maintaining BBA.
- Free of charge ATM withdrawals from the bank's own ATMs. In case of withdrawal from BBA through the ATM machines of other banks, bank shall recover charges as per schedule of charges.
- Statement of Account will be issued once in a year free of charge.
- Other service charges will be applicable as per approved schedule of charges.

CURRENT ACCOUNT

Current Accounts are based on the Islamic principle of Qard such that the Bank is the 'Borrower' and the depositor is the 'Lender'.

The salient features of this account are as follows:

- The minimum initial deposit will be Rs. 1,000/
- Account will be opened in PKR, USD, GBP & EURO.
- The Principal amount is guaranteed.
- The account will be non remunerative account
- Unlimited deposits and withdrawals are permissible.
- Zakat deductions are not applicable.
- Other service charges will be applicable as per approved schedule of charges.
- Any benefits in money, kind or services over and above the Principal amount is interpreted as Riba unless such benefits are admissible for all account holders without discrimination

PROFIT & LOSS SHARING ACCOUNT

The relationship between the Bank and customers holding Savings accounts shall be based on the principles of Mudaraba/Musharakah, where the Bank shall be Mudarib and customers shall be Rabbulmal. Further, the relationship is based on unrestricted Mudaraba arrangement. The salient features of this account are as follows:

The minimum initial deposit will be Rs. 100/- However, no initial deposit would be required for opening of accounts by (i) Mustahkeen of Zakat, (ii) Students, (iii) Employees of Government or Semi Government institutions for salary and pension purposes (including widows/children of deceased employees eligible for family pension/benevolent fund grant, etc.) and other similar types of accounts.

- Account will be opened in PKR, USD, GBP, EURO.
- Minimum balance charges are not applicable
- Funds will be invested in Shariah Compliant Products.
- Profit will be calculated on average balance of the month basis and distributed on monthly basis
- Withholding Tax and Zakat deductions are applicable as per rules.
- Other service charges will be applicable as per approved schedule of charges.

Note: In case a depositor(s) deposits during a month, he shall pay the due proportionate share in profit, based on monthly average balance during the month. If a depositor divests during a month, the "ad hoc profit" for the number of days for which the balance remains invested, during such month, shall be paid at the profit rate for the preceding month.

PRODUCTS & SERVICES

TAQWA ISLAMIC BANKING PRODUCTS

TAQWA RAHAT CORPORATE ACCOUNT

The relationship between the Bank and customers holding Savings accounts shall be based on the principles of Mudaraba, where the Bank shall be Mudarib and customers shall be Rabbulmal. Further, the relationship is based on unrestricted Mudaraba arrangement. The salient features of this account are as follows:

- Account will be opened in PKR.
- Account will be available for business entities only.
- Minimum initial deposit for opening of account will be Rs. 100/-.
- Minimum balance charges are not applicable.
- Funds will be invested in Shariah Compliant Products.
- Profit will be calculated on Daily Product (net) Balance in Customer account and distributed on monthly basis. Withholding Tax and Zakat deductions are applicable as per rules.
- Other service charges will be applicable as per approved schedule of charges.

TAQWA RAHAT ACCOUNT

The relationship between the Bank and customers holding Savings accounts shall be based on the principles of Mudaraba, where the Bank shall be Mudarib and customers shall be Rabbulmal. Further, the relationship is based on unrestricted Mudaraba arrangement. The salient features of this account are as follows:

- Account will be opened in PKR.
- Account will be available for Individuals only.
- Minimum initial deposit for opening of account will be Rs. 100/-.
- Minimum balance charges are not applicable.
- Funds will be invested in Shariah Compliant Products.
- Profit will be calculated on Daily Product (net) Balance in Customer account and distributed on monthly basis.
- Withholding Tax and Zakat deductions are applicable as per rules.
- Other service charges will be applicable as per approved schedule of charges.

RIBA FREE CERTIFICATES - RFCS

The relationship between the Bank and customers holding Riba Free Certificates shall be based on the principles of Mudaraba , where the Bank shall be Mudarib and customers shall be Rabbulmal. Further, the relationship is based on unrestricted Mudaraba arrangement.

The salient features of this account are as follows:

- Investments can be made for 1 month, 3 months, 6 months, 1 year, 2 years, 3 years, 4 years and 5 years
- Account will be opened in PKR.
- Minimum investment required is PKR 10,000
- Profit payment options are monthly and at maturity.
- Profit payment is made to the investor's designated account in BOP as per terms opted by the customer.
- Profit will be calculated on daily product basis and distribution will be made as per terms customer has opted for.
- Premature encashment will be made according to premature schedule.
- Withholding Tax and Zakat deductions are applicable as per rules.

TAQWA ASAAN CURRENT ACCOUNT

Taqwa Asaan Current Account is based on the Islamic principle of Qard, such that the Bank is the 'Borrower' and depositor is the 'Lender'.

The salient features of this account are as follows:

- The minimum initial deposit will be Rs. 100/- for account opening
- Account will be opened in PKR only
- Transactions limits:
- Total Debit per month Rs. 500,000/-
- Total Credit Balance Limit Rs. 500,000/-
- Only Individuals can open these accounts as single or joint accounts.
- The Principal amount is guaranteed.
- The account will be non-remunerative account
- No minimum balance requirement
- Zakat deductions are not applicable
- Separate account opening form will be used for opening of Asaan Accounts
- Other service charges (if any) will be applicable as per approved schedule of charges
- Other terms & conditions as per account opening form

TAQWA ASAAN SAVING ACCOUNT

The relationship between the Bank and customers holding Taqwa Asaan Savings accounts shall be based on the principles of Mudaraba, where the Bank shall be Mudarib and customers shall be Rabb-ul-maal. Further, the relationship is based on unrestricted Mudaraba arrangement.

The salient features of this account are as follows:

- The minimum initial deposit will be Rs. 100/- for account opening
- Account will be opened in PKR only
- Transactions limits:
- Total Debit per month Rs. 500,000/-
- Total Credit Balance Limit Rs. 500,000/-
- Profit will be calculated on average monthly balance basis and paid monthly
- Deposits are maintained on single tier basis
- Only Individuals can open these accounts as single or joint accounts
- No minimum balance requirement
- WHT and Zakat are applicable as per government rules
- Separate weightages shall be announced for this category of account
- Separate account opening form will be used for opening of Asaan Account
- Other service charges (if any) will be applicable as per approved schedule of charges
- Other terms & conditions as per account opening form

TAQWA BUSINESS ACCOUNT

With TAQWA Business Account customers can now transact their entire banking related activities nationwide through single platform. Additionally, this product is packed with exclusive free of cost services which will facilitate customers on every touch point of their business cycle to ensure business prosperity and growth.

This account works in accordance with Shari'ah Principles and following are its salient features:

- Mudarabah Based product whereby the profit is distributed between the customer and Bank based on the pre-determined profit sharing ratio and weightages.
- Free IBFT.
- Free Online Banking.
- Free ATM/Debit Card.
- Free issuance of Cheque Books.
- Free issuance of universal cheques.
- Free issuance of CDR.
- Free Collection of OBC upto thrice of last month's average balance.
- Free e-banking facility to view account balance and statement of account.
- Free of Cost Utility Bills Deposit Facility through BOP ATM Network, BOP Phone Banking and self-service IVR system.

PRODUCTS & SERVICES

TAQWA ISLAMIC BANKING PRODUCTS

TAQWA MEHERBAAN CERTIFICATE

TAQWA Meherbaan Certificate (TMC) is structured within the realm of Mudarabah principles which offer's small/medium depositors a medium term low risk and high return avenue with regular stream of profit to cater their house hold and other domestic needs.

The salient features of this account are as follows:

- Mudarabah based product whereby the profit is distributed between the customer and Bank based on the pre-determined profit sharing ratio and weightages.
- Fixed interval profit payment – Monthly.

- **Booking amount limit:**
- For single Account holder, Rs 100,000/- to Rs. 7,500,000/-.
- For Joint Account Holders, Rs 100,000/- to Rs.15,000,000/-.
- Tenure 3 years.
- Multiple TMC(s) booking option.

TAQWA DIRECT PENSION CREDIT ACCOUNT

Taqwa Direct Pension Credit Account is a depository account which aims at providing the necessary tool for pensioners to transact their entire Pension payment related activities through single platform. This account can be opened by any individual/single pensioner.

The salient features of this account are as follows:

- Mudarabah based product whereby the profit is distributed between the customer and Bank based on the pre-determined profit sharing ratio and weightages.
- Account will be opened in PKR
- Account can be fed through Pension payment only
- No local or international credit shall be allowed in the account
- No commercial remittance shall be deposited in the account
- The account will be opened by single person (pensioner) only.
- No requirement for initial deposit.
- Profit will be calculated on average balance of the month.
- The bank account shall not be a joint account
- Withholding Tax and Zakat will be applicable as per prevailing laws and regulations of Government.
- Other service charges (if any) will be applicable as per approved schedule of charges.
- Other terms & conditions will be applicable as per account opening form.

TAQWA ASAAN REMITTANCE ACCOUNT

Taqwa Asaan Remittance Account will facilitate low income/ unbanked customers to receive home remittances through proper account instead of resorting to traditional cash over counter transactions.

The salient features of this account are as follows:

- Qard based product whereby the Bank is the 'Borrower' and Customer is the 'Lender'.
- The account will be non-remunerative account.
- Account can be fed through home remittance only.
- Only individuals are eligible to open this account in Single or Joint capacity.
- Maximum credit balance limit will be Rs. 2,000,000.
- Cash withdrawal limit will be Rs. 50,000 per day (ATM & COC both).
- Funds transfer limit from Taqwa Asaan Remittance Account to any other account will be Rs. 50,000 per day.
- No requirement for initial deposit.
- No local credit shall be allowed in the account.
- No outward remittance shall be allowed.
- No commercial remittance shall be deposited in the account.
- Names of prospective remitter(s) and relationship with beneficiary will be provided by the customer.
- Other service charges (if any) will be applicable as per approved schedule of charges.
- Other terms & conditions will be applicable as per account opening form.

TAQWA COMMITTEE ACCOUNT

TAQWA Committee Account is a unique saving solution which offers regular savers a medium term low risk and high return avenue for savings with flexible options and affordable denominations. The essence of TAQWA Committee Account is the "Multiplier" effect, the Mudarabah partnership increases with time and so does the return.

The salient features of this account are as follows:

- Mudarabah Based product whereby the profit is distributed between the customer and Bank based on the pre-determined profit sharing ratio.
- Monthly accumulation of profit - payable at maturity.
- Fixed monthly investment structure.
- Investment Denominations - Multiple of Rs. 2,000 (i.e., Rs. 2,000/-, Rs. 4,000/-, Rs. 6,000/- and onwards) with a cap of Rs. 20,000/-month.
- Flexible Term options of 01 and 03 years.
- Multiple Committee booking options.

TAQWA KISSAN DOST SAVING ACCOUNT

TAQWA Kissan Dost Saving Account facilitates customers who are engaged directly or indirectly with agri business/ activities. Following segments can open this account:

- Individuals
- Corporate customers (including Private Limited Companies)
- Small and Medium Enterprises

Salient Features

- Mudarabah Based product whereby the profit is distributed between the customer and bank based on the pre-determined profit sharing ratio and weightages.
- Initial deposit required for account opening is Rs. 1,000/-
- Free IBFT
- Free Online Banking
- Free Issuance of 1st Pay Pak Debit Card
- Free Issuance of CDR
- Free 1st 25 leaves cheque book
- Free 2 Universal cheques per month
- Free e-banking facility to view account balance and statement of account
- Profit payment on monthly basis
- Profit calculation on monthly average balance basis

ASSET SIDE PRODUCTS

MURABAHAH FINANCING

Murabahah means a sale of goods by a person to another under an arrangement whereby the seller is obliged to disclose to the buyer the cost of goods sold either on cash basis or deferred payment basis and a margin of profit included in the sale price of goods agreed to be sold. Murabahah is transacted in tangible assets only. Murabahah shall not be transacted in respect of any debt instrument including receivables. Being a sale transaction, it is essential that the commodities which are the subject of sale in a Murabahah transaction must exist, owned by the seller and in his physical or constructive possession.

Therefore, it is necessary that the seller must have assumed the risks of ownership before selling the commodities to the buyer/customer. It is a fixed price sale and normally is done for short term. The transaction can be used in order to meet the working Capital requirements by way of purchase of goods. It cannot be used to meet overheads payments such as settlement of utility bills or payment of salaries or settlement of amounts owed to others. Murabahah, as a mode of financing, has become synonymous with facility sale of goods by the Banks. As such, almost all kinds of businesses, including those providing services (hotels & hospitals, e.g.) may be the target for Murabahah facilities for their tangible assets or inventory.

PRODUCTS & SERVICES

ASSET SIDE PRODUCTS

DIMINISHING MUSHARAKAH FINANCING

Diminishing Musharakah (DM) is a form of co-ownership in which two or more people share the ownership of a tangible asset in an agreed proportion and one of the co-owners undertakes to buy in periodic installments the proportionate share of the other co-owner until the title to such tangible asset is completely transferred to the purchasing co-owner.

Diminishing Musharakah can be created only in tangible assets. It shall be limited to the specified Asset(s) and not to the whole enterprise or business. Proportionate share of each co-owner must be known and defined in terms of investment. There will be an undertaking by one of the co-owners to the effect to purchase the units of other co-owner at a mutually agreed price until the entire ownership of the asset is transferred to the purchasing co-owner.

Additionally, an undertaking shall be given by the other owner to the effect that he will sell the units owned by him to the first co-owner in the event the latter desires to purchase the units earlier than the agreed schedule on such price as may be mutually agreed. Also rental agreement is in place with customer enabling bank to collect the rental on bank's rented share to customer.

IJARAH

Ijarah refers to a transaction where the corpus of leased assets remains in the ownership of the Lessor and the Lessee is allowed to benefit from the usefulness of these assets (i.e., their usufruct) for a consideration. Only those assets can be leased which can be used while retaining their original form, e.g., land, building, machinery, tools, crockery & cutlery. During the entire term of the lease, the Lessor must retain title to the assets, and bear all risks and rewards pertaining to ownership. However, if any damage or loss is caused to the leased assets due to the fault or negligence of the Lessee, the consequences thereof shall be borne by the Lessee.

The consequences arising from non-customary use of the asset without mutual agreement will also be borne by the Lessee. The Lessee is also responsible for all risks and consequences in relation to third party liability, arising from or incidental to operation or use of the leased assets. The insurance/takaful of the leased asset preferably are in the name of Lessor and the cost of such insurance/takaful borne by him. The amount of rental must be agreed in advance in an unambiguous manner either for the full term of the lease or for a specific period in absolute terms.

MUDARABA

Mudaraba means an arrangement in which a person participates with his money (called Rabbulmal) and another with his efforts (called Mudarib) for sharing in profit from investment of these funds in an agreed manner. A Mudarib may be a natural person, a group of persons, a legal entity or a corporate body.

The profit shall be divided in strict proportion agreed at the time of contract and no party shall be entitled to a predetermined amount of return or remuneration. Financial losses of the Mudaraba shall be borne solely by the Rabbulmal; unless it is proved that the Mudarib has been guilty of fraud, negligence or willful misconduct or has acted in contravention of the mandate. The Mudarib can invest his funds in the business of the Mudaraba with the permission of Rabbulmal. The condition is that in such situation, the Rabbulmal shall not be entitled to a proportion of profit in excess of the ratio that his investment bears to the total investment of the enterprise. The loss, if any, shall be shared in proportion to the Capital of the parties. The amount of Mudaraba investment standing to the facility of Rabbulmal on the culmination or termination of Mudaraba arrangement shall be undertaken to be discharged by the Mudarib.

ISTISNA

Istisna is a mode of sale, at an agreed price, whereby the buyer places an order to manufacture, assemble or construct, or Cause so to do anything to be delivered at a future date. Price of the goods to be manufactured must be fixed in absolute and unambiguous terms. The agreed price may be paid in lump sum or in installments in the matter mutually agreed by the parties.

Unless otherwise mutually agreed, any party may cancel the contract unilaterally if the seller has not incurred any direct or indirect cost in relation thereto. If goods manufactured conform to the specifications agreed between the parties, the purchaser cannot decline to accept them except if there is an obvious defect in such goods. However, the agreement can stipulate that if the delivery is not made within the mutually agreed time period, then the buyer can refuse to accept the goods. The IBOP IBD (buyer in Istisna) can enter into a Parallel Istisna contract without any condition or linkage with the original Istisna contract. In one of them, the BOP IBD will be the buyer and in the second the seller. Each of the two contracts shall be independent of the other. They cannot be tied up in a manner that the rights and obligations of one contract are dependent on the rights and obligations of the parallel contract.

Further, Parallel Istisna is allowed with a third party only. In Istisna transactions the buyer shall not, before taking possession (actual or constructive) of the goods sell or transfer ownership in the goods to any other person. If the seller fails to deliver the goods within the stipulated period, the price of the commodity can be reduced by a specified amount per day as per the agreement. Also Murabahah can be done instead of parallel Istisna.

RUNNING MUSHARAKAH

Running Musharakah is Shariah compliant alternative of Running Finance Facility available in conventional banking system. Running Musharakah is based on the concept of Musharakah. The word Musharakah is derived from the Arabic word Shirkah meaning partnership. Islamic jurists point out that the legality and permissibility of Musharakah is based on the injunctions of the Qur'an, Sunnah, and Ijma (consensus) of the scholars.

Purpose of extending Running Musharakah facility is to finance working capital requirements of customer. Unlike Murabaha where finance is allowed for a specific purpose (sale/ purchase of item). In Running Musharakah, customer can utilize the funds for any of its Shariah Compliant working capital requirements.

TAQWA TIJARAH FINANCE

TAQWA Tijarah Finance is a short term trade based financing facility designed to meet the liquidity requirements of the customers. This is a Sale and Agency based financing facility extended to the customers against Finished Goods.

Tijarah Finance product provides flexibility to the Customers who deal with ready-to-sell items and require working capital for inventory holding or receivable financing purposes.

TAQWA Tijarah Finance product is available in following variants:

- Tijarah Finance – Local
- Tijarah Finance – Exports
- Islamic Export Refinance Facility under Tijarah Finance

OTHER PRODUCTS

LETTER OF CREDIT (LC) THROUGH MURABAHAH

LC is one of the most widely used modes of settling trade debts on an international level. Also, it is a convenient method for obtaining short-term financial accommodation from banks by the customers.

The concept of documentary letter of facility is to provide comfort and protection to suppliers / exporters, in respect of payment of the good supplied to the importers, by providing written assurance to pay the specified amount, in the original currency, upon conformity / acceptability of the documents.

It is pertinent to mention that the payment is guaranteed upon fulfillment of certain terms and conditions and submission of desired documents under Uniform Customs and Practices (UCP) 600 {The Uniform Customs and Practice for Documentary Facility (UCP) is a set of rules on the issuance and use of Letters of Facility. It provides all the important aspects and definition of terms used in documentary operations in foreign trade}.

The documentary letter of facility is deemed to be irrevocable unless specially marked as "Revocable". "Irrevocable" documentary LCs may not be amended or cancelled without the agreement of all the parties involved.

LCs, in general should not exceed 90 days. In Case of any exception, the facility should be adequately collateralized and/or sources of retirement should be properly identified. Reference to UCP 600 is to be made for details on types of LCs.

ALTERNATIVE DELIVERY CHANNELS

Following payment segments have been merged under the umbrella of Digital Banking Group:

- Alternate Distribution Channels
- Payment Card Products
- Cash Management Department
- Branchless Banking
- BOP Contact Center

The Bank of Punjab through its Digital Banking Platform is offering commutative services to its clients which broadly include commercial electronic banking activities, remote banking convenience and financial inclusion initiatives. The solutions being offered by the Bank are at par with the global standards and enable quick, accurate and convenient banking services to its valued clients.

Under Alternate Delivery Channels (ADC) initiatives, the Bank has successfully introduced following services:

- BOP Debit MasterCard
- SMS Banking
- BOP Mobile Banking
- Utility Bills Payment System
- Interbank Funds Transfer
- BOP Phone Banking & Telesales Unit
- Customer Relationship Management (CRM) solution
- Branchless Banking platform
- Cash Management payments system
- BOP Tap & Pay for QR based payments
- Electronic Statements
- Mastercard 3D Secure

The Bank of Punjab is supporting GoPb in the areas of healthcare, child education, direct subsidy disbursement, education and vocational training with an objective to uplift underprivileged segments of the society. In addition, the Bank has led from front in digitizing GoPb collections and payments mechanism across various departments, while maintaining transparency, accuracy and convenience.

Some of the key initiatives in this respect are as under:

- Khidmat Card Program for poor & marginalized communities
- Disbursement of Scholarships under Punjab Education Endowment Fund
- Payments under Prime Minister's Kissan Package
- E-Stamping
- E-Challans
- PESSI

AA+
Growing on Trust & Dedication
BOP is Now
AA+ Stronger
BOP's Long Term Entity Rating upgraded to AA+ by PACRA while the
Short Term Entity Rating is already at the highest scale of A1+.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mohammad Jehanzeb Khan	Director
Dr. Muhammad Amjad Saqib	Director
Syed Ghazanfar Abbas Jilani	Director
Mr. Mohammad Mudassir Amray	Director
Mr. Asif Reza Sana	Director
Ms. Nadia Rehman	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO

Mr. Kamran Hafeez ..... Secretary to the Board

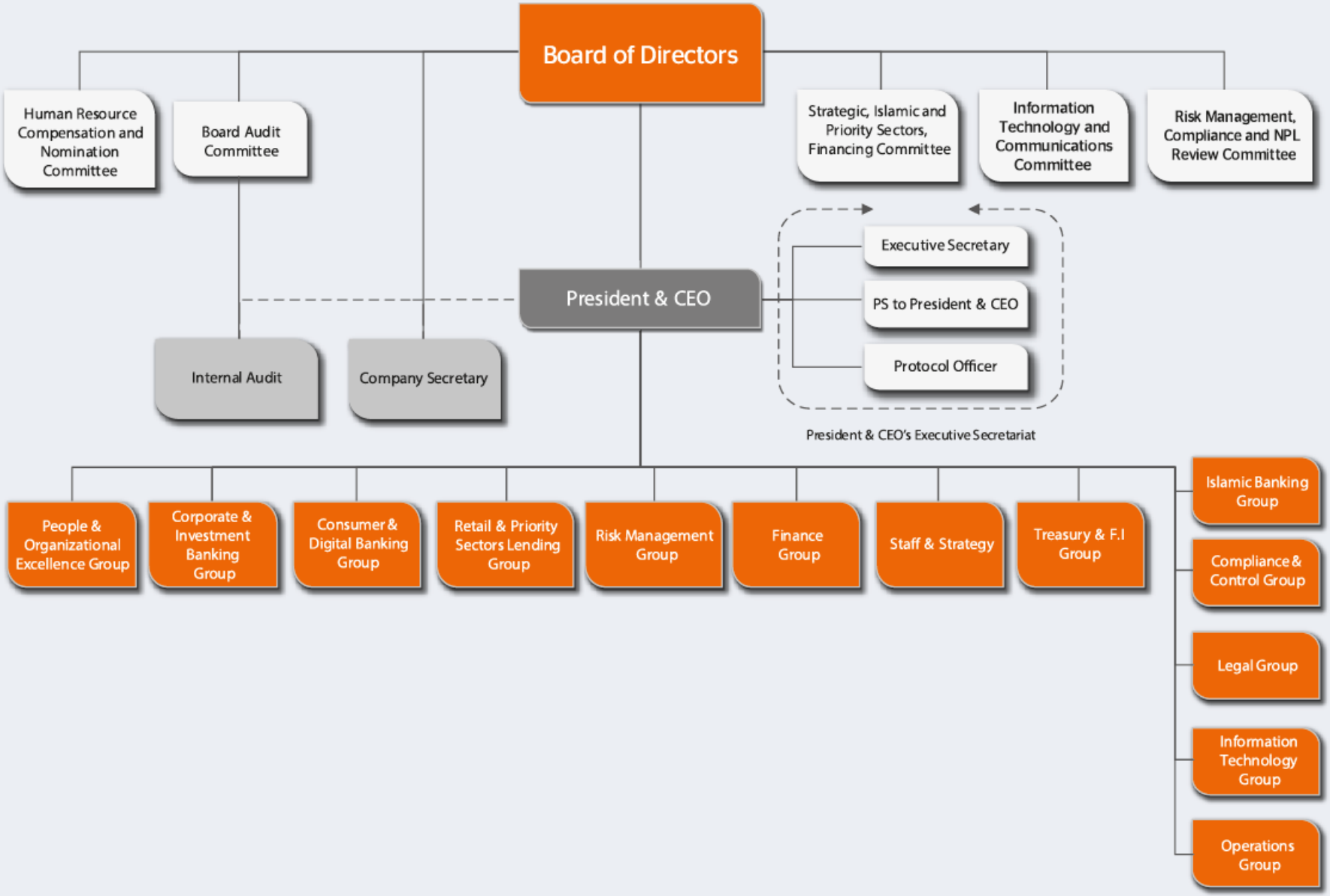
AUDITORS
EY Ford Rhodes, Chartered Accountants

REGISTERED OFFICE
BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III, Lahore.
Telephones: +92 42 35783700-10
Fax No. +92 42 35783975
UAN: 111 200 100

REGISTRAR
M/s. Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Telephones: +92 42 35916714, 35916719, 35839182
Fax No. +92 42 35869037

WEBSITE www.bop.com.pk

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS

Standing from Left to Right

• Dr. Muhmmad Amjad Saqib • Mr. Muhammad Naeem Khan • Mr. Asif Reza Sana • Syed Ghazanfar Abbas Jilani • Mr. Zafar Masud
• Mr. Mohammad Jehanzeb Khan • Mr. Mohammad Mudassir Amray • Ms. Nadia Rehman

BOARD OF DIRECTORS COMPOSITION

As of December 31, 2021, composition of Bank's Board of Directors is as under:

1	Mr. Zafar Masud	President & CEO
2	Mr. Mohammad Jehanzeb Khan	Director
3	Dr. Muhammad Amjad Saqib	Director
4	Syed Ghazanfar Abbas Jilani	Director
5	Mr. Mohammad Mudassir Amray	Director
6	Mr. Asif Reza Sana	Director
7	Ms. Nadia Rehman	Director
8	Mr. Muhammad Naeem Khan (*)	Director

* Fit and Proper Test (FPT) cleared by SBP on 17-02-2022.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

The Board of Directors of the Bank of Punjab are responsible for ensuring compliance with the regulatory regime and devising strategies that enable the Bank in reaching its desired goals and objectives, providing the management with strategic direction and monitor overall performance of the Bank.

In order to protect the interests of shareholders in a timely manner, the Board plays a key role to act as a bridge with the management on their behalf.

In terms of SBP's guidelines, Corporate Governance Regulatory Framework and requirements of Listed Companies (CCG) Regulations 2019 on performance evaluation of Board of Directors, a formal and effective mechanism is in place since 2016.

As per the requirements of these statutes, the Board decided to opt for in-house approach with qualitative and quantitative techniques and evaluation by an external independent evaluator every three years.

Key performance indicators mainly covered in Board's performance evaluation include:

- Input on Bank's strategies & policies and focus on alignment in right direction with the development of new policies encompassing Banks role in areas of emerging scenarios.
- The Board, its individual members, Committees and independent members discharge their roles in effective and efficient manner in line with regulatory requirements.
- Participation and contribution of all members through effective mechanism of Committees.
- Regular and effective check on Internal Controls, Compliance and Audit Function.
- Appropriate composition, experience and effectiveness of the Board & Sub-Committees, clear understanding of Bank's goals, vision & mission statements.

Accordingly, as per mechanism approved by the Board, in-house approach and quantitative technique with scored questionnaire for Board evaluation was conducted in 2021, covering independent directors, full Board, Board Committees and Chief Executive. Areas of improvement during the evaluation will be noted for appropriate action. It is observed that Board of Directors at BOP has efficiently performed its roles and responsibilities and added maximum shareholder value.

BRIEF PROFILE OF BOARD MEMBERS

Mr. Zafar Masud

Zafar Masud is a seasoned banker and entrepreneur, focus on Development Finance, with 27 years of proven track record of success and delivery. Served at top positions for multinational banks in Pakistan and abroad, including Regional Managing Director & CEO for Southern Africa, Barclays Bank plc. - responsible for three countries and represented on Board of Directors, managing total balance sheet size of US$3Bn and around 10,000 people. Worked at senior levels in Citibank, Dubai Islamic Bank and American Express Bank.

Before that until August 2018, worked as Director General, National Savings,Ministry of Finance. Initiated digitization of organization, including online banking and ATM Cards with the support of Gates Foundation, DfID and World Bank. Successfully included Persons with Disabilities and Shuhadah Families in welfare products of National Savings and set in motion launch of Overseas Pakistanis Savings Certificates.

Most recently, was working as CEO (Interim) for InfraZamin Pakistan - a DfID,UK driven initiative - a first of its kind credit enhancement company for social infrastructure financing in Pakistan.

Has extensive experience of working at Board of Directors level for major public and private sector entities including State Bank of Pakistan , Member of Independent Monitory Policy Committee, Oil & Gas Development Company Limited, Port Qasim Authority, Quaid-e-Azam Thermal Power(Private) Limited and Gadoon Textile Mills Limited.

Member of IMF motivated Task Force on Framing SOE Law, set-up by the Ministry of Finance.

Regular contributor to the local media on the topics of finance, economics and energy.

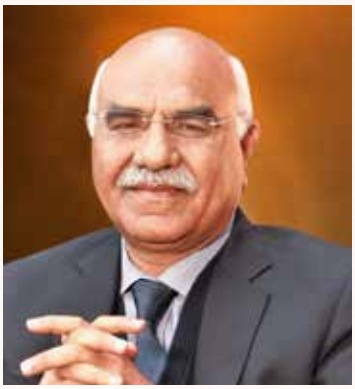
Mr. Mohammad Mudassir Amray

Mudassir is a seasoned banker with well-rounded exposure of over 25 years in senior management roles with proven track record in six geographies (USA, Nigeria, Malaysia, Hong Kong, Singapore, and Pakistan) and multiple roles with local and international banks.

Mudassir held various senior positions, including

1. Managing Director & Chief Executive Officer of Titan Trust Bank in Nigeria
2. Managing Director & Head of Global Capital Management for LATAM at Citibank New York
3. Managing Director & Group Head of Global Corporate & Investment Banking & Business SCO for Citibank Nigeria and Ghana
4. Head of Wholesale Banking at Al-Rajhi Bank in Malaysia
5. Director, Global Network Capital Management at Citibank in Hong Kong
6. Head of Islamic Banking for Asia Pacific at Citibank in Singapore
7. Country Business Head and Business SCO at Citibank in Pakistan
8. Regional Manager & Country Head Structured Finance for Bank Alfalah in Pakistan
9. Corporate Bank Head at United Bank Limited in Pakistan

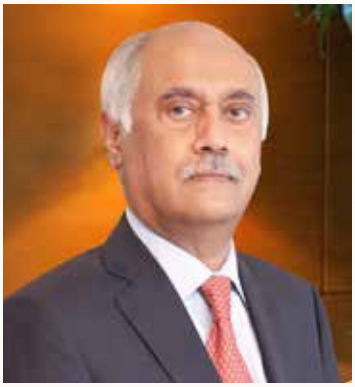
Mudassir has strong focus on governance and processes and has a balanced approach towards risk and business. He exhibits courage in taking tough decisions and had developed and adopted smart business strategies in different environments.



Dr. Muhammad Amjad Saqib

Dr. Muhammad Amjad Saqib is a prominent social worker, highly sought consultant, and a distinguished literary figure of our country. He graduated from King Edward Medical College Lahore and joined civil service of Pakistan (DMG) in 1985. While moving towards higher echelons in his dynamic career, he resigned in 2003 with an intent to dedicate himself to become a social entrepreneur and bring about paradigm shift in the society by founding a unique and largest interest free microfinance organization- "Akhuwat" wherein he is Founding chairman/Executive Director. Akhuwat being envisioned with a commitment for a poverty free society had disbursed over $207 million on various initiatives. Besides supporting the Chief Minister Punjab, as Advisor on Poverty Alleviation and Social Development, he renders honorary services for many Civil Society Organizations and NGOs.

He has been awarded "Life Time Achievement Award, 2014" by Abu Dhabi Islamic Bank (ADIB) and Thomson Reuters on 29th October 2014 at Dubai. The President of Pakistan awarded him "Sitara-a-Imtiaz" in 2010 on account of his contributions made for social development and poverty alleviation.



Syed Ghazanfar Abbas Jilani

Syed Ghazanfar Abbas Jilani joined Pakistan Audit and Accounts Service in 1984 and retired as Federal Secretary, Economic Affairs Division, Ministry of Finance in 2018. During his long and distinguished career he has held various senior positions in the Government and has diversified professional experience to his credit.

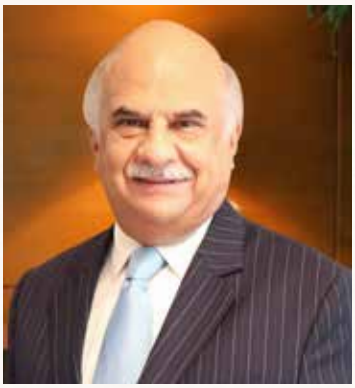
He remained posted in Pakistan and USA in various capacities having close interactions with donors like the World Bank, Asian Development Bank, Islamic Development Bank, Asian Infrastructure Investment Bank, United Nations Development Program, European Union and Bilateral Economic Development Partners.

He was on the Board of Directors of Pak-Arab Refinery Company, Pakistan International Airlines Company, Sui Southern Gas Company Limited, Government Holding Private Limited, National Highway Authority, National Engineering Services Pakistan, Pakistan Television and Islamabad Electric Supply Company.

His international exposure comprises as first Secretary in Pakistan's Mission to United Nations, delegate to the UN General Assembly and the focal person for Plenary Session to General Assembly. He held various positions as nominee of the Government of Pakistan i.e. i) Alternate Governor of the World Bank, Washington DC, ii) Alternate Governor of Asian Development Bank, Manila, iii) Asian Infrastructure Investment Bank, Beijing, iv) Alternate Governor and Director of Islamic Development Bank and member of Finance Committee, v) Director Pak-China Investment Company Limited and was Chairman of its Finance Committee.

He was leader of Pakistan's delegation to the Annual meeting of the Islamic Development Bank in Tunisia (2018), Asian Development Bank in Manila, Philippines (2018) and Asian Infrastructure Investment Bank at Mumbai, India (2018). Attended World Bank/IMF Spring Meeting in Washington DC and Annual Meetings of the World Bank/IMF in Bali, Indonesia.

He holds a Masters degree in Business Administration and Bachelors with Major in Economics from Government College Multan.



Mr. Mohammad Jehanzeb Khan

Mr. Mohammad Jehanzeb Khan is serving as Deputy Chairman Planning Commission, Government of Pakistan. He did his MBBS from University of Peshawar and MBA (Public Service) University of Birmingham, UK. He held various positions in Government and has 24 years diversified professional experience. His professional expertise includes Public sector financial management.

Mr. Asif Reza Sana

Mr. Asif Reza Sana is a banker turned entrepreneur and businessman engaged in multiple governance roles at the corporate level. He is well experienced in restructuring banks and creating financial services brands with a differential. He is also a private equity, banking and finance advisor. His prior career has been with world leader multinationals in the disciplines of finance, general management and marketing. He currently also owns insurance, healthcare and consumer products businesses.

Mr. Sana made his professional career debut in marketing, working for the Irish Dairy Board in 1981; he was then hired by the leading chocolate manufacturing multinational, Mars Inc., in 1982. In 1988, he was headhunted by Philip Morris (PM) then the largest consumer products company in the world. After the collapse of the Soviet Bloc in 1989 he was made a member of the Philip Morris task force, based at the international headquarters in Switzerland. Main assignment of the taskforce was to pioneer establishments of PM businesses in the newly liberated markets of Central and Eastern Europe through mergers and acquisitions, licensing and joint ventures. In 1991 he was appointed to the coveted position of Group head of Philip Morris' legendary flagship brand, Marlboro. He was promoted to a leadership role of managing a profit centre in 1995, responsible for global pricing strategies, financial management across several countries and currencies with complex tax structures and a multinational workforce based in several countries.

On his return to Pakistan, he was appointed advisor to the board of directors of Union Bank in 2000. He conceived, negotiated and closed the acquisition of Emirates Bank in Pakistan and Meshraq Bank in Sri Lanka for Union Bank. He was elected a member of the board of directors of Union Bank and continued to work as the executive director as well as a member of the Management Committee, ALCO, and In-Charge of the monthly business performance review of all country group heads. He assisted the HR and Audit committees. The majority shareholders then gave him the sole mandate to implement an exit strategy. He searched, short listed, negotiated and closed the sale of Union Bank to Standard Chartered Bank at a landmark price of US $ 485 million at the highest multiple in the banking industry of Pakistan at that time.

Subsequently, as an advisor to Askari bank he carried out the due diligence to determine the enterprise value of the bank. He steered the recapitalization plan of the bank. On the request of the new shareholders he joined the board of restructured Askari Bank as an independent director and served as the chairman of the audit committee for 6 years. He is currently appointed on the board of governors of Naya Pakistan Housing Authority and also serves on the boards of other public listed companies.

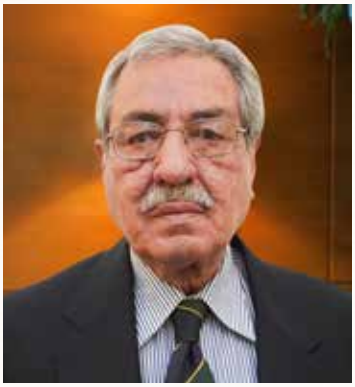
He is the founding trustee of a charity that rehabilitated radicalized youth in the main stream society through a boarding school and vocational training programme supported by the Government of Pakistan in Northern Areas. He is also on the Advisory board of Global Sustainability Network (GSN) of UK, a UN associated charity. He is an avid golfer, skier and sportsman.

Ms. Nadia Rehman

Ms. Nadia Rehman is a senior economic policy advisor with demonstrated expertise in international trade, digital government, and tech-enabled innovation. She has a consistent track record of building and leading high-performing and diverse teams in complex projects. She produced technically and potentially high impact economic policy research to create consensus on regional trade and investment agreements.

Ms. Rehman is currently working with the Government of Pakistan on the National Industrial Policy. During her career, she has served as Pakistan's Commercial Counsellor to the Czech Republic, Senior Trade Policy Specialist at the World Bank Group and Advisor on National Economic Corridors at the Asian Development Bank. Nadia has also worked with IBM & Microsoft Corporation, USA on developing real-time conferencing platforms.

She holds a Master of Public Administration with major in Development Economics from Harvard University where she was awarded the Benazir Bhutto Fellowship in 2020.She also has a Master in Computer Science from Duke University and a B.Sc. (Honors) degree in Computer Science from LUMS with a major in Artificial Intelligence.



Mr. Muhammad Naeem Khan

Mr. Muhammad Naeem Khan is a senior Director level banking professional with diversified domestic and international Commercial and Investment banking background spanning over a period of 35 years. He started his banking career with United Bank Limited in 1974 and served in various senior level positions at National Bank of Oman, Bank of Credit and Commerce International, American Express Bank, Al Faysal Investment Bank. He also served as Chief Operating Officer of Escorts Investment Bank and Inovative Investment Bank (formerly Crescent Standard Investment Bank).

He represented Government College Lahore and Punjab University and played National Squash Championships in Pakistan representing Punjab. Represented Oman and Luxembourg in Squash in International Championships. Travelled widely in Europe and Asia.

He holds a Bachelor degree from Government College Lahore.

BOARD COMMITTEES COMPOSITION AND TERMS OF REFERENCE

BOARD AUDIT COMMITTEE (BAC)

Mr. Mohammad Mudassir Amray.....Chairman
Mr. Mohammad Jehanzeb Khan.....Member
Syed Ghazanfar Abbas Jilani.....Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- Review of annual and interim financial statements of the Bank, prior to their approval by the Board, focusing on major judgmental areas, significant adjustments resulting from the audit, going concern assumption, any changes in accounting policies and practices, compliance with applicable accounting standards, compliance with Regulations and other statutory and regulatory requirements; and all related party transactions;
- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by external auditors and management's response thereto;
- Internal audit reports are provided to external auditors for the review and that auditors shall discuss any major findings in relation to the reports with the audit committee, which shall report matters of significance to the Board;
- Determination of appropriate measures to safeguard the Bank's assets;
- Coordination between the internal and external auditors of the Bank;
- External auditor (or a person involved in the audit of the bank) is not a close relative (i.e. Spouse, parents, dependents and non-dependent children) of the CEO, the CFO, the CIA, Company Secretary or a Director of the Bank;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight;
- Review of Management Letter issued by external auditors and management's response thereto;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Bank;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Review of summary of quarterly report on frauds/ forgeries/ dacoities;
- The systemic gaps, if any, that facilitated perpetration of fraud have been filled and actions being taken by the management to curb such incidents in the future;
- Identify the reasons for delay in detection and reporting to the senior management of the bank and SBP, if any;
- Monitor progress of investigations, court cases and recoveries position of cases of Rs. 0.5 million and above;
- Review the efficacy of remedial actions taken to prevent recurrence of frauds/ forgeries/ dacoities such as strengthening of internal controls, etc;
- Supervise the Whistle Blowing Unit;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording and the reporting structure are adequate and effective;
- Review of the Bank's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and identification of significant violations thereof;
- Monitoring compliance with relevant applicable regulations and identification of significant violations thereof;
- Recommending to the Board the appointment of external auditors, their removal, audit fees and related matters;
- Consideration of any other issue or matter as may be assigned by the Board.

BOP
BOP

RISK MANAGEMENT, COMPLIANCE AND NPL REVIEW COMMITTEE (RMC&NRC)

Syed Ghazanfar Abbas Jilani.....Chairman
Mr. Mohammad Mudassir Amray.....Member
Dr. Muhammad Amjad Saqib.....Member
Ms. Nadia Rehman.....Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- Monitoring and review of all material controls (financial, operational, compliance and risk management);
- Risk mitigation measures are robust and integrity of financial information;
- Appropriate extent of disclosure of Bank's risk framework and internal control system in Directors report;
- In addition to oversight and monitoring of ML/TF/PF risks posed to the entity, also be responsible for ensuring that entity has implemented effective AML/CFT controls (preventive measures) including Targeted Financial Sanctions (TFS) related to TF & PF, STR/CTR;
- The Board of Directors of the Bank has the ultimate responsibility of guiding and overseeing the design and implementation of enterprise wide Compliance Risk Management Program in the Bank. The CF should assist the Board / Committee in monitoring the Bank-wide implementation of Compliance Program and the level of compliance risk that the Bank is faced with at any given point in time.
- Approve "Compliance Risk Strategy" (as part of Bank's overall risk strategy) and allied Policies of the Bank and oversee its implementation across the entity in letter and spirit;
- Establishment of a robust Compliance Function (CF) compatible with Bank's overall risk management strategy, risk profile and complexity of operations, with required authority, independence, financial resources and quality human resources.
- Approve an end to end compliance program that promotes and supports compliance risk management across the organization, at every hierarchal level of the Bank;
- Discuss compliance issues regularly, ensuring that adequate time and priority is provided in the Board agenda to deliberate compliance issues and that such issues are resolved effectively and expeditiously.
- Evaluate the effectiveness of Bank's overall management of compliance risk, at least annually; keeping in view the regulatory observations in onsite examinations, regulatory enforcement actions, internal assessments/feedback from Internal Audit Function (IAF), compliance reviews, as well as interactions with the Chief Compliance Officer (CCO).
- The Committee shall be responsible to, on advice of CEO, approve the appointment of CCO with sufficient experience, expertise, skills and qualifications to perform CCO's functions in an effective manner and related matter;
- Review the minutes of Compliance Committee of Management meetings to ascertain its effectiveness in managing compliance risk.
- Review the progress in implementing remedial actions taken with respect to instances of non-compliance or control weakness as identified by CF through its regular 'Compliance Reviews' and /or various other sources.
- Review and approve the "Internal Risk Assessment Report" of the Bank;
- Receive and review Bank's standardized report/MIS on the ML/ TF/ PF risks posed to the Bank and the effectiveness of available AML/ CFT controls (preventive measures), on a Quarterly basis;
- Make recommendations to the Board of Directors in ascertaining Bank's risk appetite, formulating strategy and policies for managing risks and establish adequate systems and controls to ensure that overall risk remain within acceptable level and the reward compensate for the risk taken, make recommendations to the Board of Directors for approval of any material exceptions to the Risk Management Policies and tolerances;
- Recommend to the Board the Bank's Credit Risk Strategy and Significant Policies relating to Credit Risk and its management which should be based on the Bank's overall Business Strategy.
- Recommend to the Board the bank's overall risk tolerance in relation to credit risk.
- Bank's overall credit risk exposure is maintained at prudent levels and consistent with the available capital.
- Top management as well as individuals responsible for credit risk management possess sound expertise and knowledge to accomplish the risk management function;
- Bank implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of credit risk;
- Appropriate plans and procedures for credit risk management are in place.

- Bank's overall market risk exposure is maintained at prudent levels and consistent with the available capital.
- The Bank implements sound fundamental principles that facilitate the identification, measurement, monitoring and control of market risk.
- Adequate resources (technical as well as human) are devoted to market risk management;
- Devise policies and guidelines for identification, measurement, monitoring and control for all major risk categories;
- The Bank has clear, comprehensive and well documented policies and procedural guidelines relating to risk management and the relevant staff fully understands those policies;
- Reviewing and approving market risk limits, including triggers or stop losses for traded and accrual portfolios;
- Robustness of financial models, and the effectiveness of all systems used to calculate market risk, ensure that the Bank has robust Management information system relating to risk reporting;
- Review Policy for management of risks particularly in the areas of Credit, Market, Interest Rate, Liquidity, Operational, Technology, Information / Cyber Security, Shariah Compliance, Legal, Country, Financial Institutions, Conduct, Compliance, Money Laundering, Terrorism Financing, Proliferation Financing, and Reputational Risks;
- Review and recommend to the Board well defined and transparent write-off policy and review and recommend to the Board any write offs of irrecoverable / bad loans;
- There is an effective, integrated Operational Risk Management Framework which should incorporate a clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management/monitoring and appropriate tools that support the identification, assessment, control and reporting of key risks;
- Review and propose to the Board the delegation of adequate and appropriate powers down the line to ensure proper management and supervision of write-offs of bad/irrecoverable loans/advances;
- Effective internal control and supervisory mechanism is in place for write offs of bad/irrecoverable loans/ advances;
- Review the report of NPLs and write offs and major rescheduling / restructurings on quarterly basis;
- While the ultimate accountability for Operational Risk Management rests with the Board, and the level of risk that the Bank accepts, together with the basis for managing those risks, is driven from the top down by those charged with overall responsibility for running the business;
- The Committee shall be responsible for oversight of the IFRS 9 implementation process;
- Constitute an IFRS 9 Project Steering Committee to administer the Project;
- Review and approve Bank's transition plan for IFRS 9 implementation;
- Review the progress against the transition plan on a Quarterly basis;
- Smooth implementation of IFRS 9 within the timelines stipulated by State Bank of Pakistan.

HUMAN RESOURCE, COMPENSATION AND NOMINATION COMMITTEE (HRC&NC)

Mr. Asif Reza Sana ..... Chairman
Mr. Mohammad Jehanzeb Khan ..... Member
Dr. Muhammad Amjad Saqib ..... Member
Syed Ghazanfar Abbas Jilani ..... Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- A fair, transparent and competitive remuneration mechanism be developed and put in place that encourages the culture of "pay for performance";
- Consideration and approval of policy framework for determining remuneration of directors;
- Recommending to the Board, the structure of compensation package of Executive Directors, President & CEO, Key Executives and any other employee or group of employees institution-wide; recommendations will then be approved at appropriate level either by shareholders or by the Board of Directors according to legal and regulatory requirements;
- Approving the appointment, compensation package (including retirement benefits), promotion/demotion and renewal of the employment contracts of Key Executives (as defined in HR Policy except Chief Operating Officer or equivalent, Chief Financial Officer, Company Secretary and Head of Internal Audit);
- Bank wide remuneration policy should take into account all cadres of employees;

- Review the Remuneration Policy and remuneration setting mechanism at least once every three years; Key aspects of Remuneration Policy would be to develop separate structures of remuneration for Material Risk Controllers (MRCs) and Material Risk Takers (MRTs);
- Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Group Chiefs / SEVP- G, Chief Financial Officer and Company Secretary;
- Consideration and approval on recommendations of the President & Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Group Chiefs / SEVP- G;
- Considering and making recommendations to the Board in respect of the Board's Sub-Committees and the Chairmanship of the Board's Sub-Committees;
- Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary;
- Additional disclosures on Governance and Remuneration in the Annual Financial Statements of the Bank are made as required by "Revised Guidelines on remuneration Practices" issued vide SBP's BPRD Circular No. 01 of 2017 dated 25.01.2017;
- Oversight of various Human Resource functions including but not limited to review of Bank's organizational structure, training and development, implementation of HR plans, HR MIS, succession planning of key executives etc.

STRATEGY, ISLAMIC AND PRIORITY SECTOR FINANCING COMMITTEE (SI&PSFC)

Dr. Muhammad Amjad Saqib.....Chairman
Mr. Asif Reza Sana .....Member
Ms. Nadia Rehman .....Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- Review and recommend to the Board the 'Corporate Strategy' of the Bank;
- Review on an annual basis, the Annual Business Plan, Cash flow Projections, Forecasts and Strategic Plan presented by the Management of the Bank and recommend these for the approval of the Board of Directors;
- Making recommendations to the Board of Directors in introducing the necessary mechanisms and risk management systems to safeguard the interests of Investment Account Holders /Profit and Loss Sharing depositors;
- Appointment of Shariah Board to perform the functions as stipulated in the "Shariah Governance Framework for Islamic Banking Institutions" and to take appropriate measures for introducing and implementing an effective Shariah compliance framework;
- Recommending to the Board of Directors the approval of the TORs of the Shariah Board and fix remuneration of the Shariah Board members;
- Review the potential and competitive status of Taqwa Islamic Banking and suggest policy measures for its growth in line with its future vision;
- Review the quarterly accounts of Taqwa Islamic Banking alongwith comparative analysis of Islamic Banks / Islamic Banking Operations in Pakistan;
- Review the existing Islamic Banking lending and deposit products of the industry and suggest enhancement to such products and / or discuss characteristics of new products;
- Work for promotion of financial inclusion through Islamic Banking under guidelines of the State Bank of Pakistan;
- Oversee Bank's Performance in financing to 'Priority Sectors' i.e. Agriculture, Housing and SME Segments.;
- Periodically review, at least on a half yearly basis, the Business Strategies and their outcome and future business plans;
- Periodically review, at least on a half yearly basis, performance of new initiatives, products etc. introduced for business growth;
- Periodically review, at least on a half yearly basis, portfolio growth trends, exposure concentrations and geographical distribution;
- Periodically review, at least on a half yearly basis, the performance versus internal and regulatory targets;
- Periodically review, at least on a half yearly basis, the measures taken for capacity building of staff through in-house and external training;

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HOUSING AND DEVELOPMENT AUTHORITY
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- Periodically review, at least on a half yearly basis, the use of technology to strengthen credit appraisal and monitoring.

INFORMATION TECHNOLOGY AND COMMUNICATIONS COMMITTEE (ITCC)

Mr. Mohammad Jehanzeb Khan.....Chairman
Mr. Asif Reza Sana .....Member
Ms. Nadia Rehman .....Member
Mr. Mohammad Mudassir Amray .....Member

Terms of Reference

TORs of the Committee include ensuring, inter alia:

- To establish a comprehensive enterprise technology governance framework which defines the leadership, organizational structures and processes to ensure that the Bank's technology sustains and extends the enterprise's strategies and objectives; to make recommendations to the Board to this end;
- Review and approve an IT Governance Framework to ensure that Bank's IT supports and enables the achievement of corporate Strategies and objectives, the Committee shall be responsible to recommend to the Board the IT Governance Framework;
- Review and approve "IT Strategy" and "Digital Strategy" in line with the business strategy of the Bank and monitor and update the same on regular basis keeping in view potential opportunities and threats;
- Establish an efficient and effective IT organization structure in line with the IT governance framework, the Committee shall be responsible to make recommendations to the Board to this end;
- Technology risks are integrated with the enterprise risk management function to achieve security, reliability, resiliency, interoperability and recoverability of data/information and information assets; make recommendations to the Board in this regard;
- Review technology related policies and review the same periodically in light of major technological/ regulatory developments at least after every three (03) years; recommend to the Board the technology related policies.
- Review relevant policies of Digital and Branchless Banking before approval of the Board;
- Review digital products and trends prevalent in the industry along with comparative analysis with peer banks;
- Risk management strategies pertaining to Digital initiatives are designed and implemented to achieve resilience, mitigating risk avenues, and service disruptions.
- Maintenance of an independent and effective Technology Audit Function commensurate with the complexity of Bank's technology risk profile; make recommendations to the Board in this respect;
- Resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled; make recommendations to the Board to this end;
- Skills required for technology governance, service delivery, information security and risk management are sufficient and upto date; make recommendations to the Board in this regard;
- Approve and receive periodic updates on major technology related projects that may have significant impact on Bank's operations, earnings or capital, and shall also define the criteria for major projects; make recommendations to the Board in this respect;
- Risk management strategies are designed and implemented to achieve resilience, such as the ability to effectively respond to wide-scale disruptions, including Cyber Attacks and attacks on multiple critical infrastructure sectors;
- Technology procurements are aligned with the IT strategy and approved by the Board;
- Formulate a comprehensive policy on due-diligence and risk management of Cloud Service Provider; make recommendations to the Board for approval of this policy;
- Review and recommend to the Board Business Continuity Plan (BCP) based on a comprehensive BIA and risk assessment exercise;
- Reporting and advising to the Board on status of Digital initiatives, and programs;

SHARIAH ADVISOR BOARD
COMPOSITION AND PROFILE

Currently, Bank's Shariah Board consists of following members:

1. Mufti Muhammad Zahid
2. Dr. Muhammad Mushtaq Ahmed
3. Mufti Rafey Ashraf Usmani
4. Mufti Muhammad Umar Irfan

BRIEF PROFILE OF MEMBERS:

Mufti Muhammad Zahid
(Chairman Shariah Board)

Mufti Muhammad Zahid is a renowned personality in the field of Shariah having a long association of 29 years while serving as a teacher in various branches of Islam & Arabic language, Vice President of Jamia Imdadia Faisalabad and member of its Dar-ul-Ifta since 1989.

Mufti Muhammad Zahid is working as General Secretary Centre for Islamic Economics, Faisalabad, Member Regional Focus Group on Islamic Banking State Bank of Pakistan, Member Shariah advisory cell International Islamic University Islamabad, Member Executive Committee International League of Islamic Literature Pakistan Chapter, External Examiner for viva-voce of thesis of LLM (M. Phil.), Faculty of Sharia & Law, International Islamic University, Islamabad, Member Board of Studies Faculty of Sharia & Law (Dep. Islamic Law) International Islamic University Islamabad, Member Ulema Board PIPS (Pak Institute for Peace studies), Member consultancy group Centre for Islamic Business Riphah International University, Chairman of the Shariah Supervisory Committee of Bank of Khyber and Chairman Shariah Board of Askari Bank Limited and Shariah Board Member of MCB-Arif Habib Islamic Fund.

Mufti Muhammad Zahid has authored various publications including Islamic Banking Foundation (translation from English to Urdu of the work of Mufti Muhammad Taqi Usmani).

Mufti Muhammad Zahid holds Shahadh Al-Alamiyyah from Wifaq-ul-Madaris, Al- Arabiyyah Pakistan and Masters Degree in Arabic from International Islamic University, Islamabad.

Dr. Muhammad Mushtaq Ahmed
Member - Shariah Board

Dr. Muhammad Mushtaq Ahmed is a renowned Shariah scholar with proven experience of Islamic Banking and Finance. Dr. Mushtaq has preeminent academic background in Islamic Studies & Islamic Banking and he did his Doctorate (Phd) in Islamic studies/ Shariah with research topic of "Islamic Banking Practices - Shariah Perspective". He specialized in Fiqh, Iftaa and Shariah from Darul Iftaa Wal Irshaad Karachi Pakistan; he has distinction as Gold Medalist in M.A Islamic Studies (Shariah)/Aalimiyya from Jamia Darul Uloom, Karachi.

He is teaching Shariah and Islamic banking courses since 2006. He has delivered lectures in various national and international programs about Islamic Banking, his research papers on Islamic Banking and Finance and social issues have also been published in international research Journals.

Mufti Rafey Ashraf Usmani
Resident Shariah Board Member

Mufti Rafey Ashraf Usmani is an eminent Shariah Scholar.

Mr. Rafey has strong academic background in Islamic Studies, Islamic Jurisprudence and Islamic Economics. He completed his religious qualifications including Takhassus-fi-Iftaa & Shahdat-ul-Aalimiyah from Jamia Darul Uloom, Karachi.

Mr. Rafey has done his MS Islamic Banking and Finance from University of Management and Technology Lahore (UMT). He is visiting faculty member at different academic institutions including Jamia Ashrafiya Lahore, Jamia Usmania Lahore, Minhaj University Lahore and University of Management and Technology Lahore.

He has delivered several lectures at different forums and has written about more than three thousand Fatawas on different Islamic topics including Islamic Finance and family law.

Mufti Muhammad Umar Irfan
Resident Shariah Board Member

Mufti Muhammad Umar Irfan is a prominent Shariah scholar. Mufti Muhammad Umar Irfan has strong academic back ground in Islamic Studies, Islamic jurisprudence and Business & finance. He completed his religious qualification including Takhassus-fi-Iftaa from Jamia Islamia Imdadia Faisalabad & Shahdat-ul-Aalimiyah from Wifaqul Madaris.

Mr. Umar has done MBA Islamic Business and Finance from Riphah International University Islamabad. He is teaching Shariah and Islamic banking & Finance courses since 2012. He has delivered lectures in various institutions including Jamia Arbiya Oloom Sharfia, Alburhan, and National Institute of Banking and Finance. He has written about more than Seven Hundred Fatawas on different Islamic topics including Zakat, Hajj and Financial Issues.

MANAGEMENT

Zafar Masud
President / CEO

Farid Ahmed Khan
Group Chief Corporate and Investment Banking

Zahid Mustafa
Group Chief Consumer and Digital Banking

Nadeem Amir
Chief Financial Officer

Ijaz ur Rehman Qureshi
Group Head Operations

Asif Riaz
Group Head Retail and Priority Sector Lending

Khawar S. Ansari
Group Head Treasury and FI

Faisal Ejaz Khan
Chief Information Officer

Arslan M. Iqbal
Chief Risk Officer - Additional Charge as Group Head SAMD

Alia Zafar
Group Head People and Organizational Excellence

Nofel Daud
Chief of Staff and Strategy

Umer Iqbal Sheikh
Group Head Islamic Banking

Waqas Mahmood
Chief Compliance Officer

Hamza Khalid Randhawa
Chief Legal Officer

Asadullah Khan
Chief Internal Auditor

MANAGEMENT AND ITS COMMITTEES

MANAGEMENT

SR. #	NAME	DESIGNATION
1	Mr. Zafar Masud	President and CEO
2	Mr. Farid Ahmed Khan	Group Chief Corporate and Investment Banking
3	Mr. Zahid Mustafa	Group Chief Consumer and Digital Banking
4	Mr. Nadeem Amir	Chief Financial Officer
5	Mr. Ijaz Ur Rehman Qureshi	Group Head Operations
6	Mr. Asif Riaz	Group Head Retail and Priority Sector Lending
7	Mr. Khawar Shahid Ansari	Group Head Treasury and FI
8	Mr. Faisal Ejaz Khan	Chief Information Officer
9	Mr. Arslan Muhammad Iqbal	Chief Risk Officer - Additional Charge as Group Head SAMD
10	Ms. Alia Zafar	Group Head People and Organizational Excellence
11	Mr. Nofel Daud	Chief of Staff and Strategy
12	Mr. Umer Iqbal Sheikh	Group Head Islamic Banking
13	Mr. Waqas Mahmood	Chief Compliance Officer
14	Mr. Hamza Khalid Randhawa	Chief Legal Officer
15	Mr. Asadullah Khan	Chief Internal Auditor

KEY MANAGEMENT COMMITTEES

SR. #	COMMITTEE	PURPOSE
1	MANCOM	A discussion forum, constituting of all Group Heads reporting directly to P&CEO, to review performance of the Bank and all its key functions vis-a-vis business strategy & targets. Further, to discuss issues critical for meeting Bank's objectives.
2	ALCO (+ Investment Committee)	This constitutes of members from Treasury, Risk, Finance and Business to devise comprehensive strategies and guidelines for measurement, monitoring and control of Market, Interest and Liquidity Risks. It also reviews and approve Bank's investment Strategy.
3	Compliance Management Committee	This comprises of all Group Heads reporting to P&CEO, to oversee of implementation of Bank's Compliance Program.
4	IT Steering Committee	Has representation of IT, Business, Strategy, Finance and Operations to set IT direction and strategies for expansion of technology and related requirements in line with business requirements of the Bank.
5	Procurement & Premises Committee	To examine, review and approve purchasing, renting, upgradation and shifting etc. of Banks' premises. It consists of members from Business, ASG, Finance and Operations.

SR. #	COMMITTEE	PURPOSE
6	Non-Banking Asset Management Committee	To ensure effective management and/or disposal of Bank's NBAs.
7	Marketing & Communication Committee	To approve annual Media Budget of the Bank along with periodic media and publicity campaigns. The committee has representation from Strategy function and relevant Group Head
8	Fraud Risk Management Committee	Oversee implementation of Fraud Risk Management Policy and take decisions on the investigative findings of internal & external frauds.
9	Operational Risk Management committee	Comprises of members from Risk, Business, Strategy, Finance, Operations and HR to ensure Implementation of Operational Risk Policy and review status of key risk indicators of the Bank.
10	Credit Risk Management Committee	Has representation of Business and Risk to ensure Implementation of credit risk policy/strategy approved by BOD. Further, monitor credit risk on a bank wide basis and ensure compliance with limits approved by BOD.
11	BASEL Implementation Committee	Constitutes of members from Business, Risk and Finance to ensure bank wide implementation of Basel framework as per SBP instructions and guidelines issued from time to time.
12	Business Continuity Planning (BCP) Committee	The committee consists of members from Treasury, Business, Risk, Operations, Compliance and technology to oversee the effectiveness of Bank's BCP throughout the organization.
13	Islamic Banking Steering Committee	The committee reviews the performance of Taqwa Islamic Banking Group vis a vis its Business Plan & Strategy.
14	Audit Coordination Committee	To track rectification of audit observation and bring in more focus on remediation of audit observations.

POLICIES AND GOVERNANCE

In order to ensure effective governance across organization in line with prevalent regulatory regime, the Bank has put in place necessary policies duly approved by Bank's Board of Directors. Some Key policies along with salient features are as under:

1. **Human Resource Framework**

   During the year 2021, the People & Organizational Excellence Group continued to pursue a multi-pronged strategy focusing on the areas of Learning & Development, career progression and build a pay for performance culture across organization. People & Organizational Excellence Group ensures Employee Engagement, Diversity & Inclusion and Team Building. People & Organizational Excellence Group has established a very efficient grievance handling mechanism to timely address the employee's grievances.

   Diversity & inclusion are an essential pillar of the Bank's strategy directed to create an inclusive environment which embraces difference and fosters inclusion. The Bank believe that valuing diversity and inclusiveness is a competitive differentiator enabling it to achieve vision of creating unmatched value for customers, colleagues, business partners and shareholders. Diversity & Inclusion is one of the Key Strategic Areas of the Bank, therefore, a comprehensive Diversity & Inclusion Policy has been framed in year 2020-2021.

   In line with Bank's Diversity & Inclusion Policy following initiatives has been taken:

   - Batch Hiring of Females was conducted to increase females ration. At BOP 16% (as on September 21) are females in comparison to the market average of 15%.
   - Batch Hiring of Persons with Disabilities (PWDs).
   - Hiring of Transgender in the Bank.
   - Affirmation Actions Policy to take special actions for underrepresented groups i.e. Conducted Specials Promotions during the year 2021.
   - Gender Sensitization Sessions throughout the Bank.
   - Diversity and Inclusion is given weightage in annual Balance Scorecard of all senior positions.
   - In line with directives of the SBP, annual % increase in female's ratio is defined and accordingly presented to the SBP. BOP has already ahead of the targets assigned by SBP.

   In line with organizational focus to provide growth opportunities to internal talent of the Bank, detailed Succession Policy has been put in place. Succession

Planning policy aims to develop a transparent process through which successors are identified, assessed and developed to assume higher responsibilities at Key positions in the Bank. The Succession Planning Policy helps the Bank to achieve following objective:

- Identifying future leaders of the Bank
- Ensure continuity of the Business & Resources
- Minimize disruption & knowledge loss caused by vacant slots
- Increase effectiveness of leadership development
- Provide growth opportunities and progression path to employees
- Developing High Potential Employees to provide basis for long term planning and achieving future goals and improving the performance of the organization.

Succession Planning exercise is conducted on yearly basis. Critical positions of the Bank and according succession planning exercise is conducted on yearly basis.

People & Organizational Excellence Group shall continue to focus on policies directed towards welfare of all employees which would ultimately make BOP employer of choice in near future.

2. **Information Security Policy:**
The purpose of Information Security ("IS") is to ensure that the information remains confidential, its integrity is maintained and it is available when needed. The purpose of this document is to define the principles to which all the employees must adhere to when handling or coming across the information, owned by or entrusted to BOP in any form.

The policy establishes principles for management of risk originating from threats and vulnerabilities that could impact Information assets or Information Systems environment. The environment includes all Information Systems operated by The Bank of Punjab (BOP) or contracted with a third party by BOP. It covers related documentation, physical and logical controls, hardware, software, and data (together with I.T assets). The policy defines parameters to ensure confidentiality, integrity, availability and appropriate use of information assets that are owned or managed by BOP. Throughout this document, reference to the IT should be taken to include all computing facilities and systems including their underlying infrastructure to support various IT services.

State Bank of Pakistan ("SBP"), being the regulator of financial institutes in Pakistan, has laid requirements in various regulations for the security of banks' information. This document intends to comply with all such requirements laid down by SBP. The guidelines contained in this policy are to be followed by all users, having access to bank's information, including management, bank's employees, employees of outsourcing agencies, vendors and third parties etc.

3. **Information Security Risk Management Framework:**
The information created, processed and used by The Bank of Punjab (BOP) is of great value to the organization. Information Technology is one of the primary tools used to render banking services to BOP customers and to help management in decision making. Information requires protection from unauthorized access, unwanted modification and disclosure or destruction. Information assets1 are exposed to inherent risks due to the industry's typical dynamics. Risks to information could cause harm to information security i.e. it may compromise Confidentiality, Integrity and/or Availability of information. The purpose of this document is to provide BOP staff with direction in how to apply consistent and comprehensive Information Security ("IS") risk management.

4. **IT Policy:**
   a. The main goal of deploying information technology within the Bank is to support the strategic business plan of the Bank, to enhance customer services and provide effective control over the Bank operations through automation and MIS. The IT Policy lays down the principles that are to be followed for achieving the above broad objectives. However, specific implementation plans and procedures to achieve these goals should be developed separately.

   b. The information technology function in The Bank of Punjab will be responsible for implementation of the Policy and will coordinate with the stakeholders for development of related plans, procedures and/or operational manuals to achieve compliance with the Policy.

   c. The IT Policy is to be read in conjunction with the Bank's Information Security Policy which addresses specific areas of information and information technology security. While the IT Policy covers most of the areas pertaining to use of IT within the Bank, the other mentioned policy covers security issues with more detail. The aim of the Bank is to achieve best practices in information security.

   d. The goals of the IT Policy in different spheres of the Bank's operations along with relevant policy statements are enumerated hereunder.

5. **Internal Audit Policy:**
Internal controls are crucial for the success of an organization, especially financial institutions that are entrusted with public money. Internal Control refers to policies, plans and processes performed on continuous basis by the senior management and all levels of employees within the bank. These internal controls are used to provide reasonable assurance regarding the

achievement of organizational objectives in continuous manner. The Bank has adopted the most widely implemented COSO Internal Control Framework for improving the quality of financial reporting through effective internal controls.

While there will be an Internal Control Policy (to be approved by the Board separately) to provide standard on which business and support divisions will operate and all divisions will be fully accountable to ensure that this control policy is being adhered to. At the same time, the Board of Directors of Bank of Punjab firmly believes that a clear, transparent and strong internal audit policy is a critical first line of defense for good governance and soundness of the accounting and governance practices and all business and support divisions will be evaluated and measured by the Audit & RAR Group against such Internal Control Framework.

6. **Risk Management Policy:**

The prime objective of Risk Management Policy document is to formalize all the risk assessments, measurements, and management, monitoring, review and mitigation policies for the management to follow. It clearly defines the scope and structure of the Bank, with respect to the roles and responsibilities, and spells out risk management policies in the areas of credit risk, market risk, liquidity risk, operational risk and country risk.

Risk management is a discipline at the core of every bank/financial institution and it encompasses all the activities that affect the Bank's risk profile. It involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that:

a. The individuals who undertake or manage the risks clearly understand them.
b. Bank's risk exposure is within the limits established by the BOD.
c. Risk-taking decisions are in line with the BOD's business strategy and objectives.
d. The expected payoffs compensate for the risks taken.
e. Risk taking decisions are explicit and clear.
f. Sufficient capital, as a buffer, is available to take risk.

7. **Whistle Blowing (WB) Program:**

The Bank of Punjab is committed to operating practices with the highest possible standards of service, delivered in an ethical, professional and legal manner. The bank's interactions with customers, suppliers and others requires trust, and all of the bank's directors including the CEO, officers, and employees (herein referred to as "personnel") must maintain strict compliance with all applicable laws and regulations.

The bank has adopted a Code of Conduct that establishes specific expectations regarding the behavior of its personnel, and is committed to maintaining an effective internal control environment to detect and to prevent or deter improper activities. Effective internal controls can also ensure the accuracy of the bank's financial reporting and related disclosures. However, even the best systems of internal controls cannot provide absolute safeguards against irregularities; intentional and unintentional violations of laws, regulations, policies and procedures may occur, and the bank has a responsibility to investigate and address allegations of suspected fraudulent, wrongful, or improper activities.

The WB Program is in addition to the existing systems of complaint and dispute resolution. It is part of a new effort to further improve governance and service quality at The Bank of Punjab. This program sets out the procedures for lodging of complaints and concerns by the WBs, handling of complaints by the bank, reporting requirements, disciplinary actions / rewards / penalties and periodic monitoring of the program.

Although the Bank of Punjab has launched Whistle Blowing Program in the year 2010 duly approved by its Board of Directors in 157th meeting held on march 15, 2010 being the best practice yet the same was revisited per defined frequency and in the light of Annexure-1 of SBP BPRD Circular # 03 of 2014 dated February 20, 2014 - Instructions on Fraud Risk Management for Banks/ MFBs/ DFIs & subsequent amendment vide BPRD Circular #06 of 2015 dated March 02, 2015.

8. **Compliance Policies:**

Compliance can be defined as adherence to all applicable laws, acts and regulations such as Banking Companies Ordinance 1962, The State Bank of Pakistan (SBP) Act 1956, Anti-Money Laundering Act 2010 etc., SBP prudential regulations, frameworks & guidelines issued from time to time as well as Bank's own Policies and Procedures.

The Bank of Punjab ("the Bank" or "BOP") shall comply with all applicable laws, rules and regulations along with best practices and market standards where possible to ensure highest standards of compliance culture, controls efficacy of systems and processes.

Compliance risk is the risk of regulatory noncompliance which may lead to sanctions, financial loss, or loss of reputation. Compliance laws, regulations and standards have various sources, including primary legislation, rules, and standards issued by the legislators and supervisors, code of practice promoted by industry associations and internal code of conduct applicable to staff members of the Bank. Accordingly, the compliance of these is likely to go beyond what is legally binding and embrace standards of integrity and ethical conduct.

The Compliance Function is organized to assist the Bank in managing the compliance risk effectively. The identification of compliance risk, its assessment, and appropriate risk response are core activities of the Compliance Function.

In BOP, Compliance Function is independent and has authority on compliance matters with unrestricted access to any information, function, and personnel's etc. required to achieve its objectives and to support a healthy compliance culture within the organization.

9. Fraud Risk Management:

As per regulatory requirement stated in PSD Circular No.9 of 2018, BOP has deployed real-time fraud monitoring tools and alert mechanisms under the umbrella of Risk Management Group namely Fraud Risk Management Solution (FRMS). The objective of this unit is to monitor potential fraudulent activities on the Card Systems to safeguard banks and their customers from potential losses due to cyber-crimes and online banking frauds.

Currently, BOP is utilizing an online fraud monitoring system "FRACTALS" for monitoring of OFFUS issuing portfolio. Fraud Risk Monitoring (FRM) analysts are performing monitoring activities on FRACTALS for post authorized transactions. Transactions are triggered by pre-defined risk rules (Alerts) in FRACTALS and analyst take decisions after analyzing the risk score and isolated risk of each transaction such as risky MCC (Merchant Category Codes), risky country number of transactions etc. FRMS department is the key contact point for Master International/Acquiring Banks to be operational on 24/7 basis.

This manual covers in detail all the various known frauds in the card business while also reflecting the importance of preparation of staff to identify dynamic trends of fraudulent activities and ways to proactively tackle such situations.

Banks with higher volumes but low ticket size transactions are largely exposed to fraudulent activities on a routine basis. The operating environment is ever-evolving and consequently more vulnerable to frauds. The objective of this document is to effectively optimize the fraud risk management and maintain the risk and reward trade-off to safeguard customers as well as bank from such activities.

10. Business Continuity Plan:

The purpose of Business Continuity Plan is to establish procedures whereby critical business processes as identified can be restored timely to operate on interim basis in the case of a disaster. BCP teams and all concerned staff shall use this plan as an action guide in the event of a disruption, for providing a pre-planned response to a disaster event. The document is complimented by a Disaster Recovery Plan ("DRP") to plan for the contingency caused by technology service disruption or information loss or unavailability. There are many possible causes of service disruption which may affect routine operations of the bank causing financial or reputation damage. To cope with this unavoidable scenarios, alternative measures need to be implemented to maintain an acceptable level of business processing.

Examples of such incidents may include but not necessarily limited to:

- Natural disaster, epidemic, terrorist attack; Fire, flood, extreme weather conditions; Theft of vital records
- Loss of facilities (e.g., one or more floors at Head Office) Loss of utilities, including IT and telephone systems; and
- Major disruption to staffing; epidemic, transport disruption, industrial action, inability to recruit; mass resignations. These events may not be mutually exclusive, i.e. extreme weather may lead to loss of electricity, disruption of transport, staff inability to get to work and the like.

RISK MANAGEMENT FRAMEWORK AND RISK & OPPORTUNITIES

Robustness of the Bank's Risk Management Framework is ensured through periodic review of Bank's Risk Policies and Procedures by establishing that they conform to international as well as local regulatory standards and Best Practices. Risk Management Group of the Bank reviews risk related to Policies and Procedures, ensures induction of new controls, thresholds, early warning indicators and limits along with strengthening of existing ones for Risk:

- Identification / assessment.
- Mitigation.
- Monitoring.
- Control.
- Reporting.

Review of Risk Policies and Procedures at the entity level is conducted across the entire Risk spectrum; encompassing Credit, Market, Interest Rate, Liquidity, Operational, Technology, Information Security, Cross Border, Settlement, Compliance, Legal, Money Laundering (ML), Terrorist Financing, Proliferation Financing and Reputational Risks etc.

Current year was challenging in terms of market conditions: the year was characterized by prolonged Covid-19, increased geopolitical tensions, weakening credit performance in certain parts of the market, tightening liquidity and upward pressures on funding costs. However, bank's balance sheet and P&L continued to demonstrate resilience. Some CY 2021 highlights include:

- NPL ratio of 9.74%; lower than last year's 12.93%.
- Provision (Specific) coverage is 89.76% for the CY 2021 as compare to 83.58% CY 2020.
- Capital adequacy ratio of 12.27%, which is robust in line with regulatory requirement of 11.5%.
- LCR is 137% which is higher in reference to regulatory requirement.

With a continued focus on risk management practices alongside enhanced monitoring related to Basel II/III and IFRS-9 framework; bank has managed to improve its' credit quality whilst also maintaining balance sheet growth.

We continue to invest in our risk management capabilities through expanded portfolio-exposure reporting and analytic techniques, standardized stress testing, assessment of ratings migrations, technical trainings, model-development capabilities, and tuning/calibration. We also continue to monitor the impact of macro-economic developments on domestic front and their impacts on bank portfolio to make changes as appropriate to our underwriting capabilities and policies.

Through continued focus on automation and information management, Bank is aligning itself with anticipated Basel

III requirements which State Bank of Pakistan is in process of implementing in near future. Bank is also upgrading its risk infrastructure through projects such as the digitalization of credit approvals (LOS) and rollout of Enterprise Risk Management Systems including Compliance Risk Management System, Basel Engine, IFRS-9 Engine, Internal Credit Risk Rating Models for Corporate/SME, Facility Risk Rating Models, LGD & PD Model etc. to ensure that our risk management practices remain best-in-class. RMG has also designed Bank-wide Risk Register on consolidated level which gives a holistic view of Risk and Controls. For enhanced return to stakeholders with efficient utilization of funds, bank has embarked on developing / implementing Risk Adjusted Return on Capital (RAROC) model.

EMINENT RISKS

There always lie a possibility of an event(s) that could lead to significant unexpected / negative outcome(s) which may impede the Bank's capability in meeting its strategic objective(s). As an on-going practice, the Bank assesses the potential impact of an emerging risk, both from financial and non-financial aspects and takes corrective / remedial measures as necessary. Broadly speaking, eminent risks that could materially affect Pakistan banking system are; macroeconomic conditions, geopolitical risks, regulatory & legal risk and cyber security risks.

MACROECONOMIC CONDITIONS OF PAKISTAN

Definition and potential impact: Prolonged Covid-19 and widening gap in balance of payment, current levels of high inflation and massive policy rate changes has an impact on the Pakistan economy. Most analyst reports have initial forecast of slowdown in GDP growth and an associated period of lower credit growth and tighter liquidity conditions, however as per recent developments, GDP growth of 5.37% which supports the argument that Pakistan is successfully tackling the Covid -19 pandemic challenges.

Mitigation strategy: BOP continuously keeps an eye on all developments and associated economic changes. In this regard BOP prepares various analysis reports/dashboards at Management Committee/ Board levels and comprehensively covers these impacts on Bank's credit, market, operational and others risk factors.

Bank's ALCO analyzes all on-going Economic developments with respect to Pakistan & international forums and closely monitors the current steepening interest rate levels, it's impact on Bank's overall portfolio which includes both credit and market risk. Further, Stress testing and Capital impact analysis are also periodically presented to ALCO for knowledge based decision making.

Against investment in Government Securities and Bonds, the Bank has placed duration limits on the basis of which it changes portfolio mix as per interest rate scenarios. Further, investment in equities, lending to diversified groups/ Transaction, Program lending and government initiatives softens the impact of changing macroeconomic conditions.

Bank is well-capitalized in terms of capital adequacy and regularly carries out stress tests to ensure sufficient capital coverage at all times. Bank also has a proactive approach toward liquidity risk, which includes daily monitoring of positions, regular stress testing, and maintaining buffers in excess of the Basel/regulatory requirements.

GEOPOLITICAL RISK

Definition and potential impact: This risk could stem from sources unrelated to the Bank business. Geopolitical tension has been a persistent issue for this region for last few decades.

Mitigation strategy: Bank monitors geopolitical situations around the globe on an ongoing basis. In particular, Banks' Chief Economist centrally assesses the economic impact of changing geopolitical risks and provides key inputs to drive the Banks' strategy. RMG independently monitors Bank wide Country limits by consolidating all treasury and trade exposures.

REGULATORY AND LEGAL RISKS

Definition and potential impact: Ever evolving banking sector dynamics within regulatory framework warranting additional requirements, particularly in the areas of capital / liquidity management, credit, operational risk, counterparty exposures and/or business structure.

Mitigation strategy: Bank strives to ensure that its' views are heard at policymakers` / regulators level through its proactive participation either through direct invite or via PBA platform. Internally, we analyze all new draft regulations and/or circulars to measure their qualitative and quantitative impact as well as to ensure its effective implementation. The Bank constantly monitors its capital allocation and liquidity management disciplines to incorporate future increased capital and/or liquidity requirements and to drive appropriate risk management and mitigating actions.

CYBER SECURITY RISK

Definition and potential impact: A successful cyber-attack could lead to disruption in service, fraudulent activity or loss of customer data, leading to operational loss, financial and reputational consequences.

Mitigation strategy: Technology controls in the form of tools, trained IT/IS resources and awareness of users and customers have been a key focus of the Bank. Threats emerging from the cyber space have been an ever-evolving phenomena, especially during the last 3 years, and the Bank has had special emphasis on beefing up its resources, both Human and Technology related, to adequately counter and mitigate such risks. The Bank has made a significant investment on this front, on acquiring best in class tools and systems that ensure that the Bank is safeguarded from any emerging threats.

PRINCIPAL RISKS AFFECTING BANK AND RISK COVERAGE

CREDIT RISK	
How we performed during the year	- Credit-risk-weighted assets of 352.12 billion. - Non- performing loan ratio dropped to 9.74% (CY` 2021) versus 12.93% in CY`2020) - Specific Provision coverage noted @ 89.76% (CY`2021 as compared to 83.58% in CY`2020). - Total Specific impairment charges have declined by PKR 1.14 billion which stands at 46.70 billion CY`2021 as compared to 47.85 billion in CY`2020). - Top 10 largest funded obligors' exposure constituted 9.02% of gross loans (10.23% in CY`2020). Credit Risk Management Committee of the Bank has the mandate to appropriately keep credit risk at acceptable levels and within the risk appetite of the Bank.
Risk Management Process	**Measure** the amount that could be lost in case of eventuality. **Monitor** infection ratio, industry concentration, % watch list portfolio, WAORR, RAROC, Expected Credit Loss, RWA analysis, Regulatory ratios and stress testing. **Manage** portfolio diversification / adherence to credit discipline / underwriting guidelines while ensuring improvement in overall portfolio credit quality. **Outcome** enabled portfolio credit rating improved as weighted average ORR CY'2021 stands at 3.67 as compare to 4.16 CY' 2020.
2. MARKET RISK	
How we performed during the year	Market Risk of the Bank is well within defined limits (internal and regulatory) as per SBP Risk management guidelines, Bank's Investment and Risk management policy.
Risk Management Process	**Measures** valuation and risk policies for all Level 1 and Level 2 financial instruments in the trading book using models to measure market risk within a 95% & 99% confidence level through Value at Risk (VaR). Further, other measurement tools like Duration and PVBP are also key tools to measure fixed income risk. **Monitoring** is done using standard monitoring tools like mark to market, limit monitoring (both internal and regulatory) and advance Risk measurement tools like Value at Risk (VaR), Duration and Price value basis point (PVBP) etc. **Manage** through daily risk reporting and all material risks highlighted on appropriate forums i.e. ALCO and NPL & Compliance Committee on periodic basis. Risk Appetite and other all exposure limits are approved by BOD.
3. LIQUIDITY AND FUNDING RISK	
How we performed during the year	• LCR is 137% as compared to 139.32% CY`2020 • NSFR is 124% as compared to 127.19% CY`2020 • Gross ADR is 53.26% as compared to 53.02% CY`2020
Risk Management Process	**Measure** using metrics related to Basel III liquidity ratios and internally approved triggers. Liquidity stress tests are carried out using contractual, behavioral and stressed conditions coupled with contingency funding facilities. **Monitor** ALCO oversee the Bank's liquidity and funding risk, stress-test management process and corrective actions. **Manage** Funding from customer deposits (retail & corporate), long-term funding through debt securities & subordinated liabilities. Further, interbank borrowing (both call and secured), FX Swap, borrowing facilities from the State Bank of Pakistan and Liquidity Contingency Funding plan to manage its liquidity risk during normal and liquidity crunch times.

4. CAPITAL RISK	
How we performed during the year	• CAR is 12.27% as compared to 16.23% CY`2020 • Leverage is 3.01% as compared to 3.21% CY`2020 Regulatory requirement is of 11.50% and 3.00% respectively.
Risk Management Process	**Measure** using core Tier 1 (CET1) and total capital adequacy ratios following the (Basel III- standardized approach). Leverage is measured through monitoring of Tier 1 capital against average total consolidated assets. **Monitor** through a process of forecasting capital to ensure our capital position is controlled as per Bank's internal planning while safeguarding its strategic objective and goals. Further, a long term road map is also in place to monitor target versus achievements with respect to balance sheet growth and Capital planning. **Manage** employing techniques based on the guidelines developed by the Basel Committee and the State Bank of Pakistan. The Bank also prepares an annual comprehensive ICAAP document, which is a detailed assessment of the Bank's risk profile, approaches to assessing and measuring various material risks, and capital planning under regular and stress scenarios.
5. OPERATIONAL RISK	
How we performed during the year	• Operational RWA stood at PKR 64.19 billion for year CY' 2021 as compared to PKR 56.498 billion in CY`2020.
Risk Management Process	**Measurement** of Operational risk is done in light of SBP risk management guidelines in supplement with BOD approved policy by using above mentioned measurement tools. Further, Bank is using the Basic Indicator approach prescribed by the State Bank of Pakistan (SBP) to calculate Operational Risk Capital Charge and reports as per SBP's predefined frequencies. **Monitor** using key Risk indicators, thresholds, appetite and loss event database. **Manage** through escalation of issues & events for risk transparency across the organization. All employees are responsible for identifying and assessing risks. Further, ORMC is conducted on monthly basis in which all operational risk updates/analysis are presented based on which all key actions are decided for improvement/ implementation on bank wide basis.
6. INFORMATION SECURITY RISK	
How we performed during the year	No material loss of confidential data or disruption of processes experienced due to information security breach was reported. During the year we have also added several IS control mechanisms.
Risk Management Process	**Monitor** through real time integrated logs of systems and network; identifying security events and incidents; assessment of security risks in applications and systems via Vulnerability Assessment and Penetration Testing; maintaining and continually updating information-risk register and reporting to concerned units and management. We have acquired threat intelligence from various providers and receive threat advisories from several sources. This intel is used to identify relevant risk by correlating with BOP technology infrastructure. Manage through risk reporting and treatment; ensuring that custodians of information assets fix the identified vulnerabilities. In addition, we have deployed preventive technology controls for various threat vectors.

7. REPUTATIONAL RISK	
How we performed during the year	No instance occurred which may cause/lead to impact on Banks' reputation.
Risk Management Process	**Measure** through number of complaints/red-flags received/media news/electronic and social media etc. **Monitor** through ensuring operational alignment with Bank's mission / strategic objectives and maintenance of stakeholders` confidence. **Manage** through reduction in overall number of complaints received & resolved within defined time-frame amicably under regulatory guidelines.
8. LEGAL RISK	
How we performed during the year	No instance occurred which places Bank into a Legal battle.
Risk Management Process	**Measure** through number of cases filed against BOP and cases filed by BOP. Decision in favor and against BOP is also a tool to measure legal risk. **Monitor** Bank monitors all filed cases against it on quarterly basis. Further, Bank also allocates Capital Charge as per annual exercise under ICAAP. **Manage** through a dedicated in-house legal unit, panel of advocates and adequate monitoring of different red-flag/alerts raised.

BOARD REMUNERATION POLICY

KEY HIGHLIGHTS:

The Board of Directors have approved Board's Remuneration Policy-2020 of the Bank for attending the Board and its Committee(s) meetings in Compliance of State Bank of Pakistan BPRD Circular 03 of 2019 dated August 17, 2019.

The salient features of the policy are as under:

1. The Policy ensures a comprehensive and transparent remuneration structure for the Chairman and other Directors.

2. This Policy has been formulated with clear mandate and charter keeping in view the ownership structure, governance mechanism, risk profile, scope of operations and performance of the bank.

3. The Policy aims to set out the methodology for the determination of scale of the remuneration to be paid to the Directors and Chairman other than President/CEO for attending the Board and its Committee(s) meetings.

4. The Policy is applicable to Non-Executive/Independent Directors, President/Executive Director and the Chairman of the Board.

5. The terms & conditions of the Chairman shall be presented to the shareholders for approval in the Annual General Meeting on pre or post facto basis.

6. The Bank shall facilitate the directors for travelling, board & lodging relating to the Board and Committee(s) meetings.

7. No consultancy or allied work shall be awarded to a director or to the firm(s), institution(s), or company(ies) etc., in which he individually and/or in concert with other directors of the Bank hold substantial interest.

8. Proper disclosure of remuneration and other benefits facilities provided to the Board of Directors shall be made in the Annual Financial Statements of the Bank.

9. The Board members shall be accountable for their conduct according to the scope of their responsibilities and Annual Performance Evaluation of the Board as a whole and its Committees will be carried out. Based on the evaluation of performance scale of remuneration may be reviewed/adjusted.

10. A Director shall be remunerated for any additional work assigned by the Board of Directors. The remuneration of a Director performing extra services shall not exceed 20% of the remuneration already set for him / her. In any case, remuneration paid to a Director for performing once such extra service / additional work should not exceed Rs.39,000/- (net of applicable taxes).

11. Remuneration for attending Board and its Committee meetings would be Rs.195,000/- per meeting, net of applicable taxes for an Independent/ Non-Executive Director and Chairman of the Board.

EY
Building a better working world

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INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of The Bank Of Punjab

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of The Bank of Punjab (the Bank) for the year ended 31 December 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Bank's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2021.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note reference where these are stated in the Statement of Compliance.

S. No.	Note Reference	Description
1	19	The Company is in non-compliance with Regulation 9(2).

EY Ford Rhodes
Chartered Accountants
Lahore: 07 March 2022
UDIN: CR202110079ZyDdIvjEz

Member firm of Ernst & Young Global Limited

STATEMENT OF COMPLIANCE

With Listed Companies Code of Corporate Governance Regulations, 2019

THE BANK OF PUNJAB – DECEMBER 31, 2021

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (07) as per the following:

   a. Male: 6
   b. Female: 1

2. The composition of board is as follows:

a	Independent Directors	3
b	Non-executive Director	3
c	Executive Directors	1

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank;

4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Director's Training Program for the following:

   a) Syed Ghazanfar Abbas Jilani - Director
   b) Mr. Kamran Hafeez – Secretary to the Board

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms & conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

a) Audit Committee

i)	Mr. Mohammad Mudassir Amray	Chairman
ii)	Mr. Mohammad Jehanzeb Khan	Member
iii)	Syed Ghazanfar Abbas Jilani	Member

b) Human Resource, Compensation and Nomination Committee

i)	Mr. Asif Reza Sana	Chairman
ii)	Mr. Mohammad Jehanzeb Khan	Member
iii)	Dr. Muhammad Amjad Saqib	Member
iv)	Syed Ghazanfar Abbas Jilani	Member

c) Risk Management, Compliance and NPL Review Committee

i)	Syed Ghazanfar Abbas Jilani	Chairman
ii)	Mr. Mohammad Mudassir Amray	Member
iii)	Dr. Muhammad Amjad Saqib	Member
iv	Ms. Nadia Rehman	Member

d) Strategy, Islamic and Priority Sectors' Financing Committee

i)	Dr. Muhammad Amjad Saqib	Chairman
ii)	Mr. Asif Reza Sana	Member
iii)	Ms. Nadia Rehman	Member

e) Information Technology and Communications Committee

i)	Mr. Mohammad Jehanzeb Khan	Chairman
ii)	Mr. Asif Reza Sana	Member
iii)	Ms. Nadia Rehman	Member
iv	Mr. Mohammad Mudassir Amray	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following;

a)	Board Audit Committee	Quarterly
b)	Human Resource, Compensation and Nomination Committee	Quarterly
c)	Risk Management, Compliance and NPL Review Committee	Quarterly
d)	Strategy, Islamic and Priority Sectors' Financing Committee	Quarterly
e)	Information Technology and Communications Committee	Quarterly

15. The Board has set up an effective internal audit function and concerned staff is considered suitably qualified and experienced for the purpose and are conversant with the Policies & Procedures of the Bank;

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Bank;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Reference Clauses from Listed Companies (Code of Corporate Governance) Regulations - 2019	Corresponding Provisions of The Bank of Punjab Act - 1989
9 (2) Chairman of the Board The Chairman shall be elected subject to such terms & conditions and responsibilities as provided under Section 192 of the Act and these Regulations.	**Section 10(2) & 10(3)** The Chairman of the Board shall be nominated by the Government from amongst official Directors. Further, in terms of Section 10(3), the Chairman shall preside over the meetings of the Board and shall have a casting vote, but he shall not exercise any executive authority or powers.

The Chairman has not yet been nominated by Government after expiry of previous term.

For & on behalf of the Board

Syed Ghazanfar Abbas Jilani
Director/Chairman

STATEMENT OF INTERNAL CONTROLS

The Management of The Bank of Punjab (the "Bank") is responsible for establishing Internal Control System for ensuring effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Bank's internal control system is implemented through its policies, procedures, circulars and instructions issued from time to time. Internal Controls are continuously reviewed, refined and improved with the changes in laws & regulations, new risks emanating from bank's customers, products, geography and channels as well as market disruptions. Accordingly bank has developed required policies and procedural manuals defining adequate controls to manage risks effectively and these are updated regularly. Internal controls also require continuous improvement to align with the changing environment and needs of the business. The Bank continues to place importance on the increasing use of automation to further enhance its evolving control environment.

The Bank's governance structure to implement and monitor internal controls consists of three lines of defense in line with applicable regulations and best practices for financial institutions. First line of defense consists of businesses and Operations functions those are responsible for implementing controls in all activities & transactions handled by the bank. Moreover, they ensure that business risks are properly identified and mitigated, control breaches are identified on a timely basis and corrective actions are efficiently implemented. Their role is to identify design and implementation gaps in processes and ensures that timely remedial actions are undertaken.

Second line of defense consist of Compliance, Risk & Control/ Support functions; those are mandated to ensure that policies & procedures are adequately designed and implementation of these is regularly monitored to mitigate risks faced by the bank. For collaborative review of operational risks, management has formulated committees consisting of senior management from all functions i.e., Compliance Committee of Management (CCM), Operational Risk Management Committee (ORMC) & Fraud Risk Management Committee (FRMC), those focus on managing operational, regulatory & financial risks. All significant and material findings identified by the internal/ external auditors and regulators are addressed on priority basis by concerned functions under oversight of these management committees. Moreover, the Board's Risk Management, Compliance & NPL Review Committee have an oversight responsibility to monitor all significant and material issues related to internal control system of the bank.

Internal Audit Function (IAF) acts as third line of defense, independent from the line management, is entrusted with the supervisory function with respect to the review of internal controls. IAF evaluates, validates, monitors and contributes to ongoing effectiveness of control systems as part of its scope. It periodically reports significant findings, directly to the Board Audit Committee (BAC). The IAF is also entrusted with the function to assess adequacy and effectiveness of control activities and ensure compliance with all the prescribed policies and procedures.

In compliance with SBP's directives, the Bank had completed all stages of SBP roadmap on Internal Control over Financial Reporting (ICFR). The SBP had granted exemption to the Bank from the requirement of submission of Long Form Report (LFR) by the External Auditors. Consequent to the grant of exemption by SBP, the annual assessment of bank's ICFR has been reviewed by the Internal Audit Function and now Bank submits Annual Assessment Report, on efficacy of ICFR duly endorsed by the Board Audit Committee.

Internal Controls System evolves continuously and this statement is based on the management's self-assessment towards various aspects of current Internal Controls regime. The Bank's System of Internal Controls is designed to minimize and manage risks as these cannot totally eliminate the risk of failure to achieve the desired objectives; hence it can only provide reasonable assurance, not absolute assurance, against material misstatement or loss. The system of internal control followed by the Bank is considered to be adequate in design and is being implemented and continuously monitored.

ZAFAR MASUD
President/CEO

ECONOMIC REVIEW

Pakistan's economy rebounded during FY21 after witnessing a COVID-led downturn in FY20, with real GDP growth rising to 5.6 percent, from the COVID induced recession -1.0 percent in FY20. This growth was achieved without the widening of the twin deficits. The current account deficit (CAD) dropped to a 10-year low and contributed to the build-up in the foreign exchange reserves. The fiscal deficit edged down despite the COVID-related spending, allowing for a reduction in the public debt-to-GDP. Some easing was also noted in the headline CPI inflation on the back of stable core inflation, though overall price levels, especially of food items, stayed elevated owing to supply-side challenges.

Pakistan also fared well compared to many other countries in terms of real economic activity, exports and public debt accumulation during July 2020-June 2021. This performance was enabled by two major factors: (i) the country's success in navigating through multiple waves of COVID-19 with targeted mobility restrictions; and (ii) a prompt, well-coordinated and targeted monetary and fiscal response, aimed at countering the impact of COVID on economic growth and livelihoods.

Pakistan successfully navigated through two waves of the pandemic during FY21 without imposing wide-scale shutdowns of industry and services. Notably, Pakistan ranked among the best performing countries for its effective handling of COVID-19. Furthermore, the initiation of COVID vaccinations from March 2021 onwards and the gradual pickup in its pace and coverage, together with supportive economic policies, helped sustain the economic momentum.

In terms of policy stimulus, the SBP provided aggressive liquidity support via multiple policy tools after the outbreak in March 2020, which stood around 5 percent of GDP by the end of FY21. Refinance schemes were introduced to shore up employment and the healthcare system, and to stimulate long-term investment in the economy. Specifically, the Rozgar Scheme provided payroll support to businesses so they could retain their workers, and was instrumental in getting firms to restart their operations immediately after the reopening of the economy. In the same vein, the loan deferments and restructurings enhanced the liquidity position of firms and consumers, which helped prevent delinquencies. Meanwhile, the Temporary Economic Refinance Facility (TERF) would shore up the long-term productive capacity in the economy. The SBP maintained an accommodative monetary stance, by keeping the policy rate unchanged during FY21, after a sharp 625 bps reduction during Mar-Jun 2020.

Importantly, SBP liquidity support sheltered both small and big businesses. Specifically, for the loan deferment and restructuring package and the Rozgar scheme microfinance institutions had about 94 percent and 74 percent share in the total applications approved by SBP, and constituted around one-fifth share in the actual benefits availed by businesses from these schemes.

The government provided targeted fiscal support of around 2 percent of GDP through the Economic Stimulus Package (ESP), envisaging a coverage of more than 15 million families through emergency cash transfers. Importantly, Pakistan's emergency cash intervention was recognized as a global success and was ranked fourth in terms of the number of people covered, and third in terms of the share of population. The ESP also included targeted incentives for agriculture, manufacturing and export sectors during FY21.

The agriculture sector gained further from the substantial increase in the minimum support price (MSP) of wheat, as well as from subsidized availability of inputs and machinery. Furthermore, the cost of production for manufacturing firms, especially export-oriented units, was reduced via a rationalization of duties on imported raw materials and elimination of peak-hour power tariff rates. The export sector further benefitted from the fast-tracking of GST refunds. To spur construction activity, the government extended the timelines to avail benefits under the amnesty scheme till June 2021, whereas the SBP implemented mandatory targets for banks to provide construction financing.

These policy efforts proved instrumental in driving the sharp recovery in real GDP growth in FY21, exceeding expectations. The growth was broad-based, with major shares from industry, and wholesale and retail trade services. Led by the conducive supply and demand dynamics as well as a low base effect from COVID-led contraction last year, large scale manufacturing (LSM) posted a 11.4 percent increase, with production in some key industries, such as textiles, food, cement, fertilizer and chemicals, exceeding the peaks recorded during the high-growth years of FY17-FY18.

However, risks to the recovery have increased in FY22 with international energy, food and metal prices at highest levels since 2011, leading to rise in the import bill and spike in inflation. Growth is expected to moderate around 4 to 5 percent, according to SBP. The key to sustaining the growth momentum will be the reforms targeted under the US$ 6 bn IMF program, including measures to increase tax revenue and turn around the loss making state enterprises. Growth in exports and remittances will be critical in managing the current account deficit and build up SBP reserves. Banks are well capitalized and highly liquid, and in a position to support credit growth to the private sector.

PRESIDENT / CEO'S REVIEW

It is very heartening to note that the Bank has made inspirational progress in all areas of operations in the last year, despite the economic slowdowns caused by the COVID-19 pandemic. As the government initiated massive vaccination drives to combat COVID-19 towards the end of the first quarter of 2021, the Bank, being aware of its corporate social responsibility, ensured that all its employees were vaccinated on top priority basis. Recognizing the importance of vaccination in controlling the spread of COVID-19, and in addition to establishing vaccination facilities at the Bank's offices for vaccination of staff and their families, the Bank in collaboration with the local administration authorities also established drive-through vaccination centers for the general public in all major cities of the country. This initiative by the Bank was met with wide acclaim, as it provided much needed relief to the public in getting themselves vaccinated without going through the hassle of standing in long queues. It is our firm resolve that the Bank of Punjab would always take the lead in such noble causes.

The Bank has also remained on the forefront in supporting various initiates taken by the State Bank of Pakistan, Government of Pakistan and Government of the Punjab for the revival of the economy, following the economic slowdown in the aftermath of COVID-19. Realizing the contribution of Small and Medium Enterprises to the wellbeing and growth of developing economies, and in order to help induce a culture of entrepreneurship among the youth of the country, the Government of Pakistan initiated the Kamyab Jawan Program; and you would appreciate that The Bank of Punjab has been leading this initiative with the highest loan disbursement to the youth and won the trophy of number one bank in terms of disbursements in two consecutive years. Similarly, the Bank is also facilitating Government of the Punjab in it's recently launched "Punjab Rozgar Program" which is gaining momentum and is expected to be one of the most successful public sector programs in recent times. I strongly believe that the success of such programs would prove to be a real game changer in creating jobs and nurturing a culture of entrepreneurship in the country.

The Bank of Punjab has become a market leader in SBP's concessionary financing schemes and is aggressively involved in government financing schemes pertaining to low-cost housing. In the same vein, LDA City project has been launched successfully, and

The Bank of Punjab is the lead coordinating Bank among six other financing banks in the massive LDA City Naya Pakistan Apartments Project.

In partnership with the Government of the Punjab, the Bank is focused on increasing financial inclusion, especially among the marginalized segments of society. The Khidmat Card scheme is yet another area where the GoPb has partnered with BOP. The beneficiaries of this scheme include senior citizens, disabled persons, and children working at brick kilns across Punjab. The Khidmat Card also provides cash assistance to school-registered girls – this initiative is aimed at encouraging rural and financially insecure parents to educate their daughters. All these programs are exclusively managed by the Bank of Punjab across the province.

In addition to the above, numerous digital and cash management solutions are being provided by BOP to several departments and initiatives led by GoPb. BOP was awarded the Agent Bank Mandate by SBP for all government receipts – making it only the second scheduled bank after National Bank of Pakistan (NBP) to be granted this mandate.

BOP is also lending its support in the Board of Revenue e-Stamping Project, with the automation of e-stamp papers, the launch of low denomination white paper e-stamping, and collection of its receipts on behalf of the government. The Bank has secured the e-stamping project contract in Baluchistan, as well.

The Bank has a well worked-out strategy to become the Bank of Choice for all segments of the society with products and services meant for all types of customers. The Bank of Punjab has expanded rapidly during the last year, especially in the southern region, with the aim of growing its share of private sector business. The Bank is on the verge of setting up a very strong presence in Karachi with its top-of-the-line Corporate & Investment Banking Group to meet the business requirements of existing and prospective Corporate sector clients.

The Bank has revamped its product suite, and new products & services are being rolled out on a frequent basis to meet the ever-growing business requirements of its clients. The Bank has already launched "BOP Khaas Deposit" scheme for corporate clients. Further, the Bank has introduced "Roshan Digital Account" in keeping with the guidelines of the State Bank of Pakistan, to provide easy access to banking services for the Pakistani community residing abroad. The Bank has also established priority sector banking branches to meet the banking needs of its corporate clients. During the last year, structural changes have been made in the outlook of the branches to evoke an air of consummate professionalism and a revived corporate culture, in-line with today's (and tomorrow's) banking needs.

In order to further improve the Bank's corporate image and outreach, the Bank has run unparalleled media campaigns. You must have heard the name of The Bank of Punjab across all forums of print, electronic and social media, doubtless in a very positive tone. The Bank also arranged multiple roadshows in all regions of the country, to showcase its products – thereby expanding its outreach. Now, BOP is closer to being accepted as a household brand name, and its competitive products & services are becoming known to everyone. Taking the Bank to new heights, The Bank of Punjab, for the first time in its history, showcased its products and services at an International forum through Dubai Expo-2020. All participants of the expo thoroughly appreciated the Bank's presence at the Pakistan Pavilion of Dubai Expo-2020.

Owing to aggressive business expansion, prudent management of resources and targeted marketing, the Bank has been able to post very strong financial results throughout the year 2021. All financial indicators remained positive and in-line with the Bank's strategic business targets. As at close of the year 2021, the Bank achieved another milestone by joining the elite club of banks with deposits of over PKR 1.0 trillion.

The upgradation of the Bank's Long Term Credit Rating from AA to AA+ by PACRA is another laurel achieved during the year prior. Now the Bank, with the highest short term rating of A1+, is standing among the largest banks in the industry, with a vision to attain AAA long term rating; currently recognized as the benchmark of highest premium and secured banking in the country.

As business operations continue to expand, it has been ensured that the Bank always remains compliant with governing regulatory regimes. BOP has a very strong Compliance & Control Function and an independent Internal Audit Function to ensure that there is no lapse in compliance with regulatory requirements. At BOP, we take pride in doing business as per the set rules & regulations, and there is no compromise on this score.

Our People & Organizational Excellence Group ensures that the Bank has the right blend of experience and youth to meet its operational and business requirements. BOP takes pride in its team of highly professional and skilled staff, and our People & Organizational Excellence Group ensures that our staff is continuously being imparted with quality trainings to keep them abreast of modern banking and regulatory requirements.

I am grateful to the Government of Punjab, the Board of Directors, and the State Bank of Pakistan for their continuous support, and assure you that we will make this Bank one of the top financial institutions of the country. I am thankful to all depositors, customers, and shareholders for their confidence in BOP. I also highly appreciate the effort and teamwork of my staff members.

ZAFAR MASUD
President/CEO

DIRECTORS' REPORT

For the year ended
December 31, 2021

The Board of Directors is pleased to present the 32nd Annual Report of The Bank of Punjab together with the audited Financial Statements and Auditors' Report thereon for the year ended December 31, 2021.

PERFORMANCE AT A GLANCE

The Bank successfully weathered the economic slowdown caused by COVID-19 pandemic maintained its growth trajectory by optimum utilization of available resources and creating new business avenues. While ensuring provision of best in the market banking services to its clients in a very tough and competitive operating environment, the Bank continued to expand its outreach in unbanked and earlier ignored areas and now has a network of 662 online branches.

As of December 31, 2021, the Deposits of the Bank crossed Rs. 1.0 Trillion mark and stood at Rs. 1,003.0 billion as against Rs. 835.1 billion as of December 31, 2020 showing a growth of 20%. During the year, Bank remained focused on procuring low cost CASA deposits with special emphases on private sector deposits.

As on December 31, 2021, the Gross Advances portfolio stood at of Rs. 534.2 billion as against Rs. 442.8 billion as on December 31, 2020 registering a growth of 21%. During the year, significant reduction in NPLs was observed on account of recovery/regularization and the NPLs portfolio reduced to Rs. 52.0 billion as against Rs. 57.3 billion as on December 31, 2020. The Bank stands fully compliant with the provisioning requirement under Prudential Regulations of SBP, while all possible legal measures are being taken to ensure recovery of legacy non-performing portfolio. The Investments & Lending to FIs stood at Rs. 562.7 billion mainly comprising of Government Securities (95%). The Total Assets of the Bank reached the level of Rs. 1,197.0 billion as against Rs. 1,095.4 Billion as of December 31, 2020 thereby registering a growth of 9%.

During the year 2021, Net Interest Margin (NIM) improved to Rs. 29.88 billion as against Rs. 23.33 billion during year 2020, registering a rise of 28%. Similarly, Non-Markup/ Interest Income (excluding gains on securities) increased to Rs. 6.12 billion as against Rs. 4.58 billion during year 2020 showing a growth of 34%.

Non markup/interest Expenses stood at Rs. 21.01 billion as against Rs. 17.52 billion during year 2020. The rise in expenses was well within the inflationary parameters and growth in Branch Network/Business Volumes.

During year 2021, pre-provision profit stood at Rs. 16.77 billion as against Rs. 18.85 billion during last year mainly on account of higher level of Gain on Securities during year 2020. However, in view of risks of shocks in the COVID-19 aftermath, in addition to subjective assessment, the Bank also opted to maintain general provision of Rs. 2.50 billion against loans and advances on prudent basis.

During the year 2021, net provision reversal of Rs. (1.64) billion was recorded as against net provision charge of Rs. 6.86 billion during year 2020. Accordingly, the Profit Before Tax was recorded at Rs. 18.41 billion as against Rs. 11.99 billion during year 2020 with a significant rise of 54%. Similarly, the Bank posted After Tax Profit of Rs. 12.44 Billion as against Rs. 6.94 Billion during year 2020 with a hefty rise of 79%. Earnings per Share (EPS) for year 2021 also improved to Rs. 4.71 per share as against Rs. 2.63 per share for year 2020.

Keeping in view robust Business Plan envisaging aggressive business growth and CAPEX commitment in the areas of Information Technology & Digitalization, requiring strong capital base, the Board announced and recommended a Stock Dividend of 12.50% for Shareholders for the year 2021 as against 10.0% Cash Dividend announced for the year 2020.

Financial Highlights 2021

	Rs. In Million
Profit before taxation	18,408.013
Taxation-net	5,967.878
Profit after taxation	12,440.135
Earnings per share (Rupees)	4.71

Capital Adequacy and Minimum Capital Requirements

As on December 31, 2021, paid-up capital (net of losses) amounted to Rs. 28.39 Billion and the Bank stands compliant with SBP's minimum capital requirement of Rs. 10.0 billion. Further, the Bank's Capital Adequacy Ratio (CAR) stood at 12.27% against the regulatory requirement of 11.50%. Had the advance subscription money against future issuance of non-cumulative perpetual TFCs been accounted for as eligible capital, the CAR would have been 12.50%.

Internal Controls

The Board of Directors of The Bank of Punjab has overall responsibility for ensuring existence of an adequate and effective system of internal controls that is designed to manage the Bank's risks within an acceptable risk profile. The Board is pleased to endorse the Statement on Internal Controls made by the Management, which is included in the annual report.

Bank's Board of Directors:

The Bank's Board of Directors consists of 08 members with 04 independent directors.

Sr.	Name of Directors	Status
1	Mr. Mohammad Jehanzeb Khan	Director
2	Dr. Muhammad Amjad Saqib	Director
3	Syed Ghazanfar Abbas Jilani	Director
4	Mr. Mohammad Mudassir Amray	Director
5	Mr. Asif Reza Sana	Director
6	Ms. Nadia Rehman	Director
7	Mr. Muhammad Naeem Khan (*)	Director
8	Mr. Zafar Masud	President & CEO

*SBP has granted FPT clearance of one independent Director on 17-02-2022, elected in the EOGM held on October 11, 2021.

09 meetings of Board of Directors were held during 2021 with following attendance:

SR.#	NAME OF DIRECTORS	STATUS	Total No. of Meetings attended during the period
1	Mr. Mohammad Jehanzeb Khan	DIRECTOR	9
2	Dr. Muhammad Amjad Saqib	DIRECTOR	9
3	Syed Ghazanfar Abbas Jilani	DIRECTOR	9
4	Mr. Iftikhar Ali Sahoo (FS Punjab) (*)	DIRECTOR	5
5	Mr. Zafar Masud	President & CEO	9
6	Mr. M. Abdullah Khan Sumbal (**)	DIRECTOR	1
7	Mr. Shaharyar Ahmad (***)	DIRECTOR	5
8	Khawaja Farooq Saeed	DIRECTOR	9
9	Mr. Saeed Anwar	DIRECTOR	9
10	Mr. Farid Ahmed Khan (****)	Acting President	2

(*) Joined on 22-04-2021 and transferred on 27-12-2021
(**) Transferred on 22-03-2021
(***) Died on 01-09-2021
(****) As Acting President

BOD's Committees:

1- Board Audit Committee:

07 meetings of Board Audit Committee Meeting (BAC) were held during 2021 with following attendance:

SR.#	NAME OF DIRECTORS/MEMBERS	STATUS	Total No. of Meetings attended during the year
1	Mr. Saeed Anwar	CHAIRMAN	7
2	Mr. Mohammad Jehanzeb Khan	MEMBER	7
3	Syed Ghazanfar Abbas Jilani	MEMBER	7
4	Mr. Iftikhar Ali Sahoo	MEMBER	4
5	Mr. Shaharyar Ahmad	MEMBER	3

2- Board Risk Management, Compliance and NPL Review Committee:

06 meetings of Board Risk Management, Compliance and NPL Review Committee Meeting (RMC&NRC) were held during 2021 with following attendance:

SR.#	NAME OF DIRECTORS/MEMBERS	STATUS	Total No. of Meetings attended during the period
1	Mr. Shaharyar Ahmad	CHAIRMAN	4
2	Khawaja Farooq Saeed	MEMBER	6
3	Dr. Muhammad Amjad Saqib	MEMBER	6
4	Syed Ghazanfar Abbas Jilani	MEMBER	6
5	Mr. Iftikhar Ali Sahoo	Special Invitation	1

3- Board Human Resource, Compensation and Nomination Committee:

08 meetings of Human Resource, Compensation and Nomination Committee were held during 2021:

SR.#	NAME OF DIRECTORS/MEMBERS	STATUS	Total Number of Meetings attended during the period
1	Khawaja Farooq Saeed	CHAIRMAN	8
2	Mr. Mohammad Jehanzeb Khan	MEMBER	8
3	Dr. Muhammad Amjad Saqib	MEMBER	8
4	Mr. Iftikhar Ali Sahoo	MEMBER	4
5	Syed Ghazanfar Abbas Jilani	MEMBER	8
6	Mr. M. Abdullah Khan Sumbal	MEMBER	1
7	Mr. Saeed Anwar	Special Invitation	2

4- Board Strategy, Islamic and Priority Sector Financing Committee:

04 meetings of Strategy, Islamic and Priority Sector Financing Committee were held during the year 2021:

SR.#	NAME OF DIRECTORS/MEMBERS	STATUS	Total No. of Meetings attended during the period
1	Dr. Muhammad Amjad Saqib	CHAIRMAN	4
2	Mr. Saeed Anwar	MEMBER	4
3	Mr. Iftikhar Ali Sahoo	MEMBER	2
4	Mr. Shaharyar Ahmad	MEMBER	2
5	Mr. Mohammad Jehanzeb Khan	Special Invitation	1
6	Syed Ghazanfar Abbas Jilani	Special Invitation	2
7	Khawaja Farooq Saeed	Special Invitation	2
8	Mr. M. Abdullah Khan Sumbal	MEMBER	1

5- Board Information Technology and Communications Committee Meeting (ITCC):

04 meetings of Information Technology and Communications Committee were held during the year 2021:

SR.#	NAME OF DIRECTORS/MEMBERS	STATUS	Total No. of Meetings attended during the period
1	Mr. Mohammad Jehanzeb Khan	CHAIRMAN	4
2	Mr. Saeed Anwar	MEMBER	4
3	Khawaja Farooq Saeed	MEMBER	4
4	Mr. Abdullah Khan Sumbal	MEMBER	1
5	Mr. Iftikhar Ali Sahoo	MEMBER	1
6	Syed Ghazanfar Abbas Jilani	Special Invitation	1

6- Monitoring Committee of the Board on Forensic Investigation of Sugar Industry:

05 meetings of Monitoring Committee of the Board on Forensic Investigation of Sugar Industry were held during the year 2021:

SR.#	NAME OF DIRECTORS/MEMBERS	STATUS	Total No. of Meetings attended during the period
1	Mr Shahayar Ahmad	CHAIRMAN	4
2	Khawaja Farooq Saeed	MEMBER	5
3	Mr. Saeed Anwar	MEMBER	5

Statement of compliance with Corporate and Financial Reporting Framework

The Directors are pleased to give the following statement in respect of Code of Corporate Governance:

- The financial statements, together with notes thereon have been prepared in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017. These Statements present fair state of affairs, the result of its operations, cash flows and changes in equity and comprehensive income. Proper books of account of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting and Financial Reporting Standards and Islamic Financial Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there-from has been adequately disclosed in the Annual Accounts. The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no significant doubt upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- All the statutory liabilities, if any, have been adequately disclosed in the financial statements.
- Risk Management Framework has been appropriately disclosed at Page No. 64 of the Annual Report.
- Board Remuneration Policy is disclosed at Page No. 69 of Annual Report.
- Value of investment of Staff Provident Fund and Gratuity Fund, based on latest audited accounts is Rs.3.24 billion & Rs. 1.34 billion, respectively.
- Statement showing pattern of shareholding as on December 31, 2021 is disclosed at page No. 375 of the Annual Report.
- Statement showing key operating and financial data for the last six years is disclosed at page No. 103 of the Annual Report.
- Statement of compliance with code of corporate governance is presented at page No. 71 of the Annual Report.

CREDIT RATING

While acknowledging the improved risk profile of the Bank, M/s Pakistan Credit Rating Agency (PACRA) has upgraded the Long-term Entity Rating to "AA+", while the Short-term Entity Rating has been maintained at "A1+".

As per standard rating scale and definition "AA+" long term rating denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments, not significantly vulnerable to foreseeable events. Similarly, "A1+" short term rating denotes obligations supported by the highest capacity for timely repayment.

SUBSIDIARIES

The detail of Bank's subsidiaries are as follows:

		Rs. In Million	
Sr#	Name	Net Assets as of December 31, 2021	Net Assets as of December 31, 2020
1	Punjab Modaraba Services Private Limited	(46.968)	(37.840)
2	First Punjab Modaraba	155.433	138.408
3	Punjab Capital Securities Private Limited	82.511	72.521

OUTLOOK FOR THE YEAR 2022

In line with Bank strategic business plan, branch network would be expanded to unbanked areas to ensure improvement in business volume & spread. The Bank shall focus on implementing new technologies to further improve operational oversight and effective monitoring.

AUDITORS

The retiring external auditors' M/s EY Ford Rhodes, Chartered Accountants, have completed their mandatory period of 5 years. Accordingly, after completing the due process in line with PPRA requirements, the Board of Directors, on the suggestions of Board Audit Committee, recommended M/s A.F. Ferguson, Chartered Accountants, as statutory auditors of the Bank for year 2022.

ACKNOWLEDGEMENT

I acknowledge valuable support and guidance of State Bank of Pakistan and Government of the Punjab which helped in achieving desired results. I am also thankful to shareholders and customers for their continued patronage. The Board also highly appreciate the effort of Bank's management and staff members for achieving good financial results.

For and on behalf of the Board
Chairman

ڈائریکٹرز رپورٹ

برائے سال 31 دسمبر 2021ء

دی بینک آف پنجاب کا بورڈ آف ڈائریکٹرز بینک کی 32 سالانہ رپورٹ مع مالی اسٹیٹمنٹ اور آڈیٹرز رپورٹ انتہائی مسرت کے ساتھ پیش کر رہا ہے۔

کارکردگی پر ایک طائرانہ نظر

بینک نے COVID-19 وبائی امراض کی وجہ سے پیدا ہونے والی معاشی سست روی کا کامیابی سے مقابلہ کیا اور دستیاب وسائل کے زیادہ سے زیادہ استعمال اور کاروبار کے نئے مواقع پیدا کر کے اپنی ترقی کی رفتار کو برقرار رکھا۔ انتہائی سخت اور مسابقتی آپریٹنگ ماحول میں اپنے کلائنٹس کو مارکیٹ میں بہترین بینکنگ خدمات کی فراہمی کو یقینی بناتے ہوئے بینک نے نظر انداز کیے گئے علاقوں میں اپنی رسائی کو بڑھانا جاری رکھا اور اب اس کے پاس 662 آن لائن برانچوں کا نیٹ ورک ہے۔

31 دسمبر 2021 کو بینک کے ڈیپازٹس 1.0 کھرب روپے کی سطح کو عبور کر گئے اور 20 فیصد اضافہ کے ساتھ 1,003.0 ارب روپے ہو گئے جو کہ 31 دسمبر 2020 کو 835.1 ارب روپے کی سطح پر تھے۔ سال کے دوران بینک نے کم لاگت CASA ڈیپازٹس اور پرائیویٹ سیکٹر ڈیپازٹس کو بڑھانے کے لیے توجہ مرکوز رکھی۔

31 دسمبر 2021 کو بینک کے گراس قرضہ جات 21 فیصد اضافہ کے ساتھ 534.2 ارب روپے کی سطح پر پہنچ گئے جو کہ 31 دسمبر 2020 کو 442.8 ارب روپے تھے۔ سال کے دوران ریکوری/ ریگولرائزیشن کی وجہ سے غیر فعال قرضہ جات میں نمایاں کمی دیکھی گئی جو کہ کم ہو کر 52.0 ارب روپے کی سطح پر آ گئے جبکہ 31 دسمبر 2020 کو یہ 57.3 ارب روپے کی سطح پر تھے۔ بینک اسٹیٹ بینک آف پاکستان کے پروڈینشل ریگولیشن کے تحت پروویژن کی ضروریات سے ہم آہنگ ہے اور غیر فعال قرضہ جات کی وصولی کے لیے تمام قانونی اقدامات کیے جا رہے ہیں۔ مالیاتی اداروں کو سرمایہ کاری اور انویسٹمنٹ 562.7 ارب روپے کی سطح پر رہے جس کا اہم حصہ حکومتی سیکیورٹیز (95%) پر مشتمل ہے۔ بینک کے اثاثہ جات 9 فیصد اضافہ کے ساتھ 1,197.0 ارب روپے کی سطح پر پہنچ گئے جو کہ 31 دسمبر 2020 کو 1,095.4 ارب روپے کی سطح پر تھے۔ سال 2021 کے دوران نیٹ انٹریسٹ مارجن 28 فیصد اضافے کے ساتھ 29.88 ارب روپے کی سطح پر پہنچ گیا جو کہ سال 2020 کے دوران 23.33 ارب روپے کی سطح پر تھا۔ اسی طرح نان مارک اپ انکم (سیکیورٹیز پر گین کے علاوہ) 34 فیصد اضافہ کے ساتھ 6.12 ارب روپے کی سطح پر پہنچ گئی جو کہ سال 2020 کے دوران 4.58 ارب روپے تھی۔

نان مارک اپ اخراجات 21.01 ارب روپے رہے جو کہ سال 2020 کے دوران 17.52 ارب روپے تھے۔ اخراجات میں اضافہ افراط زر اور برانچ نیٹ ورک/ کاروباری حجم میں اضافے کے مطابق ہے۔

سال 2021 کے دوران قبل از پروویژن منافع 16.77 ارب روپے رہا جو کہ سال 2020 کے دوران 18.85 ارب روپے تھا۔ اس کی بنیادی وجہ سال 2020 کے دوران حاصل کیا گیا سیکیورٹیز پر کیپیٹل گین منافع تھا۔ COVID-19 کے اثرات کو مدنظر رکھتے ہوئے معروضی تجزیہ کی بنیاد پر پروویژن کے علاوہ بینک نے 2.5 ارب روپے کی جنرل پروویژن برقرار رکھی ہے۔

سال 2021 کے دوران نیٹ پروویژن ریورسل (1.64) ارب روپے رہی جبکہ سال 2020 کے دوران 6.86 ارب روپے کی پروویژن کی گئی تھی۔ اسی طرح قبل از ٹیکس منافع 54 فیصد اضافہ کے ساتھ 18.41 ارب روپے تک پہنچ گیا جو کہ سال 2020 کے دوران 11.99 ارب روپے تھا۔ اسی طرح بعد از ٹیکس منافع 79 فیصد اضافے کے ساتھ 12.44 ارب روپے کی سطح پر پہنچ گیا جو کہ سال 2020 کے دوران 6.94 ارب روپے تھا۔ فی حصص آمدن بہتر ہو کر 4.71 روپے گئی جو کہ سال 2020 کے دوران 2.63 روپے تھی۔

بینک کے بزنس پلان میں متعین کردہ جارحانہ کاروباری اضافہ اور انفارمیشن ٹیکنالوجی/ ڈیجیٹلائزیشن کے لیے CAPEX ضروریات پوری کرنے کے لیے درکار مضبوط کیپیٹل بیس کو مدنظر رکھتے ہوئے بورڈ نے سال 2021 کے لیے حصص داران کو 12.50 فیصد کا سٹاک ڈیویڈنڈ دینے کا اعلان کیا ہے جبکہ سال 2020 کے دوران 10 فیصد کیش ڈیویڈنڈ دیا گیا تھا۔

سال 2021 کے مالیاتی نتائج

منافع قبل از ٹیکس	18,408.013
ٹیکس۔ نیٹ	5,967.878
منافع بعد از ٹیکس	12,440.135
فی شیئر آمدنی (روپے)	4.71

کیپیٹل ایڈیکویسی اور کم از کم مطلوبہ سرمایہ

31 دسمبر 2021 کو پیڈ اپ کیپیٹل (نقصانات کا نیٹ) 28.39 ارب روپے کی سطح پر رہا جبکہ اسٹیٹ بینک کی کم از کم مطلوبہ سرمائے کی حد 10.0 ارب روپے ہے۔ بینک کی کیپیٹل ایڈیکویسی ریشو (CAR) 12.27 فیصد رہی جبکہ اسٹیٹ بینک آف پاکستان کے مطلوبہ شرح 11.50 فیصد ہے۔ اگر غیر مجموعی دائمی TFCs کے مستقبل کے اجراء کے لیے ایڈوانس سبسکرپشن رقم کو اہل سرمائے کے طور پر شمار کیا جاتا تو بینک کی CAR 12.50 فیصد ہوتی۔

انٹرنل کنٹرول

بینک کے خطرات کو تخفیف کرنے کے لیے انٹرنل کنٹرول کا مناسب اور موثر نظام دی بینک آف پنجاب کے بورڈ آف ڈائریکٹرز کی ذمہ داری ہے۔ بورڈ سالانہ رپورٹ میں انتظامیہ کی جانب سے دیئے گئے انٹرنل کنٹرول کے انتظامات کی پر مسرت توثیق کرتا ہے۔

بینک کا بورڈ آف ڈائریکٹرز

31 دسمبر 2021 کو بینک کا بورڈ آف ڈائریکٹرز 8 ارکان پر مشتمل تھا۔ جن کی تفصیل مندرجہ ذیل ہے۔ ان میں 4 آزاد ڈائریکٹرز ہیں۔

نمبر شمار	نام ڈائریکٹرز	عہدہ
1	محمد جہانزیب خان	ڈائریکٹر
2	ڈاکٹر محمد امجد ثاقب	ڈائریکٹر
3	سید غضنفر عباس جیلانی	ڈائریکٹر
4	محمد مدثر آمرے	ڈائریکٹر
5	آصف رضا ثنا	ڈائریکٹر
6	محترمہ نادیہ رحمٰن	ڈائریکٹر
7	محمد نعیم خان (*)	ڈائریکٹر
8	ظفر مسعود	صدر/ چیف ایگزیکٹو آفیسر

* اسٹیٹ بینک آف پاکستان نے مورخہ 17-02-2022 کو ایک آزاد ڈائریکٹر کی ایف پی ٹی کلیئرنس دی ہے۔ جن کا انتخاب 11-10-2021 کے غیر معمولی جنرل اجلاس میں کیا گیا تھا۔

2021 میں بورڈ کے 9 اجلاس درج ذیل ارکان کے ساتھ منعقد ہوئے۔

نام ڈائریکٹرز	اجلاسوں کی تعداد
محمد جہانزیب خان	9
ڈاکٹر محمد امجد ثاقب	9
سید غضنفر عباس جیلانی	9
افتخار علی ساہو (*)	5
ظفر مسعود	9
محمد عبداللہ خان سنبل (**)	1
شہریار احمد (***)	5
خواجہ فاروق سعید	9
سعید انور	9
فرید احمد خان (****)	2

(*) مورخہ 22-04-2021 کو شامل ہوئے اور 27-12-2021 کو ڈائسفر ہو گئے۔
(**) مورخہ 22-03-2021 کو ڈائسفر ہو گئے۔
(***) مورخہ 01-09-2021 کو وفات پا گئے۔
(****) بحیثیت قائم مقام صدر۔

بورڈ آف ڈائریکٹرز کی کمیٹیاں

1۔ بورڈ آڈٹ کمیٹی

سال 2021 میں بورڈ آڈٹ کمیٹی کے 7 اجلاس درج ذیل ارکین کے ساتھ منعقد ہوئے۔

نام ڈائریکٹرز	اجلاسوں کی تعداد
سعید انور	7
محمد جہانزیب خان	7
سید غضنفر عباس جیلانی	7
افتخار علی ساہو	4
شہریار احمد	3

2۔ بورڈ رسک مینجمنٹ، کمپلائنس اور این پی ایل ریویو کمیٹی

سال 2021 میں بورڈ رسک مینجمنٹ، کمپلائنس اور این پی ایل ریویو کمیٹی کے 6 اجلاس درج ذیل اراکین کے ساتھ منعقد ہوئے

نام ڈائریکٹرز	اجلاسوں کی تعداد
شہریار احمد	4
خواجہ فاروق سعید	6
ڈاکٹر محمد امجد ثاقب	6
سید غضنفر عباس جیلانی	6
افتخار علی ساہو	1

3۔ بورڈ افرادی قوت، معاوضہ اور نامزدگی کمیٹی

سال 2021 میں افرادی قوت، معاوضہ اور نامزدگی کمیٹی کے 8 اجلاس درج ذیل اراکین کے ساتھ منعقد ہوئے

نام ڈائریکٹرز	اجلاسوں کی تعداد
خواجہ فاروق سعید	8
محمد جہانزیب خان	8
ڈاکٹر محمد امجد ثاقب	8
افتخار علی ساہو	4
سید غضنفر عباس جیلانی	8
محمد عبداللہ خان سنبل	1
سعید انور	2

4۔ بورڈ حکمت عملی، اسلامی، ترجیحی شعبہ مالی کمیٹی

سال 2021 میں حکمت عملی، اسلامی، ترجیحی شعبہ مالی کمیٹی کے 4 اجلاس درج ذیل اراکین کے ساتھ منعقد ہوئے

نام ڈائریکٹرز	اجلاسوں کی تعداد
ڈاکٹر محمد امجد ثاقب	4
سعید انور	4
افتخار علی ساہو	2
شہریار احمد	2
محمد جہانزیب خان	1
سید غضنفر عباس جیلانی	2
خواجہ فاروق سعید	2
محمد عبداللہ خان سنبل	1

5۔ بورڈ انفارمیشن ٹیکنالوجی اینڈ کمیونیکیشن کمیٹی

سال 2021 میں انفارمیشن ٹیکنالوجی اینڈ کمیونیکیشن کمیٹی کے 4 اجلاس درج ذیل اراکین کے ساتھ منعقد ہوئے

نام ڈائریکٹرز	اجلاسوں کی تعداد
محمد جہانزیب خان	4
سعید انور	4
خواجہ فاروق سعید	4
شہریار احمد	0
محمد عبداللہ خان سنبل	1
افتخار علی ساہو	1
سید غضنفر عباس جیلانی	1

6۔ بورڈ مانیٹرنگ فارنزک انویسٹی گیشن برائے شوگر انڈسٹری کمیٹی

سال 2021 میں بورڈ مانیٹرنگ فارنزک انویسٹی گیشن برائے شوگر انڈسٹری کمیٹی کے 5 اجلاس درج ذیل اراکین کے ساتھ منعقد ہوئے

نام ڈائریکٹرز	اجلاسوں کی تعداد
شہریار احمد	4
خواجہ فاروق سعید	5
سعید انور	5

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک کی اسٹیٹمنٹ

ڈائریکٹرز کوڈ آف کارپوریٹ گورننس کے معاملے میں مسرت کے ساتھ درج ذیل بیان پیش کر رہے ہیں۔

مالیاتی اسٹیٹمنٹ مصدقہ طور پر ٹوٹس اور بینکنگ کمپنیز آرڈیننس 1962 اور کمپنیز ایکٹ 2017 کے تحت تیار کی گئی ہے۔ یہ سٹیٹمنٹس درست معاملات، اس کے نتیجے میں آپریشنز، کیش فلو اور ایکویٹی میں تبدیلی، جامع آمدن پیش کرتی ہیں۔ بینک کے کھاتوں کی باقاعدہ کتابیں تیار اور برقرار رکھی گئی ہیں۔

ان مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ لاگو کی گئی ہیں اور اکاؤنٹنگ تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

جیسا کہ پاکستان میں بین الاقوامی شماریاتی اور مالیاتی رپورٹنگ معیارات اور اسلامی معاشی شماریاتی معیارات رائج ہیں، مالی اسٹیٹمنٹ کی تیاری اور سالانہ کھاتوں کو ظاہر کرنے میں انہیں معیارات پر عمل کیا گیا ہے۔ اندرونی اختیارات کا نظام مضبوط اور موثر انداز میں لاگو کیا گیا ہے۔

بینک کے کاروباری معاملات جاری رہنے کی صلاحیت پر کوئی نمایاں شک وشبہ نہیں۔

لسٹنگ قواعد میں درج تفصیلات کے تحت کارپوریٹ گورننس کے بہترین طریقہ سے کوئی تصادم نہیں۔

مالی اسٹیٹمنٹ میں تمام قانونی واجبات اگر کوئی ہیں تو ظاہر کر دیے گئے ہیں۔

تازہ ترین آڈٹ شدہ کھاتوں کے مطابق سٹاف کے پراویڈنٹ فنڈ اور گریجویٹی فنڈ کی سرمایہ کاری کی مالیت 3.24 ارب روپے اور 1.34 ارب روپے ہے۔

سالانہ رپورٹ کے صفحہ نمبر 375 پر 31 دسمبر 2021 کی شیئر ہولڈنگ کی تفصیل دی گئی ہے۔

سالانہ رپورٹ کے صفحہ نمبر 103 پر گزشتہ 6 سال کا اہم آپریٹنگ اور مالیاتی ڈیٹا ظاہر کیا گیا ہے۔

سالانہ رپورٹ کے صفحہ نمبر 71 پر کارپوریٹ گورننس کے طریقہ کار کی تفصیل دی گئی ہے۔

سالانہ رپورٹ کے صفحہ نمبر 64 پر رسک مینجمنٹ فریم ورک کی تفصیل دی گئی ہے۔

سالانہ رپورٹ کے صفحہ نمبر 69 پر بورڈ ریمیونیریشن پالیسی کی تفصیل دی گئی ہے۔

کریڈٹ درجہ بندی

بینک کے بہتر رسک پروفائل کو تسلیم کرتے ہوئے پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے طویل المدتی درجہ بندی بڑھا کر "AA+" کر دی ہے جبکہ قلیل مدتی درجہ بندی "A1+" برقرار رکھی ہے۔

درجہ بندی کے معیاری پیمانہ اور تعریف کے مطابق طویل المدتی "AA+" درجہ بندی میں بہت ہی کم کریڈٹ رسک ہوتا ہے۔ یہ بہت مضبوط بروقت مالیاتی وعدوں کی ادائیگیوں کی صلاحیت ظاہر کرتی ہے جو تکلیف دہ حالات سے محفوظ ہو۔ اسی طرح قلیل المدتی "A1+" درجہ بندی یہ بروقت ادائیگیوں کی بہترین صلاحیت کو ظاہر کرتی ہے۔

ذیلی اداریے

بینک کے ذیلی اداروں کی تفصیل درج ذیل ہے

ملین روپے

نمبر شمار	نام	31 دسمبر 2021 تک نیٹ اثاثے	31 دسمبر 2020 تک نیٹ اثاثے
1	پنجاب مضاربہ سروس پرائیویٹ لمیٹڈ	(46.968)	(37.840)
2	فرسٹ پنجاب مضاربہ	155.433	138.408
3	پنجاب کیپیٹل سکیورٹیز پرائیویٹ لمیٹڈ	82.511	72.521

2022 کے لیے رائے

گزشتہ برس میں شاندار مالی کارکردگی کے پیش نظر بینک غیر بینک ایریاز تک پہنچنے اور کاروبار کے حجم میں اضافے اور حصص داران کو بہتر منافع کے لیے اپنی پیش قدمی جاری رکھے گا۔ بینک مزید آپریشن طریقہ میں بہتری اور موثر نگرانی کے لیے ٹیکنالوجی میں سرمایہ کاری جاری رکھے گا۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز M/s EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس نے اپنی پانچ سالہ معیاد پوری کر لی ہے۔ PPRA رولز کے تحت طریقہ کار اپنانے کے بعد بورڈ آڈٹ کمیٹی کی سفارش پر بورڈ نے M/s A.F.Ferguson چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2022 کو اختتام پذیر ہونے والے سال کے لیے آڈیٹرز تجویز کیا ہے۔

میں یہ اعتراف کرتا ہوں کہ اسٹیٹ بینک آف پاکستان اور حکومت پنجاب کی رہنمائی اور مدد نے مطلوبہ نتائج حاصل کرنے میں بہت اہم کردار ادا کیا۔ میں اپنے حصص داران اور صارفین کے مسلسل اعتماد اور بینک انتظامیہ اور سٹاف کی محنت پر ان کا شکر گزار ہوں۔

بورڈ آف ڈائریکٹر کی جانب سے

چیئرمین

REVIEW REPORT BY CHAIRMAN OF AUDIT COMMITTEE

The Audit Committee of the Board consists of 03 members and is being headed by an experience independent Director as Chairman. The members of Audit Committee possess very rich and diverse experience of serving on the Board of various entities besides holding senior management positions in different public and private sector organizations.

Current composition of Audit Committee is as under:

SR.#	NAME OF DIRECTORS / MEMBERS	STATUS
1	Mr. Mohammad Mudassir Amray	Chairman
2	Mr. Mohammad Jehanzeb Khan	Member
3	Syed Ghazanfar Abbas Jilani	Member

During the year 2021, 07 meetings of Audit Committee were held. Major Responsibilities of Board Audit Committee are as under:

1. Supervision of Bank's Internal Audit Function and ensure its functional independence.
2. Provide necessary guidance to Internal Audit Function.
3. Approve annual audit plan along with allocation of required budget and resources.
4. Ensure effective implementation of Internal Control Regime as per regulatory requirements.
5. Review quarterly and annual financial statement of the Bank and address highlighted significant issues.
6. Review periodical reports of significant issues highlighted by Internal Audit Function and impart necessary guidance of critical issues.
7. Recommend appointment of External Auditor to BOD and ensure their independence.

During the year 2021, the Audit Committee has reviewed 3 quarterly and one annual accounts of the Bank and recommended the same to BOD for final approval. The Committee also reviewed periodical report on significant and material issues pointed out by the Internal Audit Function and provided necessary guidance on the same. During the year 2021, Bank's Internal Audit Function has performed its role in a very satisfactory manner.

The Board Audit Committee is fully aware of its responsibilities and shall continue to perform its role in accordance with the regulatory requirements. It shall be ensured that Bank's Internal Audit Function remains fully independent and perform its function in line with regulatory requirements and best industry practices.

For & on Behalf of Audit Committee
Chairman

REPORT OF SHARIAH BOARD

Taqwa Islamic Banking The Bank of Punjab (TIB BOP)
(For The Financial Year 2021)

Alhamdulillah TIB BOP has completed another year of successful banking operations. The Shariah Board (SB) hereby presents its opinion on the affairs of TIB BOP operations. The Board of Directors (BOD) and the management is committed to providing an effective and comprehensive Shariah Governed environment to regulate the overall functions of the bank. During the year Shariah Board convened various SB meetings to discuss different matters referred to the Shariah Board including Internal/ External Shariah Audit Reports, Shariah compliance review reports, policies and procedures, new products/ renewals of existing products, transaction structuring, business and marketing material etc.

SHARIAH COMPLIANCE:

1. TIB BOP is equipped with a team of qualified personal in its Shariah Compliance Department (SCD), working under the supervision and guidance of the Shariah Board. The prime objective of this function is to ensure Shariah Compliance at various levels and take corrective measures.

2. The main modes of financing used for the bank's financing activities during the year consist of Murabaha, Ijarah, Diminishing Musharakah, Istisna and Running Musharakah.

3. The Shariah Board supervised and analyzed various products, concepts, transactions, processes and their Shariah Compliance as an ongoing process to ensure that the transactions are valid and in conformity with Shariah injunctions.

4. The Internal Shariah Audit unit evaluates the adherence to Shariah guidelines by the Bank. During the year, Shariah Audit of various TIB BOP branches/ departments was conducted that enabled the Bank to improve the Shariah control environment.

5. To strengthen and broaden the functions of Shariah control, the Shariah Compliance Department (SCD) of the bank under the supervision of RSBM, facilitated the customers by formulating customized process flows after assessment of the customers' business models and determining the most suitable product. As a part of the department's responsibilities SCD also reviewed the process of profit distribution to the depositors on monthly basis. During the course of on-site visit of branches, SCD also guided staff regarding day to day operations while dealing with general banking customers.

PRODUCTS AND POLICIES:

During the year, SB has reviewed various new products along with the review and renewal of existing products including liability and financing side products. Few of products are already launched by the bank and while remaining shall be launched after system development.

Additionally, Shariah Board has also reviewed different policies including Risk Management policy, Facility Policy Manual, Treasury and investment policy etc.

SHARIAH OPINION:

After review of reports of Shariah Compliance Department, Internal and External Shariah Audit reports we are of the opinion that:

Category of TIB BOP operations is overall satisfactory as per details given below:

1. TIB BOP has by and large complied with Shariah rules and principles in the light of fatawa, rulings and guidelines issued by the Shariah Board.

2. TIB BOP has by and large complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by SBP.

3. TIB BOP has a satisfactory mechanism in place to ensure Shariah compliance in their overall operations.

4. TIB BOP has a proper system in place to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized. Detail of the charity fund is available in the statement of financial position of TIB BOP (annexure I of Annual Report 2021 BOP).

5. TIB BOP has overall acceptable system of profit / (loss) distribution and pool management. Profit is being properly distributed to all saving account holders on Mudarabah principles.

6. Bank's BoD and management is cognizant with respect to the importance of Shariah compliance in the products and processes of the bank. In this spirit bank is continuously focusing to enhance the Islamic Banking knowledge & skill set of the staff. Islamic Banking Training Unit and SCD with the coordination of Learning & Development Centre of the Bank has imparted training on Islamic banking products.

7. Shariah Board has been provided with adequate resources enabling it to discharge its duties effectively.

In Addition to above:

RECOMMENDATIONS:

There are following significant Shariah related issues which need to be addressed:

Staff/Human Resource related Matters

It is recommended that Staff Health Insurance of the employees working under Taqwa Islamic banking need to be brought under Takaful arrangements.

While encouraging the efforts of ISAU, keeping in view bank's current business segment growth and overall network expansion plan including opening of Islamic banking Windows, it is recommended that the strength of ISAU should be further increased.

Awareness Sessions

In order to enhance customer awareness of Islamic Banking, the management has arranged awareness sessions on Islamic Banking and Finance. We recommend to arrange similar sessions in the coming years.

Staff Training

While appreciating the management's efforts and focus on HR development, we recommend for management to continue its efforts on capacity building segment with the same zeal with special focus on training to staff to be appointed at Islamic Banking windows, keeping in view SBP increased focus on this area.

The Shariah Board of TIB BOP is satisfied with overall performance of Taqwa Islamic Banking - The Bank of Punjab and we expect that the management of the bank will continue adhering to the instructions issued by SBP and the Shariah Board of the bank that will further strengthen Shariah Compliance culture at TIB BOP.

Mufti Muhammad Zahid
Chairman Shariah Board

Mufti Muhammad Umar Irfan
Resident Member Shariah Board

Dr. Muhammad Mushtaq Ahmed
Member Shariah Board

Rafey Ashraf Usmani
Member Shariah Board

Date: 18-Feb-2022

شریعہ بورڈ رپورٹ

تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب (برائے مالی سال۔2021ء)

بسم اللہ الرحمٰن الرحیم

الحمدللہ "تقویٰ اسلامک بینکنگ-دی بینک آف پنجاب" نے آپریشنز کا ایک اور سال کامیابی سے مکمل کرلیا ہے۔شریعہ بورڈ "تقویٰ اسلامک بینکنگ-دی بینک آف پنجاب" کے آپریشنز کے متعلق اپنی رائے پیش کرتا ہے کہ بورڈ آف ڈائریکٹرز اور بینک کی ایگزیکٹو مینجمنٹ بینک کے مجموعی کاموں کو منظم کرنے کے لئے ایک موثر اور جامع شرعی اصولی ماحول فراہم کرنے کے لئے پرعزم ہے۔سال کے دوران شریعہ بورڈ نے مختلف معاملات پر تبادلہ خیال کرنے کے لئے مختلف میٹنگز طلب کیں ان میں اندرونی و بیرونی شریعہ آڈٹ رپورٹس،شریعہ کمپلائنس رپورٹس، پالیسیاں، پروسیجرز، نئی پراڈکٹس، موجودہ پراڈکٹس کی تجدید، لین دین کا ڈھانچہ، بزنس اور مارکیٹنگ کا مواد وغیرہ شامل ہیں۔

شریعہ کمپلائنس:

- "شریعہ کمپلائنس ڈپارٹمنٹ" تقویٰ اسلامک بینکنگ-دی بینک آف پنجاب" باصلاحیت افراد پر مشتمل ہے، جو شریعہ بورڈ کی نگرانی اور رہنمائی میں کام کررہا ہے، اس فنکشن کا بنیادی مقصد مختلف مراحل پر شرعی احکامات کی تعمیل کو یقینی بنانا اور اصلاحی اقدامات کرنا ہے۔
- رواں سال بینک نے فائنانسنگ کیلئے بالعموم مرابحہ، اجارہ، شرکت متناقصہ، استصناع اور رنگ مشارکہ کی پراڈکٹس اختیار کیں۔
- شریعہ بورڈ نے مختلف پراڈکٹس، عقود، اور معاملات کی شریعت سے مطابقت کو برقرار رکھنے کیلئے نگرانی کا عمل مسلسل جاری رکھا تاکہ تمام معاملات شریعت کے اصولوں کے مطابق سرانجام پاتے رہیں۔
- "انٹرنل شریعہ آڈٹ ڈیپارٹمنٹ" بینک کے معاملات میں شرعی اصولوں کی پابندی کو جانچتا ہے۔اس سال کے دوران "تقویٰ اسلامک بینکنگ-دی بینک آف پنجاب" کی برانچوں اور ڈیپارٹمنٹس کا آڈٹ کیا گیا جس کے نتیجہ میں بینک کے شریعہ کنٹرول کے ماحول کو بہتر بنانے میں مدد ملی۔
- شرعی کنٹرول کے معاملات کو مزید موثر اور اس کے دائرہ کار کو وسیع کرنے کیلئے بینک کا "شریعہ کمپلائنس ڈیپارٹمنٹ" ریزیڈنٹ شریعہ بورڈ ممبر کی نگرانی میں کسٹمر کے کاروباری نظام کے جائزے اور کسٹمر کی ضرورت کے پیش نظر مناسب پراڈکٹ کے مطابق پراسس فلوز کو ترتیب دیتا ہے۔"شریعہ کمپلائنس ڈیپارٹمنٹ" کی دیگر ذمہ داریوں میں کھاتہ داروں کو نفع کی تقسیم کی ماہانہ کی بنیاد پر نگرانی بھی شامل ہے جس کو اس سال بھی "شریعہ کمپلائنس ڈیپارٹمنٹ" نے بخوبی سرانجام دیا ہے، برانچوں کی جانچ کے دوران "شریعہ کمپلائنس ڈیپارٹمنٹ" نے عملہ کو روزمرہ آپریشنز میں کسٹمرز کے ساتھ معاملات کے متعلق رہنمائی فراہم کی ہے۔

پراڈکٹس اور پالیسی:

- شریعہ بورڈ نے رواں سال مختلف نئی پراڈکٹس کے ساتھ موجودہ پراڈکٹس بشمول فائنانسنگ اور ڈپازٹ کی پراڈکٹس کا جائزہ لیا ہے۔ان میں سے کچھ پراڈکٹس پہلے ہی بینک کی طرف سے لانچ کی جاچکی ہیں اور بقیہ پراڈکٹس سسٹم بننے کے بعد لانچ کردی جائیں گی۔
- اس کے علاوہ شریعہ بورڈ نے کچھ پالیسیوں کا بھی جائزہ لیا جن میں رسک مینجمنٹ پالیسی، فیسیلیٹی پالیسی مینول، ٹریژری اینڈ انوسٹمنٹ پالیسی وغیرہ شامل ہیں۔

شرعی آراء:

کمپلائنس ڈیپارٹمنٹ، اندرونی و بیرونی شریعہ آڈٹ رپورٹس کا معائنہ کرنے کے بعد ہماری رائے یہ ہے کہ: "تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب" کے آپریشنز بحیثیت مجموعی تسلی بخش ہیں جسکی تفصیل درج ذیل ہے۔

- "تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب" بحیثیت مجموعی شریعہ بورڈ کی جانب سے جاری شدہ فتاوٰی اور اصول وضوابط پر کاربند رہا ہے۔
- "تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب" اسٹیٹ بینک آف پاکستان" کے شریعہ سے متعلق جاری کردہ احکامات، قواعد وضوابط، ہدایات اور رہنما اصولوں پر بحیثیت مجموعی کاربند رہا ہے۔
- "تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب" میں آپریشنز کو شریعہ کمپلائنٹ بنانے کے لیے تسلی بخش نظام موجود ہے۔
- ممنوعہ ذرائع سے حاصل ہونے والی آمدن کو خیراتی اکاؤنٹ میں منتقل کرنے اور اسکے مؤثر استعمال کو یقینی بنانے کیلئے "تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب" میں ایک مؤثر نظام موجود ہے۔خیراتی رقم کی تفصیل بینک کی "سالانہ مالیاتی رپورٹ" میں موجود ہے۔
- "تقویٰ اسلامک بینکنگ۔دی بینک آف پنجاب" میں نفع ونقصان کو تقسیم کرنے اور پول مینجمنٹ کا ایک قابل قبول نظام موجود ہے، "سیونگ اکاؤنٹ" میں مضاربہ کے اصولوں کے مطابق کھاتہ داروں میں مناسب طریقہ سے نفع تقسیم کیا جارہا ہے۔
- بینک کے بورڈ آف ڈائریکٹر اور مینجمنٹ، بینک کی پراڈکٹس اور پراسس کو شریعہ کمپلائنٹ کرنے میں سنجیدہ ہے۔اسی وجہ سے بینک اسلامی بینکاری سے متعلق عملہ کی صلاحیتوں کی بہتری کی طرف مسلسل متوجہ ہے۔"اسلامک بینکنگ ٹریننگ یونٹ" اور "شریعہ کمپلائنس

ڈیپارٹمنٹ" نے بینک کے "لرننگ اینڈ ڈویلپمنٹ ڈیپارٹمنٹ" کے تعاون سے اسلامک بینکنگ کی پراڈکٹس پر ٹریننگ کا انعقاد کروایا ہے۔

- شریعہ بورڈ کو مناسب وسائل مہیا کیے گئے ہیں تا کہ وہ اپنی ذمہ داریوں کو احسن اور مؤثر طریقہ سے سرانجام دے سکے۔

مزید سفارشات:

- شریعہ سے متعلق مندرجہ ذیل کچھ اہم امور ہیں جن پر توجہ دینے کی ضرورت ہے؛

اسٹاف سے متعلق معاملات:

- اس بات کی سفارش کی جاتی ہے کہ "تقویٰ اسلامک بینکنگ" میں ملازمت کرنے والے ملازمین کی سٹاف ہیلتھ انشورنس کو تکافل کے انتظام کے تحت لانے کی ضرورت ہے۔
- "انٹرنل شریعہ آڈٹ یونٹ" کی کاوشوں کی حوصلہ افزائی کرتے ہوئے، بینک کی موجودہ کاروباری حجم کی نمو، برانچ نیٹ ورک کی توسیع اور اسلامی بینکاری ونڈوز کے اجراء کے منصوبے کو مدنظر رکھتے ہوئے یہ تجویز کی جاتی ہے کہ "انٹرنل شریعہ آڈٹ یونٹ" کی استعداد کو مزید بڑھایا جائے۔

عوامی آگاہی سمینار:

- اسلامی بینکاری کے بارے میں کسٹمرز کی آگاہی بڑھانے کے لئے مینجمنٹ نے اسلامی بینکاری اور مالیات کے بارے میں عوامی آگاہی سمینار کا اہتمام کیا ہے۔ ہم آنے والے سالوں میں اسی طرح کے مزید سمینار منعقد کرنے کی بھی سفارش کرتے ہیں۔

اسٹاف ٹریننگ:

- ہم اسٹاف کی صلاحیتوں کو بہتر بنانے کے حوالے سے مینجمنٹ کی کاوشوں اور رجحان کی تعریف کرتے ہوئے اس بات کی سفارش کرتے ہیں کہ مینجمنٹ، اسٹاف کی صلاحیتوں کو بہتر بنانے میں اپنی کاوشوں کو جاری رکھے اور اسی جذبہ اور کاوش کیساتھ عملے کی تربیت، بالخصوص اسلامک بینکنگ ونڈوز کیلئے منتخب ہونے والے عملے کی تربیت پر خصوصی توجہ دے اور "اسٹیٹ بینک آف پاکستان" کی ہدایات کو مدنظر رکھتے ہوئے اس شعبے میں مزید توجہ بڑھائے۔
- "تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" کا شریعہ بورڈ بینک ہذا کی کارکردگی اور امور سے بحیثیت مجموعی مطمئن ہے اور امید کرتا ہے کہ "تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" کی انتظامیہ شریعہ بورڈ اور "اسٹیٹ بینک آف پاکستان" کی جاری کردہ ہدایات پر عملدرآمد کرتی رہے گی جو کہ "تقویٰ اسلامک بینکنگ - دی بینک آف پنجاب" کے شریعہ کمپلائنٹ ماحول کی مزید مضبوطی کا سبب بنے گا۔

واللہ سبحانہ وتعالیٰ اعلم

مفتی محمد عمر عرفان
ریزیڈنٹ شریعہ بورڈ ممبر

مفتی رافع اشرف عثمانی
شریعہ بورڈ ممبر

ڈاکٹر محمد مشتاق احمد
شریعہ بورڈ ممبر

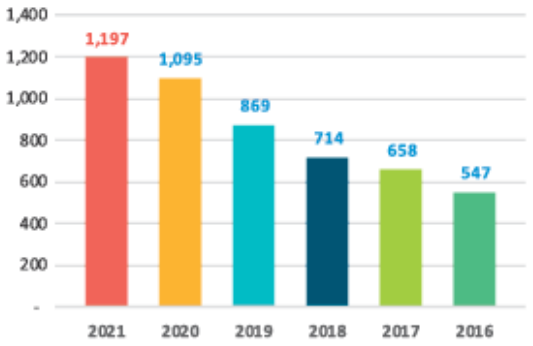
مفتی محمد زاہد
چیئرمین شریعہ بورڈ

تاریخ اجراء: ۱۸ فروری ۲۰۲۲

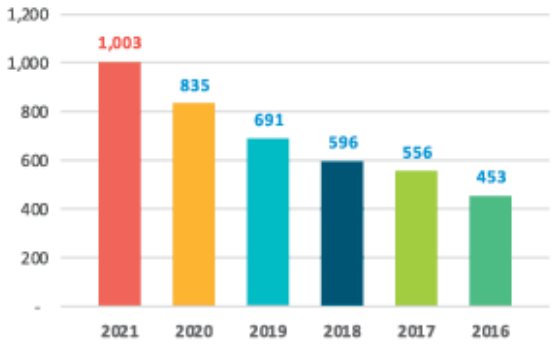
ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Six Years' Trend (Rupees in Billion)

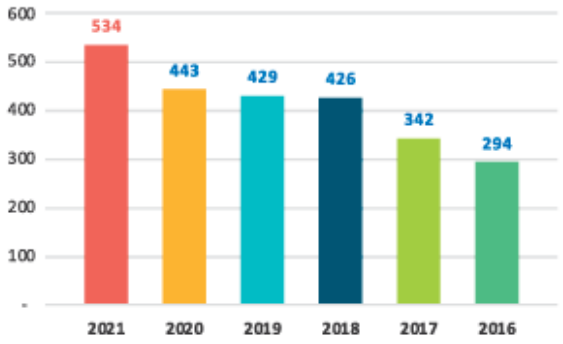
TOTAL ASSETS - CAGR 17%



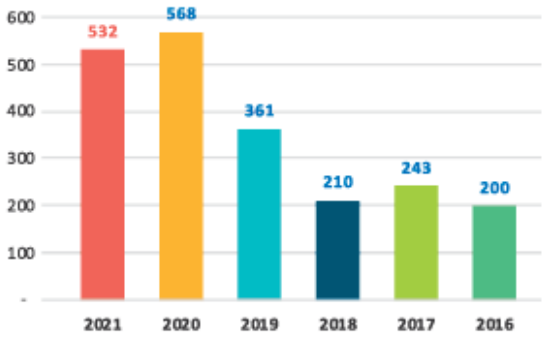
DEPOSITS - CAGR 17%



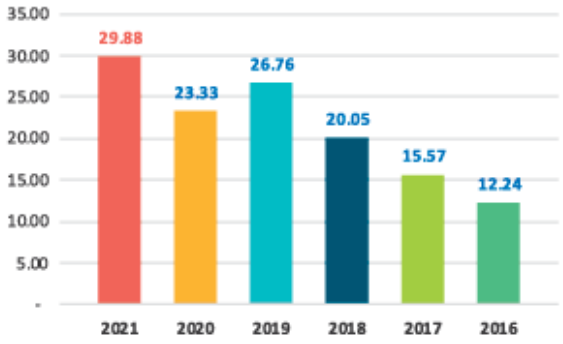
GROSS ADVANCES - CAGR 13%



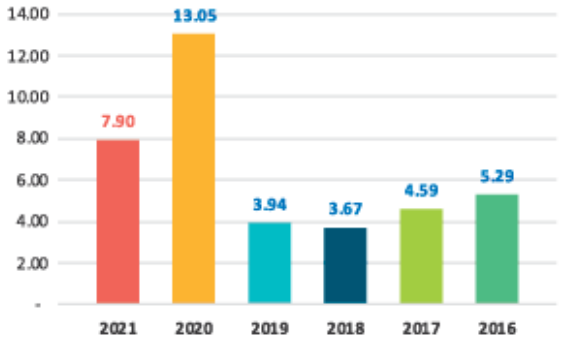
INVESTMENTS - NET - CAGR 22%



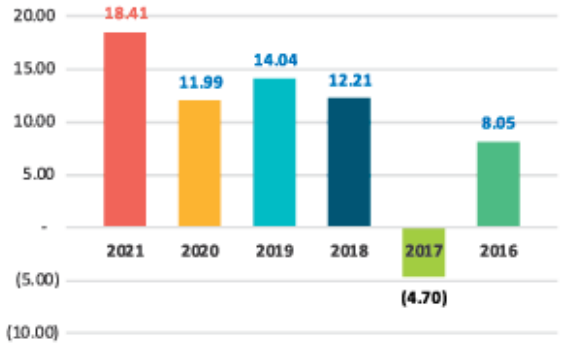
NET INTEREST MARGIN - CAGR 20%



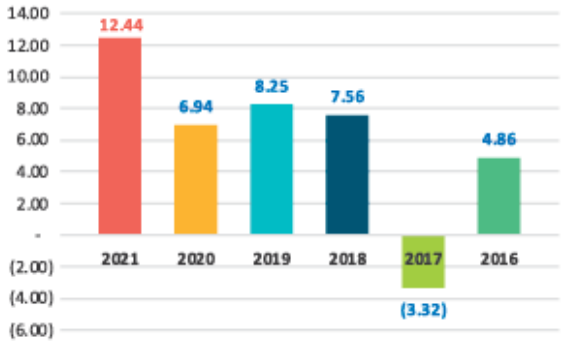
NON MARKUP INCOME - CAGR 8%



PROFIT BEFORE TAX - CAGR 18%

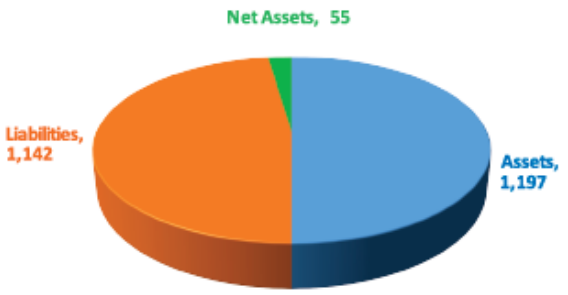


PROFIT AFTER TAX- CAGR 21%

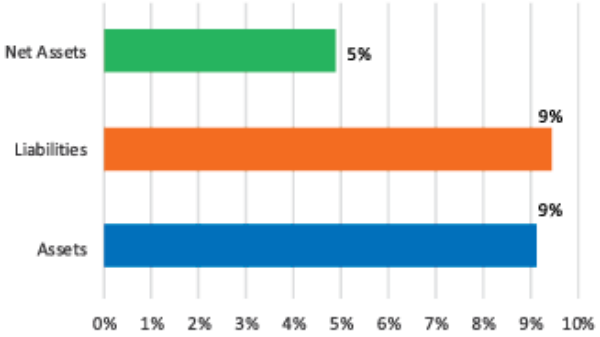


GRAPHICAL PRESENTATION OF
Financial Statements (Rupees in Billion)

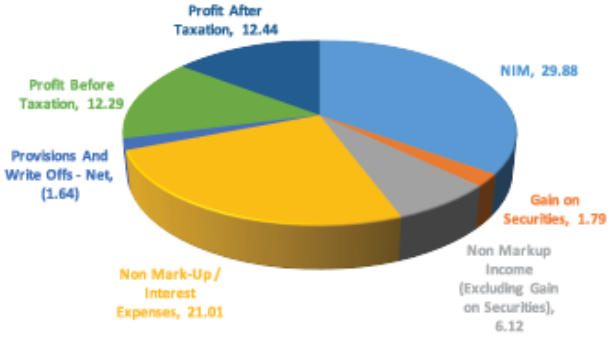
STATEMENT OF FINANCIAL POSITION 2021



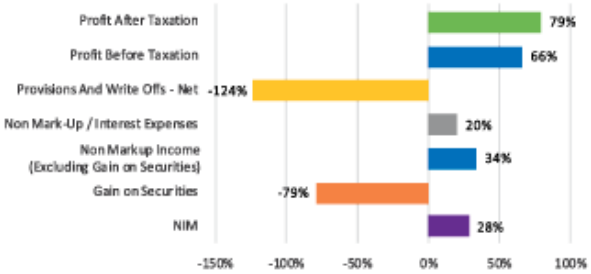
VARIANCE FROM 2020



PROFIT & LOSS ACCOUNT 2021



VARIANCE FROM 2020



CASH FLOWS 2021

CASH FLOWS 2020

ANALYSIS OF BANK'S FINANCIAL PERFORMANCE
Year 2021 Vs Year 2020 (Rupees in Million)

MARKUP / INTEREST EARNED

	2021	2020	Variance	%
Mark-up Earned on Advances	35,135	38,860	(3,725)	-10%
Mark-up Earned on Investments	44,717	45,754	(1,037)	-2%
Mark-up Earned on lendings	1,763	1,365	398	29%
Mark-up Earned on Balances with Banks	37	41	(4)	-9%
	81,651	**86,019**	**(4,368)**	**-5%**

Bank's mark up/interest earned decreased by 5% in year 2021 on account of reduction in average pricing linked with SBP and interbank benchmark rates. However, growth in overall business volume & prudent lending decisions supplemented and enabled the Bank to achieve enhanced margins.

MARKUP / INTEREST EXPENSED

	2021	2020	Variance	%
Mark-up expensed on deposits	43,955	52,483	(8,528)	-16%
Mark-up expensed on borrowings	6,168	8,411	(2,242)	-27%
Mark-up expensed on subordinated debts	604	862	(258)	-30%
Mark-up expensed on lease liability	1,048	937	110	12%
	51,775	**62,694**	**(10,918)**	**-17%**

Despite increase in Bank's Deposit Portfolio, Bank's mark up/interest expense significantly decreased in year 2021 on account of reduction in average SBP benchmark rates and procurement of low cost fresh deposits. Branch expansion and renewals of leases resulted in increase in markup expense of lease liability. Accordingly, the Bank was able to achieve 28.08% growth in NIM for the year 2021 as compared to negative growth in year 2020.

NON MARKUP INCOME

	2021	2020	Variance	%
Fee and commission income	5,103	3,732	1,371	37%
Dividend income	377	137	240	175%
Foreign exchange income	577	328	249	76%
Gain on securities - net	1,786	8,466	(6,681)	-79%
Other income - net	61	382	(321)	-84%
	7,904	**13,046**	**(5,142)**	**-39%**

Bank's strategy to increase business volumes and Fee Based Income thereon yielded positive results and the Fee & Commission Income increased by 37% during year 2021. Rational stipulation of Forex market trends coupled with favorable forward contracts resulted in Increase by 76% of foreign exchange income of the Bank for the year 2021. However, Gain on Securities registered a decrease of 79% on account of realization of higher capital gains during year 2020. Other Income also declined on account of realization of higher gain on disposal of Non-Banking Assets in year 2020. Bank's non-markup income excluding capital gains on securities registered a growth of 34% in year 2021 in comparison with year 2020.

MATURITIES OF ASSETS AND LIABILITIES *

(Rupees in Million)

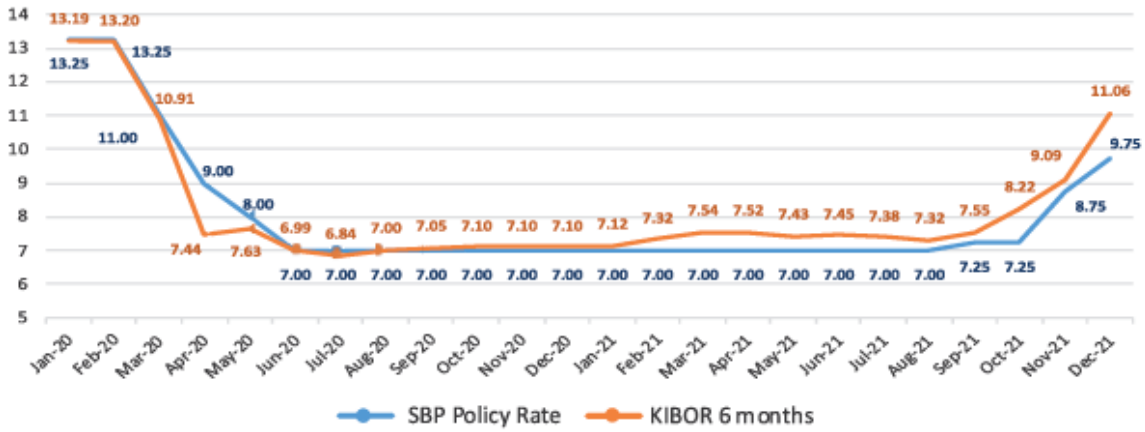
	31-Dec-21	Upto 03 Months	Over 03 Months up to 01 Year	Over 01 Year up to 3 Years	Over 03 Years up to 05 Years	Over 05 Years
Assets						
Cash and balances with treasury banks	71,319	71,319	-	-	-	-
Balances with other banks	8,718	8,718	-	-	-	-
Lending to financial institutions	30,980	30,780	200	-	-	-
Investments	531,683	46,755	216,524	182,769	14,898	70,738
Advances	484,405	129,028	78,268	65,426	83,765	127,919
Other assets	35,218	28,166	7,051	-	-	-
Operating fixed assets	19,832	440	1,047	2,741	3,019	12,584
Intangible assets	1,101	92	275	734	-	-
Deferred tax assets	13,696	-	-	-	13,696	-
	1,196,952	315,298	303,365	251,670	115,379	211,240
Liabilities						
Bills payable	10,109	10,109	-	-	-	-
Borrowings from financial institutions	71,323	24,916	12,697	5,634	6,074	22,002
Deposits and other accounts	1,002,955	348,812	290,846	145,687	88,842	128,768
Sub-ordinated loans	7,789	-	3	5	3,495	4,285
Other liabilities	49,943	27,314	2,558	4,633	6,562	8,875
	1,142,119	411,151	306,103	155,960	104,974	163,931
Net assets	54,833	(95,853)	(2,738)	95,710	10,405	47,310

* Based on expected maturities.

KEY INTEREST BEARING ASSETS & LIABILITIES

(Rupees in Million)

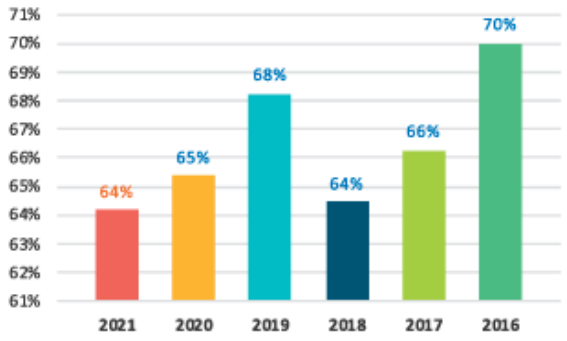
	2021			2020		
	Avg. Volume	Effective Interest rate %	Interest	Avg. Volume	Effective Interest rate %	Interest
Interest Earning Assets						
Lendings to financial institutions	22,874	6.91%	1,580	13,114	10.41%	1,365
Gross advances (excluding NPLs)	410,175	8.57%	35,135	356,802	10.89%	38,860
Gross investments (excluding equity investments)	524,839	8.55%	44,899	466,313	9.81%	45,754
Interest bearing liabilities						
Deposits (excluding current deposits)	692,410	6.35%	43,946	605,076	8.68%	52,548
Borrowings	72,408	7.19%	5,209	89,394	8.68%	7,761
Subordinated loan	6,796	8.89%	604	7,673	11.24%	862



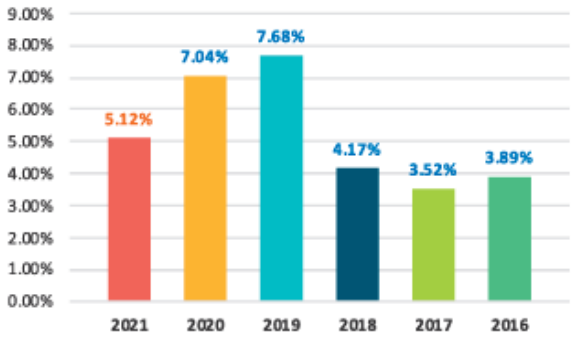
ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Deposits and Advances (Rupees in Million)

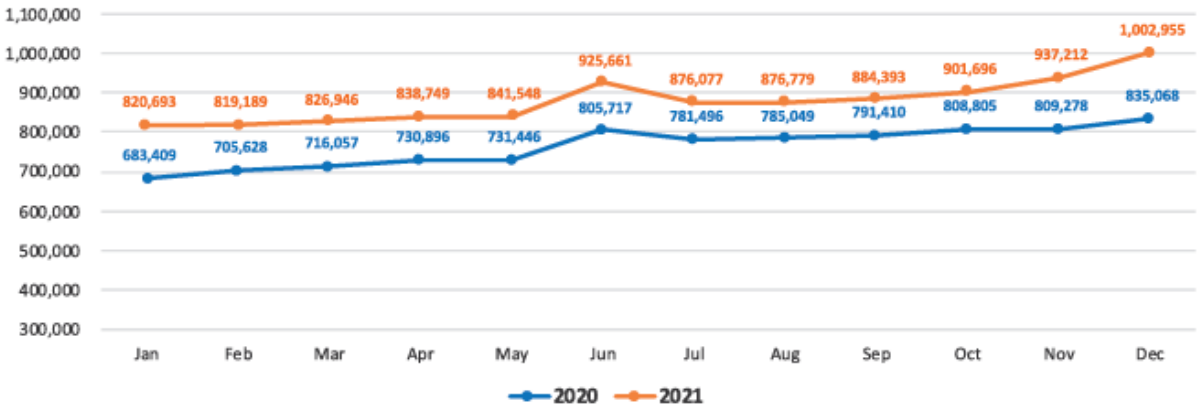
CASA MIX



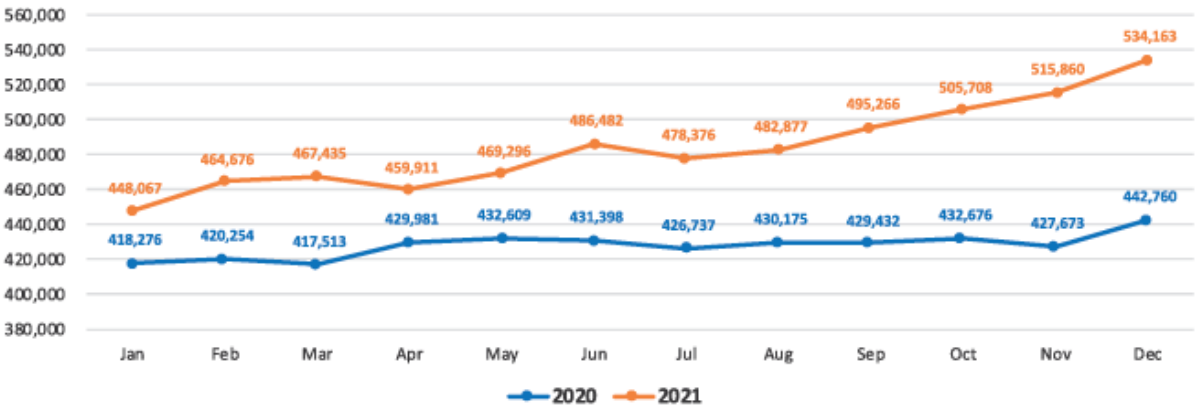
COST OF DEPOSITS



MONTHLY TREND OF BOP DEPOSITS



MONTHLY TREND OF BOP ADVANCES - GROSS



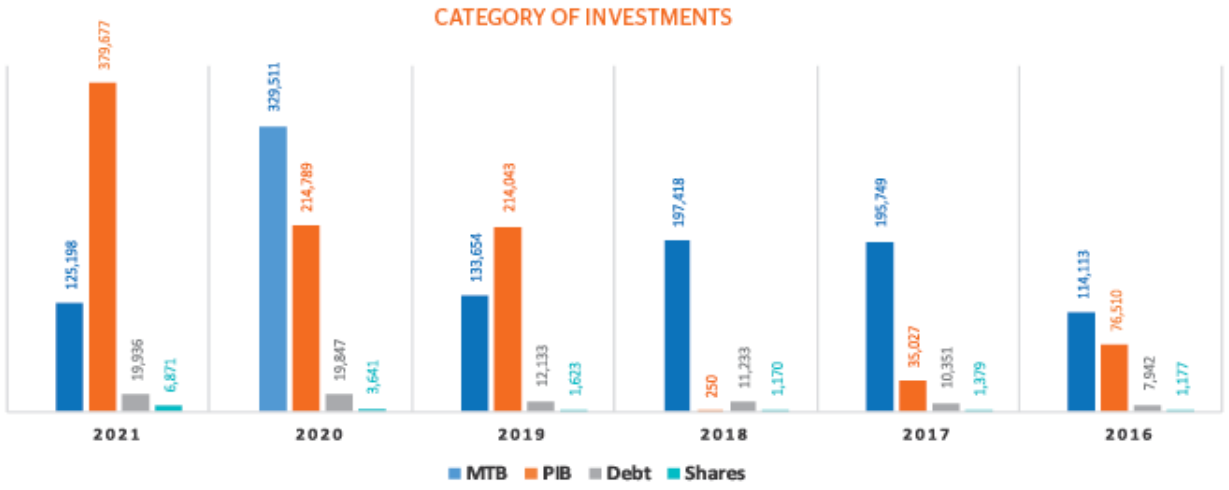
Investments (Rupees in Million)

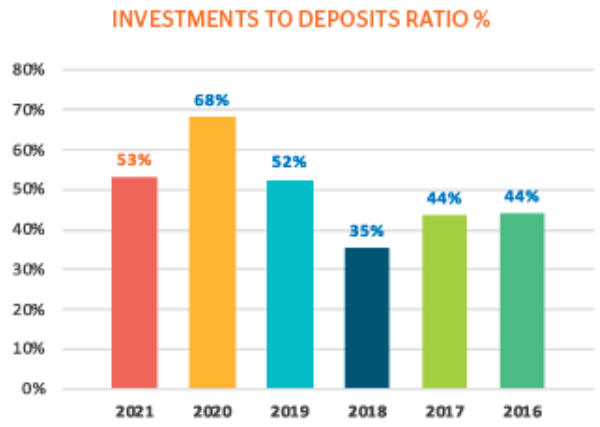
TOP TEN LISTED EQUITY HOLDINGS AS OF 31.12.2021

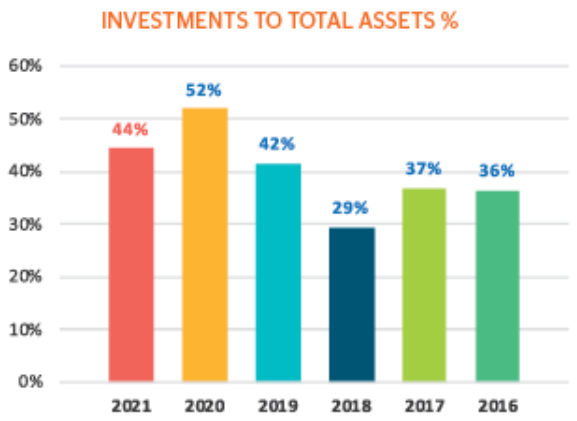
Name of Company	Shares in Numbers	Book Value	Market Value
Fauji Ferterlizer Company Limited	3,727,011	389	374
DG Khan Cement Company Limited	3,080,318	341	255
Pakistan State Oil Company Limited	1,474,258	317	268
Lucky Cement Limited	358,155	301	243
Nishat Mills Limited	2,894,300	281	230
Pioneer Cement Limited	2,286,700	262	203
Maple Leaf Cement Factory Limited	5,989,136	257	215
Hub Power Company Limited	3,077,916	250	220
AirLimk Communication Limited	3,788,625	248	220
Cherat Cement Company Limited	1,427,600	232	212

INVESTMENTS IN SUBSIDIARIES

Subsidiaries	2021	2020
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	39.16%



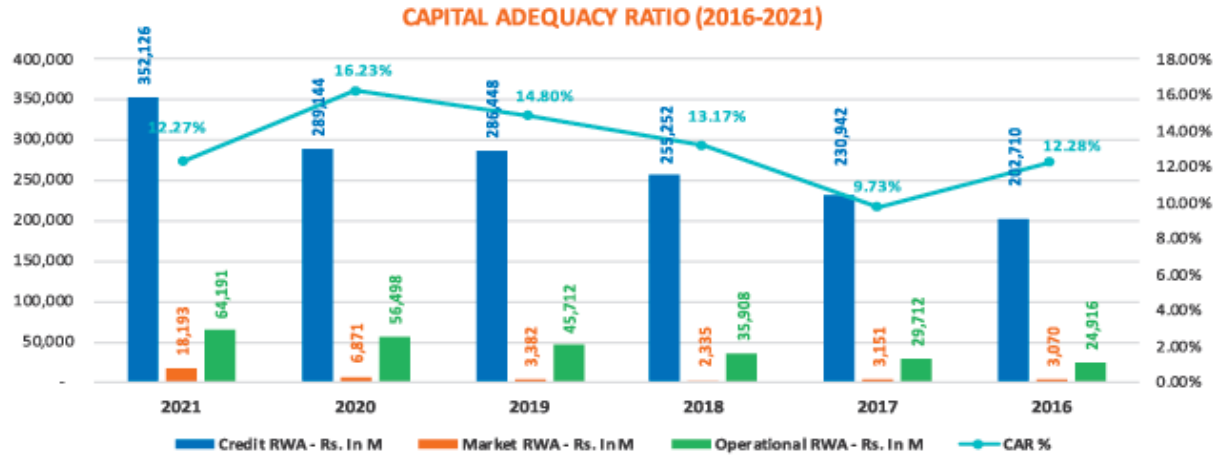




ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Capital Adequacy Ratio (Rupees in Million)

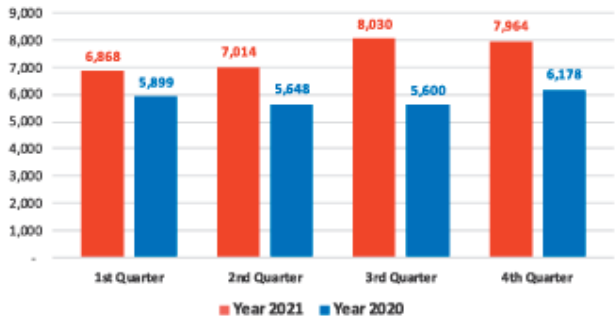
Capital Structure	2021	2020	2019	2018	2017	2016
Tier 1 Capital						
Shareholders Equity/Assigned Capital	26,174	26,174	26,174	26,174	26,174	15,288
Share Premium	2,215	2,215	2,215	2,215	2,215	-
Shares Deposit Money	-	-	-	-	-	7,038
Reserves	5,814	5,814	4,425	2,776	1,263	1,263
Unappropriated Profits / (Loss)	21,999	12,103	8,497	3,296	(2,806)	659
	56,202	**46,306**	**41,311**	**34,460**	**26,845**	**24,248**
Deductions:						
Other Deductions	12,208	4,370	3,385	5,529	6,770	2,564
	12,208	4,370	3,385	5,529	6,770	2,564
Total Tier 1 Capital	**43,994**	**41,937**	**37,926**	**28,931**	**20,075**	**21,683**
Tier 2 Capital						
Qualifying Tier 2 Instruments	6,289	6,792	7,194	7,597	3,699	4,100
General Provision subject to 1.25% of Total Risk Weighted Assets	3,054	3,748	413	348	425	391
Revaluation Reserves	-	4,831	4,140	1,899	1,682	2,163
	9,343	**15,371**	**11,747**	**9,844**	**5,806**	**6,654**
Deductions:						
Other deductions	4	5	5	5	215	7
Tier 2 un recognized	-	96	-	108	-	-
Total Tier 2 Capital	9,339	15,270	11,742	9,731	5,591	6,647
Total Regulatory Capital Base	**53,333**	**57,207**	**49,669**	**38,662**	**25,666**	**28,330**
Risk Weighted Assets						
Credit Risk	352,126	289,144	286,448	255,252	230,942	202,710
Market Risk	18,193	6,871	3,382	2,335	3,151	3,070
Operational Risk	64,191	56,498	45,712	35,908	29,712	24,916
Total RWA	**434,510**	**352,514**	**335,542**	**293,495**	**263,805**	**230,696**
Capital Adequacy Ratio						
Total Eligible Regulatory Capital Held	53,333	57,207	49,669	38,662	25,666	28,330
Total Risk Weighted Assets	434,510	352,514	335,542	293,495	263,805	230,696
Capital Adequacy Ratio	**12.27%**	**16.23%**	**14.80%**	**13.17%**	**9.73%**	**12.28%**



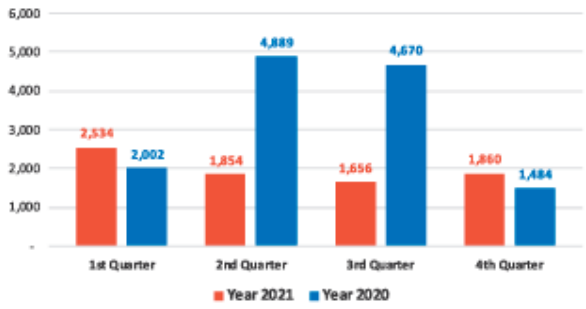
QUARTERLY PERFORMANCE
2021 & 2020 (Rupees in Million)

	2021				2020			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Profit & Loss Account								
Mark-up / return / interest earned	21,847	20,938	19,460	19,406	19,515	19,636	22,655	24,212
Mark-up / return / interest expensed	13,883	12,908	12,446	12,538	13,338	14,036	17,007	18,313
Net mark-up / interest income	7,964	8,030	7,014	6,868	6,178	5,600	5,648	5,899
Fee and commission income	1,252	1,359	1,375	1,117	944	976	960	852
Dividend income	165	106	49	56	45	28	23	42
Foreign exchange income	276	160	66	75	91	32	133	73
Gain on securities - net	158	13	353	1,262	166	3,535	3,761	1,004
Other income - net	8	17	11	25	238	99	13	32
Total non-markup / interest income	1,860	1,656	1,854	2,534	1,484	4,670	4,889	2,002
Total income	9,824	9,686	8,868	9,402	7,661	10,270	10,538	7,902
Operating expenses	5,393	5,103	4,742	5,400	4,612	4,110	3,958	4,201
Workers welfare fund	112	84	102	66	66	107	104	58
Other charges	13	0	0	0	0	16	1	288
Total non-markup / interest expenses	5,518	5,186	4,844	5,466	4,678	4,233	4,062	4,546
Profit before provisions	4,307	4,499	4,024	3,936	2,983	6,038	6,476	3,355
Provisions and write offs - net	(1,739)	(494)	(278)	870	1,006	2,366	2,803	687
Profit before taxation	6,046	4,993	4,302	3,067	1,977	3,671	3,672	2,668
Taxation - net	2,323	1,873	537	1,234	862	1,493	1,524	1,168
Profit after taxation	**3,723**	**3,120**	**3,765**	**1,833**	**1,116**	**2,178**	**2,149**	**1,501**
Statement of Financial Position								
Assets								
Cash and balances with treasury banks	71,319	61,970	78,135	62,180	69,272	61,231	68,703	49,038
Balances with other banks	8,718	7,871	2,306	1,382	2,398	726	8,436	3,504
Lendings to financial institutions	30,980	9,793	11,586	31,243	16,087	6,470	9,089	39,639
Investments - net	531,683	544,085	584,988	504,047	567,789	555,114	497,664	387,887
Advances - net	484,405	443,819	434,413	415,070	391,161	378,722	382,956	371,383
Fixed assets	19,832	15,797	15,868	15,794	14,813	14,137	14,709	14,986
Intangible assets	1,101	961	870	650	689	748	784	792
Deferred tax assets - net	13,696	11,549	10,585	9,394	7,774	7,270	3,491	4,565
Other assets - net	35,218	25,702	28,605	20,083	25,465	26,167	32,615	27,322
	1,196,952	**1,121,546**	**1,167,356**	**1,059,843**	**1,095,446**	**1,050,583**	**1,018,446**	**899,114**
Liabilities								
Bills payable	10,109	5,342	4,725	5,479	4,169	4,083	3,095	2,927
Borrowings	71,323	127,285	131,549	130,802	154,841	157,185	102,792	78,019
Deposits and other accounts	1,002,955	884,393	925,661	826,946	835,068	791,410	805,717	716,057
Subordinated debts	7,789	6,790	6,790	6,792	6,792	6,793	6,793	8,794
Other liabilities	49,943	44,150	46,159	41,284	42,315	39,812	44,953	43,312
	1,142,119	**1,067,960**	**1,114,884**	**1,011,302**	**1,043,185**	**999,283**	**963,350**	**849,110**
Net Assets	**54,833**	**53,586**	**52,471**	**48,541**	**52,262**	**51,300**	**55,095**	**50,004**
Represented by								
Share capital - net	26,174	26,174	26,174	26,174	26,174	26,174	26,174	26,174
Reserves	10,517	8,029	8,029	8,029	8,029	6,640	6,640	6,640
Surplus on revaluation of assets - net of tax	(1,369)	1,126	3,151	3,015	5,955	6,056	12,073	9,149
Unappropriated profit	19,511	18,257	15,118	11,324	12,103	12,430	10,208	8,040
	54,833	**53,586**	**52,471**	**48,541**	**52,262**	**51,300**	**55,095**	**50,004**

QUARTERLY NIM



QUARTERLY NON MARKUP INCOME



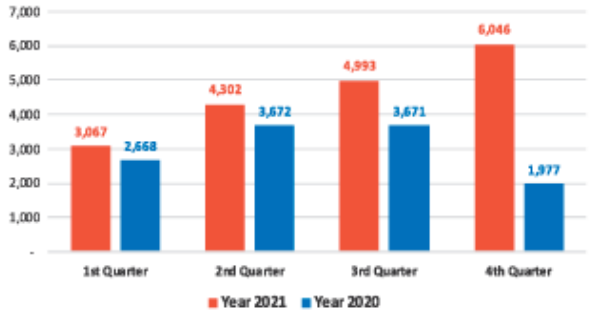
ANALYSIS OF BANK'S FINANCIAL PERFORMANCE

Quarterly Performance 2021 & 2020 (Rupees in Million)

Quarter	Net Interest Margin	Non-Markup Income	Operating Expenses	Profit Before Tax
1st	During the first quarter of year 2021, Bank registered a growth of 16% in comparison to year 2020. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank due to procurement of low cost fresh deposits and decrease in borrowing level of the Bank.	During first quarter of year 2021, Bank's Non-Markup Income was recorded at Rs. 2.534 billion as compared to Rs. 2.002 billion in corresponding quarter of year 2020 showing a rise of 27%. This increase was on account of increase in realization of gains on securities and growth of in Fee & Commission Income by 31%.	As result of Bank's expansion strategy, increase in staff strength, annual increments and inflation impacts, Bank's operating expense recorded an increase of 29% during the first quarter of year 2021.	Bank's Profit Before Tax for 1st quarter of 2021 was recorded at Rs. 3.067 billion as compared to Rs. 2.668 billion during 1st quarter of year 2020 showing a growth of 15%. The said rise was resultant of management's efforts to reduce markup costs and increase in non-markup income.
2nd	During the 2nd quarter of year 2021, Bank registered a growth of 24% in comparison to year 2020. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank due to procurement of low cost fresh deposits and decrease in borrowing level of the Bank. Further, Bank also invested in high interest yield portfolio of government securities resulting in increase in markup income.	Bank's Non-Markup Income for 2nd quarter of 2021 was recorded at Rs. 1.854 billion as compared to Rs. 4.889 billion during 2nd quarter of year 2020 showing a decrease of 62%. The decrease was due to realization of gain on securities during 2nd quarter 2020. Further, the Fee & Commission Income increase by 43%.	Bank's Operating Expenses for 2nd quarter of 2021 were recorded at Rs. 4.742 billion as compared to Rs. 3.958 billion during 2nd quarter of year 2020 showing a rise of 20%. This increase was mainly on account of increase in marketing and advertisement, card issuance, business expansion and inflation impacts.	Bank's Profit Before Tax for 2nd quarter of 2021 was recorded at Rs. 4.302 billion as compared to Rs. 3.672 billion during 2nd quarter of year 2020. Despite decrease in capital gains on securities improvement in NIM & reversal of provision against advances during 2nd quarter 2021 resulted in in overall rise of profit in 2nd quarter of 2021 by 17%.
3rd	During the 3rd quarter of year 2021, Bank registered a growth of 43% in comparison to year 2020. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank due to procurement of low cost fresh deposits and increase in lending portfolio of the Bank.	Bank's Non-Markup Income for 3rd quarter of 2021 was recorded at Rs. 1.656 billion as compared to Rs. 4.670 billion during 3rd quarter of year 2020 showing a decrease of 65%. The decrease was due to realization of gain on securities during 3rd quarter 2020. Further, the Fee & Commission Income increased by 39% while Foreign Exchange Income and Dividend Income also registered a growth of Rs. 129 M & Rs. 79 M, respectively.	Bank's Operating Expenses for 3rd quarter of 2021 were recorded at Rs. 5.103 billion as compared to Rs. 4.110 billion during 3rd quarter of year 2020 showing a rise of 24%. This increase was mainly on account of marketing and advertisement, ancillary expense incurred on government schemes, and inflation impacts.	Bank's Profit Before Tax for 3rd quarter of 2021 was recorded at Rs. 4.993 billion as compared to Rs. 3.671 billion during 3rd quarter of year 2020 showing a rise of 36%. This increase was on account of net impact of improvement in NIM & reversal of provision against advances during 3rd quarter 2021.
4th	During the 4th quarter of year 2021, Bank registered a growth of 29% in comparison to year 2020. The resultant growth in NIM was mainly on account of decrease in markup cost of the bank due to procurement of low cost fresh deposits and decrease in borrowing level of the Bank.	Bank's Non-Markup Income for 4th quarter of 2021 was recorded at Rs. 1.860 billion as compared to Rs. 1.484 billion during 4th quarter of year 2020 showing a rise of 25%. Fee & Commission Income increased by Rs. 308 M, while Foreign Exchange Income & Dividend Income increased by Rs. 185 M & Rs. 120 M, respectively. Other Income decreased by Rs. 229 M mainly on account of gain on disposal of Non-Banking Assets during 4th quarter 2020.	Bank's Operating Expenses for 4th quarter of 2021 were recorded at Rs. 5.393 billion as compared to Rs. 4.612 billion during 4th quarter of year 2020 showing a rise of 17%. This increase was mainly on account of marketing and advertisement, ancillary expense incurred on government schemes, and inflation impacts.	Bank's Profit Before Tax for 4th quarter of 2021 was recorded at Rs. 6.046 billion as compared to Rs. 1.977 billion during 4th quarter of year 2020 showing a significant growth of 206%. This rise was on account of growth in NIM, Non-Markup Income and reversal of provisions against advances.

QUARTERLY NON MARKUP EXPENSE

QUARTERLY PROFIT BEFORE TAXATION



SIX YEARS' FINANCIAL PERFORMANCE
Financial Ratios 2016-2021

		2021	2020	2019	2018	2017	2016
Profit and loss account							
Mark-up/ return earned	Rs. In Million	81,651	86,019	80,867	46,893	34,668	29,676
Mark-up/ return expensed	Rs. In Million	51,775	62,694	54,110	26,840	19,095	17,432
Net interest margin	Rs. In Million	29,876	23,325	26,757	20,053	15,574	12,244
Fee, Commission, brokerage & FX income	Rs. In Million	5,741	4,442	3,614	3,564	3,184	2,709
Dividend and capital gains	Rs. In Million	2,162	8,603	325	109	1,407	2,586
Total income	Rs. In Million	37,780	36,371	30,696	23,726	20,165	17,539
Total Non markup expenses	Rs. In Million	21,014	17,519	14,876	12,666	10,132	8,380
Operating profit before tax and provision	Rs. In Million	16,766	18,852	15,820	11,060	10,033	9,159
WWF	Rs. In Million	363	335	285	-	-	-
Admin expenses	Rs. In Million	20,637	16,880	14,453	12,613	10,089	8,346
Provisions / write-offs	Rs. In Million	(1,642)	6,862	1,776	(1,148)	14,731	1,109
Profit before tax	Rs. In Million	18,408	11,989	14,044	12,208	(4,698)	8,050
Profit after tax	Rs. In Million	12,440	6,944	8,249	7,564	(3,322)	4,858
Cash / stock dividend *	Rs. In Million	3,305	2,644	1,983	1,983	-	-
* Includes dividends accounced after year end							
Statement of Financial Position							
Authorised capital	Rs. In Million	50,000	50,000	50,000	50,000	50,000	50,000
Paid up capital - net	Rs. In Million	26,174	26,174	26,174	26,174	26,174	15,288
Reserves	Rs. In Million	10,517	8,029	6,640	4,991	3,478	1,301
Unappropriated Profit / (Loss)	Rs. In Million	19,511	12,103	8,497	3,296	(2,806)	659
Shareholder's equity	Rs. In Million	56,202	46,306	41,311	34,460	26,845	17,248
Surplus on revaluation of assets - net of tax	Rs. In Million	(1,369)	5,955	5,371	3,260	2,887	3,607
Total Assets	Rs. In Million	1,196,952	1,095,446	868,928	714,380	657,737	547,424
Earning Assets	Rs. In Million	1,054,108	972,981	747,797	617,234	562,067	453,774
Gross Advances	Rs. In Million	534,163	442,760	428,846	425,756	341,735	293,922
Advances - net of provisions	Rs. In Million	484,405	391,161	383,313	381,877	295,752	262,068
Non-Performing Loans (NPLs)	Rs. In Million	52,032	57,251	51,363	49,385	50,951	54,954
Investments	Rs. In Million	531,683	567,789	361,453	210,071	242,506	199,742
Total Liabilities	Rs. In Million	1,142,119	1,043,185	822,245	676,659	628,005	519,570
Deposits	Rs. In Million	1,002,955	835,068	691,017	595,582	556,281	453,220
Current & Saving Deposits (CASA)	Rs. In Million	643,842	545,920	471,581	383,859	368,554	317,286
Borrowings	Rs. In Million	71,323	154,841	77,045	41,793	38,949	39,829
Interest bearing Liabilities	Rs. In Million	596,619	583,269	426,088	362,367	328,583	371,886
Contingencies and Commitments	Rs. In Million	469,024	213,750	195,225	145,808	134,778	76,547
Profitability ratios							
Profit before tax ratio	%	22.54%	13.94%	17.37%	26.03%	-13.55%	27.13%
Gross Yield on Average Earning Assets	%	8.06%	10.00%	11.85%	7.95%	6.83%	7.13%
Gross Yield on Avg. Earning Assets (incl. dividend & capital gains)	%	8.27%	11.00%	11.90%	7.97%	7.10%	7.75%
Gross Spread	%	36.59%	27.12%	33.09%	42.76%	44.92%	41.26%
Net markup/ interest margin	%	2.50%	2.13%	3.08%	2.81%	2.37%	2.24%
Non interest income to total income	%	8.83%	13.17%	4.65%	7.26%	11.69%	15.14%
Return on average equity (ROE)	%	24.27%	15.85%	21.77%	24.68%	-15.07%	32.78%
Return on average assets (ROA)	%	1.09%	0.71%	1.04%	1.10%	-0.55%	0.95%
Return on Capital Employed (ROCE)	%	24.27%	15.85%	21.77%	24.68%	-15.07%	32.78%

		2021	2020	2019	2018	2017	2016
Profitability ratios							
Interest Ratio	%	63.41%	72.88%	66.91%	57.24%	55.08%	58.74%
Non markup/ interest income to total assets	%	0.66%	1.19%	0.45%	0.51%	0.70%	0.97%
Net markup/ interest income(after provision)to total assets	%	2.63%	1.50%	2.87%	2.97%	0.13%	2.03%
Markup/interest expense to markup/interest income	%	63.41%	72.88%	66.91%	57.24%	55.08%	58.74%
Admin expense to profit before tax	Times	1.12	1.41	1.03	1.03	(2.15)	1.04
Operating Expense Ratio	Times	1.14	1.46	1.06	1.04	(2.16)	1.04
Gain Ratio	%	4.73%	23.28%	0.72%	0.12%	6.53%	14.39%
Net investment in Finance Lease to Total Assets	%	3.11%	2.87%	3.80%	4.91%	5.35%	7.22%
Admin Exp to Profit before Tax	%	112.11%	140.79%	102.91%	103.31%	-214.75%	103.68%
Non-markup/ interest expense to total income	%	23.46%	17.68%	17.54%	25.05%	25.81%	23.96%
Admin expense to non- markup income	Times	2.61	1.29	3.67	3.43	2.20	1.58
Cost to income ratio	%	55.62%	48.17%	48.46%	53.38%	50.25%	47.78%
Cost to income ratio (excluding WWF)	%	54.66%	47.25%	47.53%	53.38%	50.25%	47.78%
Investment Ratios							
Earnings per share (before tax)	Rs	6.96	4.54	5.31	4.62	(1.78)	5.18
Earnings per share (after tax)	Rs	4.71	2.63	3.12	2.86	(1.26)	3.12
Breakup value per share:							
- without surplus on revaluation of fixed assets & investments "	Rs	21.259	17.516	15.626	13.035	10.154	11.091
- without surplus on revaluation of fixed assets	Rs	19.307	19.051	16.934	13.545	10.489	12.033
- without surplus on revaluation of investments	Rs	23.179	18.658	16.816	14.272	11.267	12.869
- with surplus on revaluation of fixed assets & investments	Rs	20.741	19.768	17.658	14.268	11.246	13.410
Cash / stock Dividend	%	12.50%	10.00%	7.50%	7.50%	0.00%	0.00%
Dividend per share	Rs	1.25	1	0.75	0.75	-	-
Dividend Yield ratio (based on cash dividend)	%	14.67%	10.19%	6.89%	6.69%	0.00%	0.00%
Dividend Payout ratio	%	26.56%	38.07%	24.04%	26.21%	0.00%	0.00%
Price to book value ratio	%	40.84%	46.89%	64.16%	83.89%	73.27%	131.62%
Price to earning ratio	Times	1.81	3.74	3.49	3.92	(9.70)	3.55
Dividend cover ratio	Times	3.76	2.63	4.16	3.81	0%	0%
Share Information							
Market value per share - Dec 31	Rs	8.47	9.27	11.33	11.97	8.24	17.65
High - during the year	Rs	10.00	14.33	14.57	13.85	18.65	18.65
Low - during the year	Rs	7.61	6.52	6.97	8.1	7.3	7.71
Market Capitalisation	Rs. In Million	22,392	24,507	29,953	31,645	21,784	27,448
Asset Quality and Liquidity Ratios							
Gross Advances to deposits ratio	%	53.26%	53.02%	62.06%	71.49%	61.43%	64.85%
Gross Advances to deposits & borrowings ratio	%	49.72%	44.73%	55.83%	66.80%	57.41%	59.61%
Net Advances to deposits ratio	%	48.30%	46.84%	55.47%	64.12%	53.17%	57.82%
Investments to deposits ratio	%	53.01%	67.99%	52.31%	35.27%	43.59%	44.07%
Weighted Average Cost of Deposits	%	5.12%	7.04%	7.68%	4.17%	3.52%	3.89%
CASA to total deposits	%	64.19%	65.37%	68.24%	64.45%	66.25%	70.01%
Advances net to total assets	%	40.47%	35.71%	44.11%	53.46%	44.97%	47.87%
NPLs to Gross advances ratio	%	9.74%	12.93%	11.98%	11.60%	14.91%	18.70%
Provision to Gross advances ratio	%	9.32%	11.65%	10.62%	10.31%	13.46%	10.84%
NPLs to Shareholders Equity	%	92.58%	123.64%	124.33%	143.31%	189.80%	226.64%
Coverage Ratio (specific provision/ NPLs)	%	89.76%	83.58%	87.84%	88.14%	89.42%	57.25%

		2021	2020	2019	2018	2017	2016
Asset Quality and Liquidity ratio							
Coverage Ratio (total provision/ NPLs)	%	95.63%	90.13%	88.65%	88.85%	90.25%	57.97%
Earning assets to total assets ratio	%	88.07%	88.82%	86.06%	86.40%	85.45%	82.89%
Investment to deposit ratio	%	53.01%	67.99%	52.31%	35.27%	43.59%	44.07%
Investments to total assets ratio	%	44.42%	51.83%	41.60%	29.41%	36.87%	36.49%
Cash & Cash Equvilants to Total Assets	%	6.69%	6.54%	7.32%	6.88%	8.10%	7.20%
Cash to Current Liabilities	%	7.70%	7.24%	8.16%	7.66%	8.04%	7.96%
Deposits to total assets	%	83.79%	76.23%	79.53%	83.37%	84.57%	82.79%
NPLSs write off to NPLs provisions	%	-3.70%	11.76%	3.63%	-4.78%	30.73%	2.90%
Total liabilities to total assets	%	95.42%	95.23%	94.63%	94.72%	95.48%	94.91%
Commitments & contingencies to total equity	Times	8.35	4.62	4.73	4.23	5.02	3.16
Earning assets to interest bearing Liabilities	Times	1.77	1.67	1.76	1.70	1.71	1.22
Deposits to shareholder equity	Times	17.85	18.03	16.73	17.28	20.72	18.69
Assets to Equity	Times	21.83	20.96	18.61	18.94	22.12	19.65
Current / Quick Ratio	Times	1.12	1.08	1.08	1.08	1.06	1.07
Risk Adequacy							
Tier I Capital	Rs. In Million	44	42	38	29	20	22
Total Eligible Capital	Rs. In Million	53	57	50	39	26	28
Risk Weighted Assets (RWA)	Rs. In Million	435	353	336	293	264	231
Tier I to RWA	%	10.12%	11.90%	11.30%	9.86%	7.61%	9.40%
RWA to total assets	%	0.04%	0.03%	0.04%	0.04%	0.04%	0.04%
Capital Adequacy Ratio	%	12.27%	16.23%	14.80%	13.17%	9.73%	12.28%
Capital ratio (A/C)	%	4.70%	4.23%	4.75%	4.82%	4.08%	3.15%
Industry Share*							
Deposits	%	4.62%	4.51%	4.33%	4.18%	4.28%	3.84%
Advances	%	4.79%	4.72%	4.65%	4.80%	4.54%	4.77%
Investments	%	3.65%	4.76%	4.04%	2.65%	2.78%	2.66%
Total assets	%	3.98%	4.36%	3.95%	3.63%	3.59%	3.46%* based
on economic data released by State Bank of Pakistan							
Per Branch							
Gross Advances	Rs. In Million	807	696	687	739	638	649
Deposits	Rs. In Million	1,515	1,313	1,107	1,034	1,038	1,000
CASA	Rs. In Million	973	858	756	666	688	700
PBT	Rs. In Million	19	11	13	13	(6)	11
DuPont Analysis							
Net Operating Margin	A	32.93%	19.09%	26.87%	31.88%	-16.47%	27.70%
Asset Utilization	B	3.30%	3.70%	3.88%	3.46%	3.35%	3.43%
Return on Assets	C=A*B	1.09%	0.71%	1.04%	1.10%	-0.55%	0.95%
Leverage Ratio / Equity Multiplier	D	21.41	19.85	18.76	20.34	23.82	27.96
Return on Equity	C*D	23.23%	14.04%	19.55%	22.43%	-13.13%	26.60%

Staff Turn Over Ratios:

2021	2020	2019	2018	2017	2016
8.18%	6.47%	9.18%	11.00%	11.14%	12.48%

SIX YEARS' PERFORMANCE REVIEW

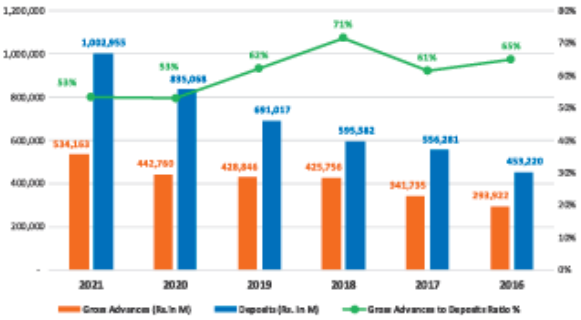
STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS

As of December 31, 2021, Bank's Total Assets stood at Rs. 1,197 Billion as against Rs. 547 Billion as of December 31, 2016 registering a CAGR of 17%. Increase in Bank's balance sheet size is a result of growth in Deposits & Borrowing and resultant growth in Bank's loan book and Bank's investment in low risk Govt. Securities. Further, in line with Bank's strategic business plan, outreach in different regions of the country has been significantly enhanced. The Branch Network has significantly increased to 662 Branches as against 453 Branches as of December 31, 2016.

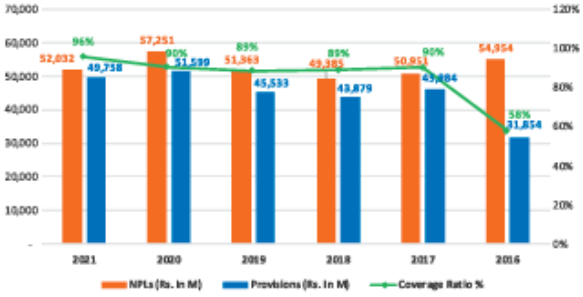
GROSS ADVANCES

In view of the legacy NPLs portfolio, the Bank adopted the strategy of careful expansion in loan book and focused on recovery/regularization of NPLs. Accordingly, as of December 31, 2021, the Goss Advances touched the level of Rs. 534 Billion as against Rs. 294 Billion as of December 31, 2016 with a CAGR of 13%. Apart from lending to top notch corporate clients, the Bank has also expanded its footprints in Agriculture, SME & Consumer Sectors. During 2020-21, the Bank has also extended credit under the Self-employment and low cost housing schemes of the Government. The Gross Advances to Deposits ratio stood at 53% as against 65% as of December 31, 2016.



NPLs

In order to ensure recovery/regularization of legacy NPLs, the Bank has been making all out efforts. As on December 31, 2021, NPLs stood at Rs. 52.0 Billion as against Rs. 55.0 Billion as of December 31, 2016. During year 2021, net reduction of Rs. 5.2 Billion has achieved in NPLs. The position as of December 31, 2021 also includes Advances subjectively classified by Bank on self-assessment basis and Bank, in this regard, maintained in its books a balance of Rs. 2.5 Billion as general provision (other than provision on consumner portfolio) on December 31, 2021. NPLs coverage has improved to 96% as against 58% as of December 31, 2016. The Bank is fully compliant with provisioning requirements under Prudential Regulations of SBP.

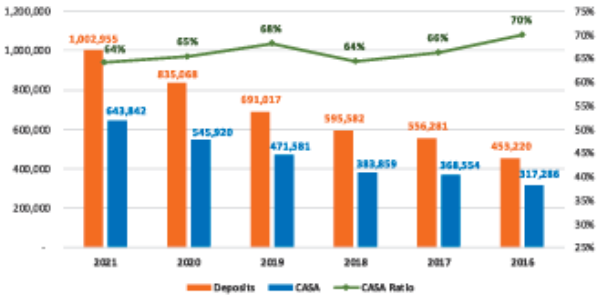


NET INVESTMENTS

In line with Bank's strategy to improve the risk profile of assets, major concentration of Bank's Investments has been maintained in Government Securities. As of December 31, 2021, Bank's net Investments stood at Rs. 532 Billion as against Rs. 200 Billion as of December 31, 2016 with a CAGR of 22%.

DEPOSITS

During last five years, in order to enhance Branch Network and business volumes, 209 new Branches have been opened across the country. Further, Bank's product lines have been revamped in line with customers' needs while improving upon service quality and efficiency. Accordingly, the Deposits crossed Rs. 1.0 trillion mark as of December 31, 2021 and stood at Rs. 1,003 Billion as against Rs. 453 Billion as of December 31, 2016 registering a CAGR of 17%. The Bank is providing 24/7 Banking Services to its valued clients through its Digital Banking Products/Services.



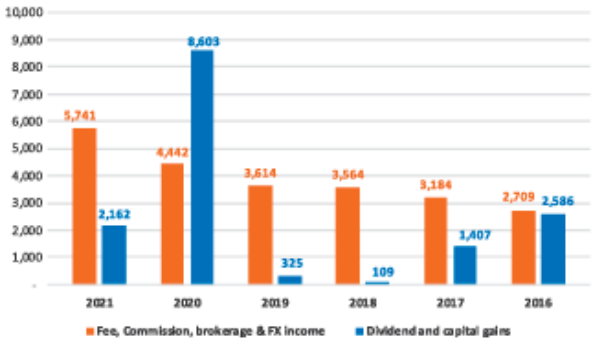
PROFIT AND LOSS ACCOUNT

NET INTEREST MARGIN

Significant growth in Deposits with focus on improving the mix of low cost CASA Deposits has made noteworthy contribution to Bank's NIM. The Net Interest Margin for the year 2021 stood at Rs. 29.9 Billion as against Rs. 12.2 Billion for year 2016. Net Interest Margin has been showing consistent growth over the years, however, due to realization of Capital Gains during year 2020, the Net Interest Margin remained little subdued. During the year 2021, NIM has registered a record growth of 28%.

NON MARKUP INCOME

The Bank has been focusing on offering of new products and services to its valued clients to improve its business volumes and Fee Based Income. The Fee/FX Income has improved to Rs. 5.7 Billion in year 2021 as against Rs. 2.7 Billion during year 2016 with a CAGR of 16%. Owing to efficient handling of investments portfolio by Bank's Treasury, significant surplus on investment were accrued on the Books. Accordingly, the Bank was able to realize capital gains of Rs. 8.5 Billion during year 2020. The Dividend and Capital Gains during year 2021 stood at Rs. 2.2 Billion.



OPERATING EXPENSES

During year 2021, the Operating Expenses stood at Rs. 20.6 Billion as against Rs. 8.3 Billion during year 2016. During the period, 209 Branches have been opened to expand the Bank's outreach resulting in rise in Personnel Cost & Property Expenses. The Bank has also invested significantly in new technologies including implementation of new Core Banking System and other applications in line with Bank's growth strategy. Accordingly, the Information Technology Expenses stood at Rs. 1.5 Billion for year 2021 as against 0.4 Billion during year 2016. The Bank has also implemented austerity measures to keep a check on its other operating expenses and keep them in line with inflationary parameters and growth in business volumes.

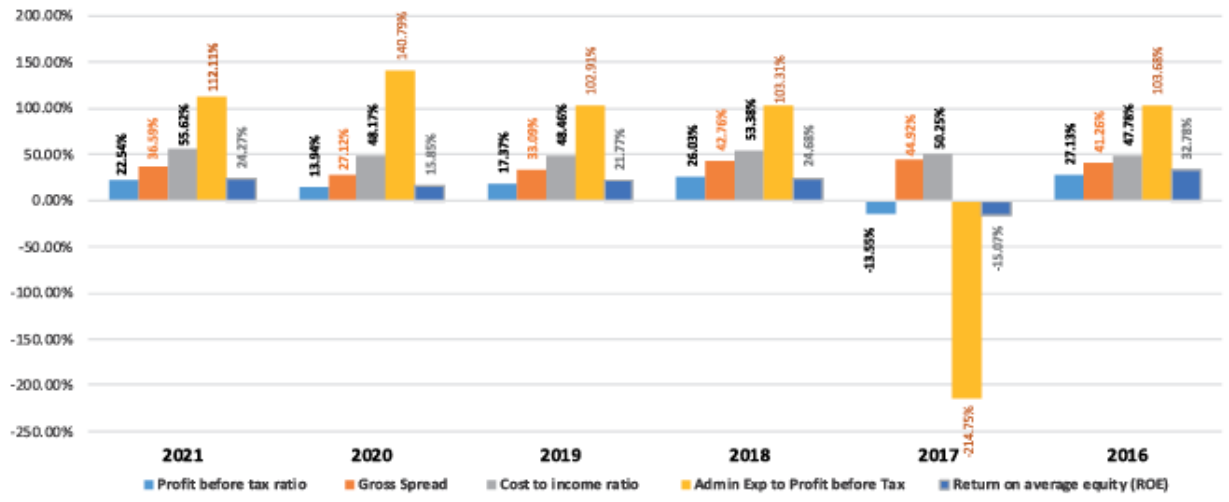
PROVISIONS & WRITE OFFS

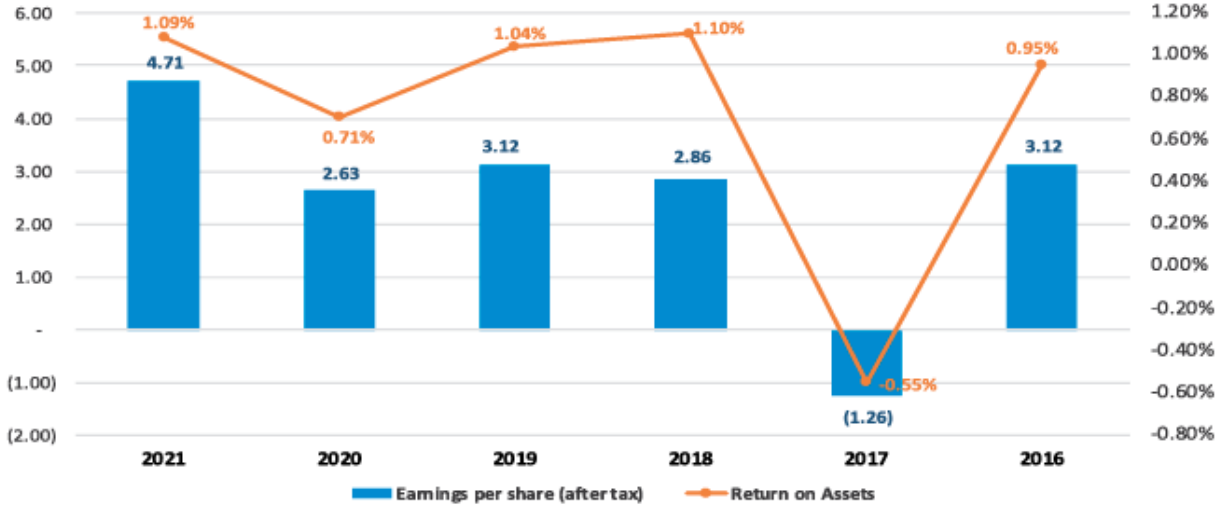
During year 2017, the Bank was able to retire the Letters of Comfort (LOCs) issued by Government of the Punjab and a net provision charge of Rs. 14.7 billion was booked during the year making the Bank compliant with provisioning requirements of SBP. During year 2021, net provision of Rs. 1.6 Billion has been reversed on account of recovery/ regularization of NPLs. Apart for making provision on self-assessment basis, the Bank has also maintained a General Provision of Rs. 2.5 Billion as of December 31, 2021.

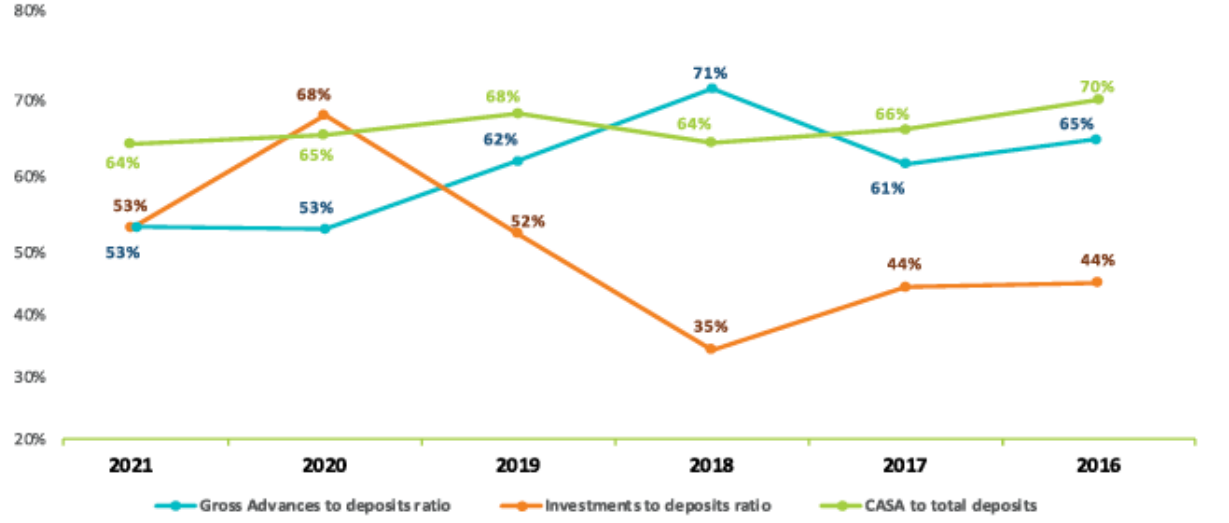
PROFIT BEFORE TAX

Bank has been successful in posting a consistent growth in Profit Before Tax during 2016-2021. However, during year 2017, the Bank was able to retire the Letters of Comfort (LOCs) issued by Government of the Punjab and a net provision charge of Rs. 14.7 billion was booked during the year making the Bank compliant with provisioning requirements of SBP. Accordingly, Loss Before Tax for year 2017 stood at (Rs.4.7) Billion. During year 2021, the Profit Before Tax improved to Rs. 18.4 Billion as against Rs. 12.0 Billion during year 2020 registering a growth of 54%.

SIX YEARS' - GRAPHICAL
SUMMARY OF RATIOS

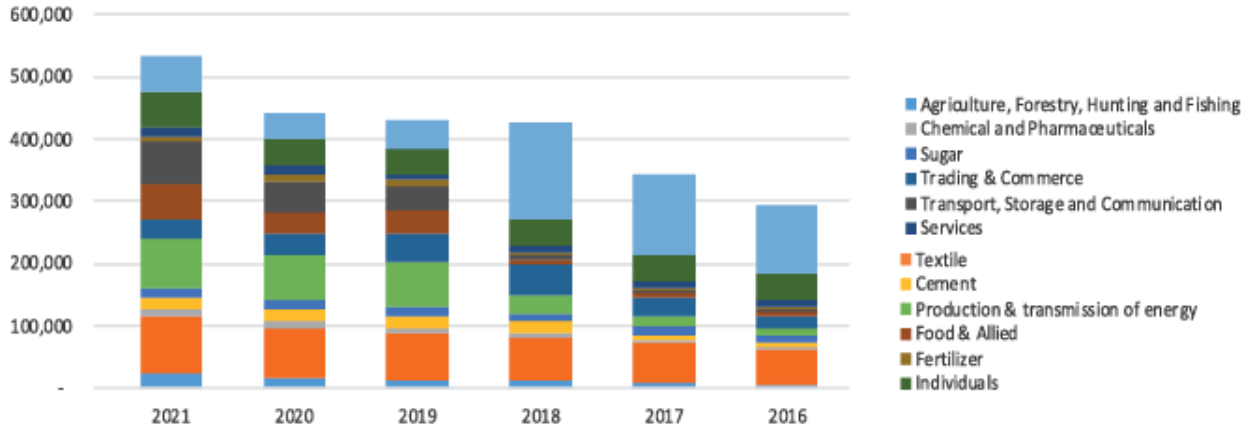




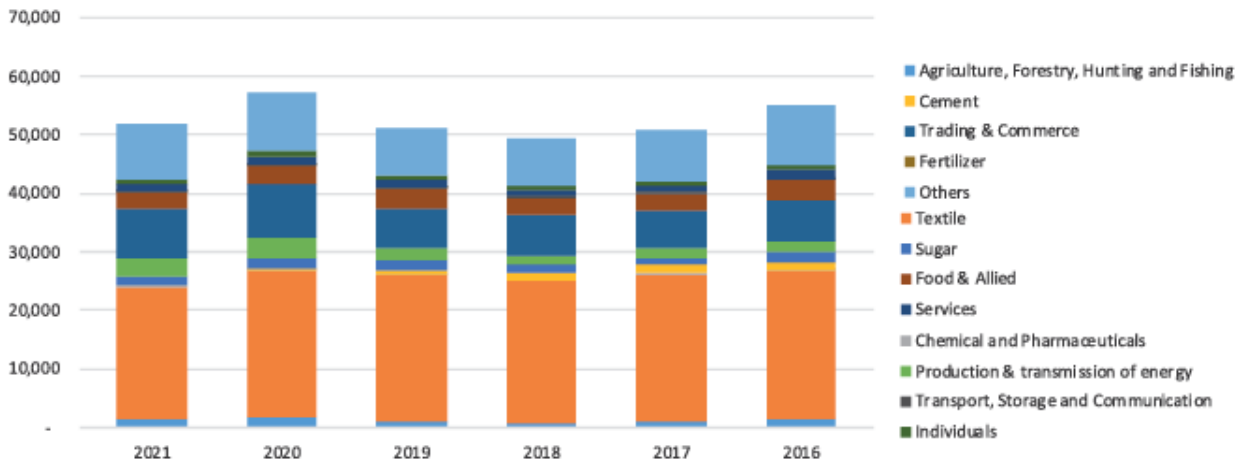


SIX YEARS' - CONCENTRATION OF
Advances, NPLs and Off Balance Sheet Items
(Rupees in Million)

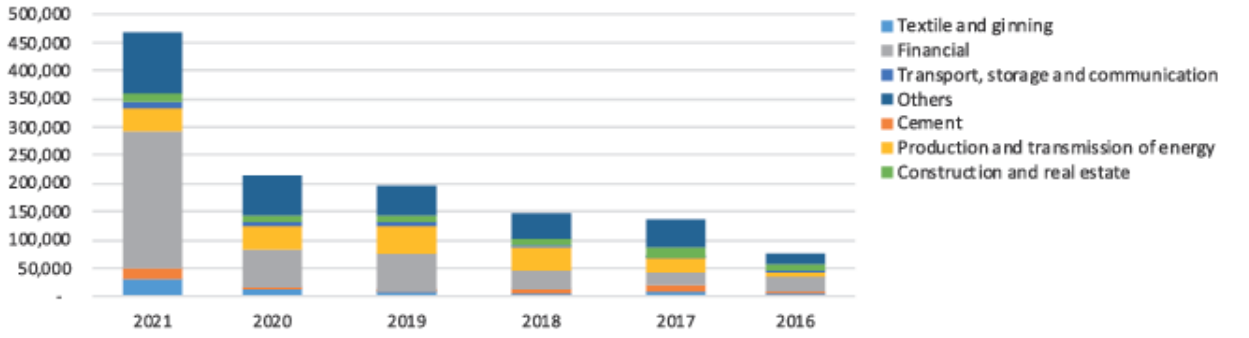
Six Years Concentration of Gross Advances



Six Years Concentration of NPLs

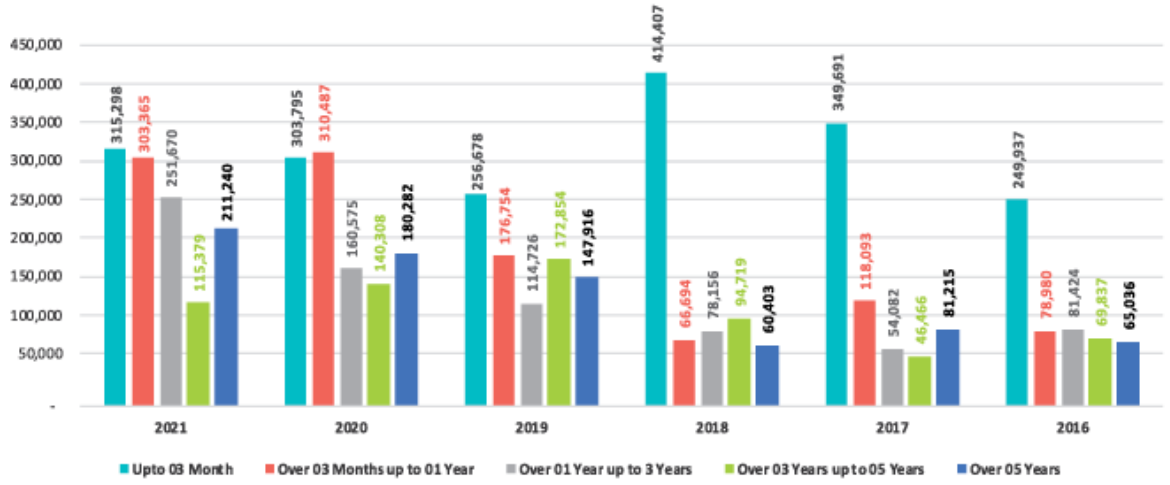


Six Years Concentration of Off-Balance Sheet Items

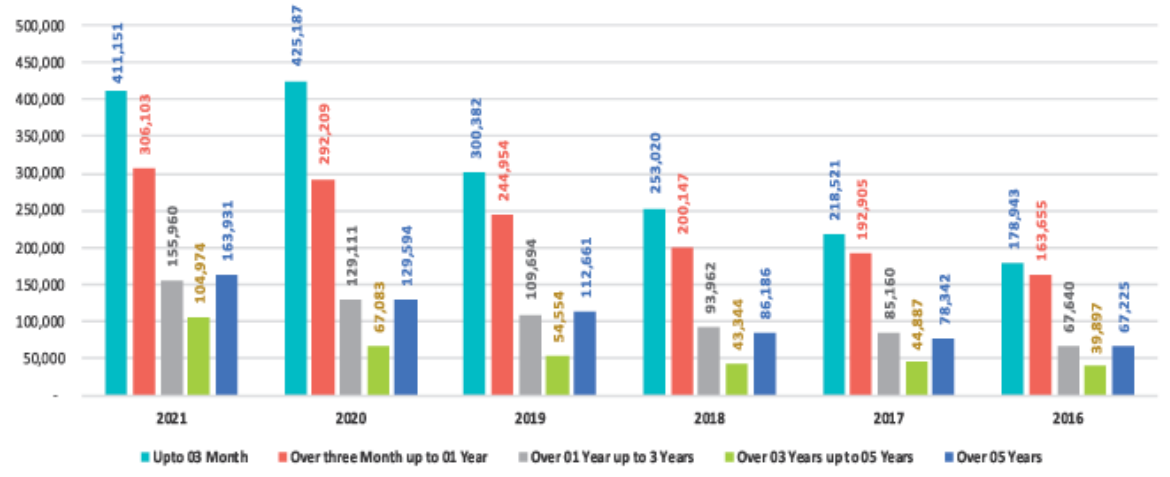


SIX YEARS' - MATURITIES OF ASSETS
and Liabilities (Rupees in Million)

Maturities of Assets



Maturities of Liabilities



* Based on Expected Maturities

DUPONT ANALYSIS

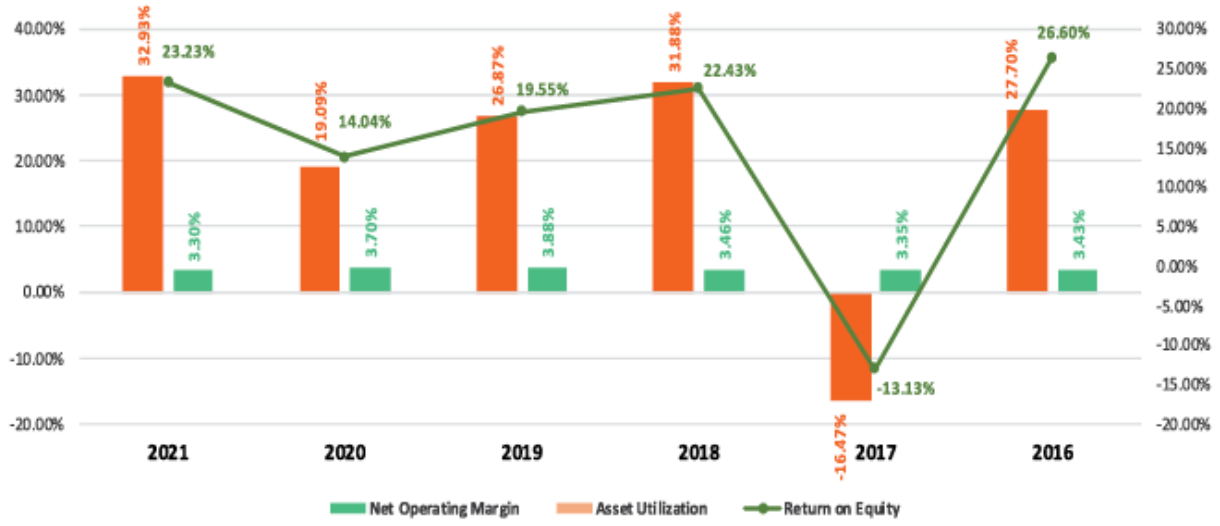
		2021	2020	2019	2018	2017	2016
Net Operating Margin	A	32.93%	19.09%	26.87%	31.88%	-16.47%	27.70%
Asset Utilization	B	3.30%	3.70%	3.88%	3.46%	3.35%	3.43%
Return on Assets	C=A*B	1.09%	0.71%	1.04%	1.10%	-0.55%	0.95%
Leverage Ratio / Equity Multiplier	D	21.41	19.85	18.76	20.34	23.82	27.96
Return on Equity	C*D	23.23%	14.04%	19.55%	22.43%	-13.13%	26.60%

Following are the main DuPont Analysis Highlights:

1. During year 2017, Net Operating Margin remained in negative zone due to charge of provision amounting to Rs. 14.7 Billion for retirement of LOCs. During year 2020, NOM remained at 19% due to charge of General Provision of Rs. 3.3 Billion & Subjective provisioning of Rs. 1.7 Billion. During year 2021, the NOM siginificanly improved to 33%.

2. Asset Utilization has remained in the range of 3.30% - 3.88%. During year 2021, it remained at 3.30%.

3. Return on Equity during 2016 remained on higher side due to recording of provision against advances on staggered basis under LOCs issued by GOPb. During year 2017, due to charge of provision for retirement of LOCs, ROE remained in negative zone. The ROE for year 2020 remained at 14.04% due to charge of subjective and general provision against advances and it improved to 23.23% during year 2021.

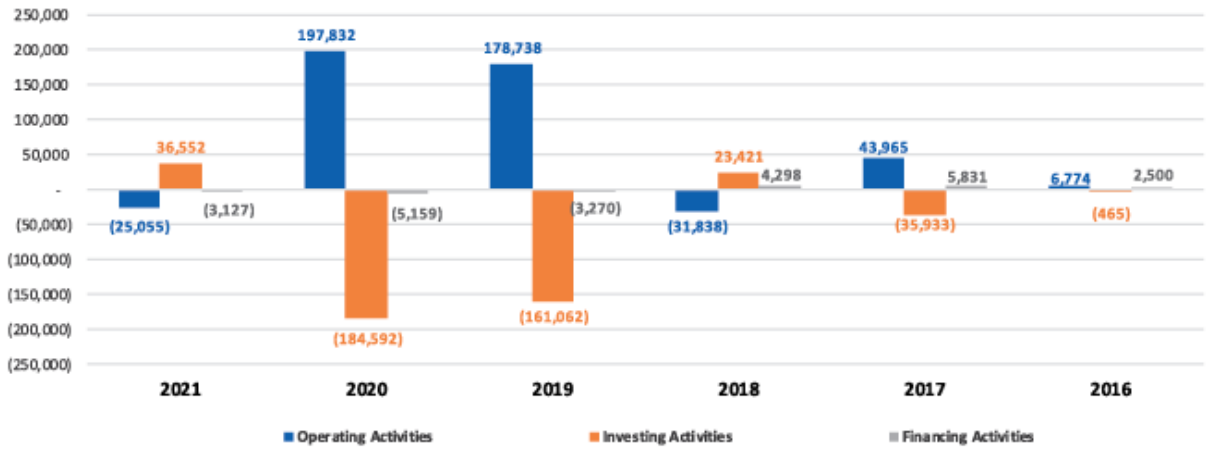


SUMMARY OF CASH FLOWS

(Rupees in Million)

	2021	2020	2019	2018	Restated 2017	Restated 2016
Cash flows from operating activities	(25,055)	197,832	178,738	(31,838)	43,965	6,774
Cash flows from investing activities	36,552	(184,592)	(161,062)	23,421	(35,933)	(465)
Cash flows from financing activities	(3,127)	(5,159)	(3,270)	4,298	5,831	2,500
Cash and cash equivalents at beginning of the year	71,667	63,586	49,181	53,300	39,437	30,628
Cash and cash equivalents at end of the year	80,036	71,667	63,586	49,181	53,300	39,437

Cash Flow from operating activities mainly represent the core activity of the Bank i.e. mobilization of Deposits. Since 2016, Deposits of the Bank have been growing at a consistent trend with a CAGR of 17%. During year 2021, there was net inflow of Rs. 168 Billion from Deposits, while a net outflow of Rs. 84 Billion in Borrowings was observed. The major deployment under investing activities was on account of investment in AFS Securities. During year 2021, net outflow of Rs.38 Billion was recorded on account of investment in AFS Securities. During year 2021, outflows of Rs. 2.6 Billion was observed against dividend payment while net increase in Advances remained at Rs. 92 Billion.



FREE CASH FLOWS

(Rupees in Million)

	2021	2020	2019	2018	Restated 2017	Restated 2016
Profit before taxation	18,408	11,989	14,044	12,208	(4,698)	8,050
Dividend income	(377)	(137)	(104)	(82)	(91)	(62)
Income tax paid	(6,194)	(4,851)	(3,974)	(2,843)	(3,006)	(1,704)
Adjustment for non-cash items	(1,022)	(1,340)	2,268	904	15,615	110
Operating assets/ liabilities changes	(35,870)	192,170	166,503	(42,027)	36,146	380
Net cash generated from operating activities	(25,055)	197,832	178,738	(31,838)	43,965	6,774
Capital expenditure	(2,461)	(1,162)	(1,102)	(1,566)	(1,691)	(1,677)
Free cash flows	(27,517)	196,670	177,635	(33,404)	42,274	5,097

CASH FLOW STATEMENT
Direct Method (Rupees in Million)

	2021	2020
	Rupees in million	
Cash flows from operating activities		
Mark-up / return / interest and commission receipts	83,270	94,236
Mark-up / return / interest payments	(52,277)	(62,726)
Payments to employees, suppliers and others	(18,049)	(14,692)
	12,943	**16,817**
Decrease / (increase) in operating assets		
Lendings to financial institutions	(14,894)	(12,027)
Net investments in 'held for trading' securities	(17,626)	(20,698)
Advances - net	(91,523)	(13,586)
Other assets	(3,950)	9,131
	(127,993)	**(37,180)**
(Decrease) / increase in operating liabilities		
Bills payable	5,941	748
Borrowings	(83,516)	77,934
Deposits and other accounts	167,887	144,050
Other liabilities	5,876	315
	96,188	**223,046**
Income tax paid	(6,194)	(4,851)
Net cash flows from / (used in) operating activities	**(25,055)**	**197,832**
Cash flows from investing activities		
Net investments in 'available for sale' securities	38,338	(185,059)
Dividends received	377	135
Investment in fixed assets	(1,841)	(1,068)
Investments in intangible assets	(621)	(93)
Proceeds from sale of property and equipment	4	651
Proceeds from sale of non banking assets	293	842
Net cash flows from / (used in) investing activities	**36,552**	**(184,592)**
Cash flows from financing activities		
Payments of Subordinated debt	(3)	(2,003)
Dividend paid	(2,644)	(1,983)
Payment of lease liability against right-of-use-assets	(1,481)	(1,174)
Advance subscription money - subordinated perpetual term finance certificates	1,000	-
Net cash flows used in financing activities	**(3,127)**	**(5,159)**
Increase in cash and cash equivalents	**8,369**	**8,081**
Cash and cash equivalents at beginning of the year	71,667	63,586
Cash and cash equivalents at end of the year	**80,036**	**71,667**

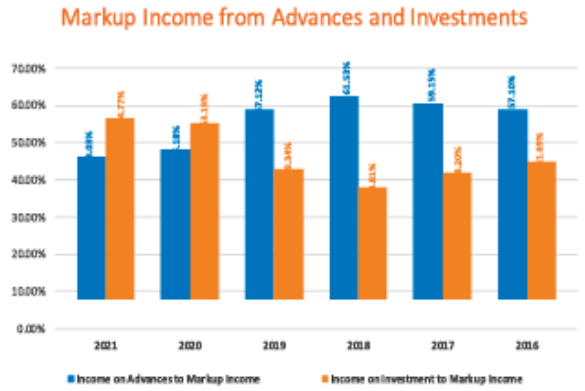
MARKUP & NON MARKUP INCOME

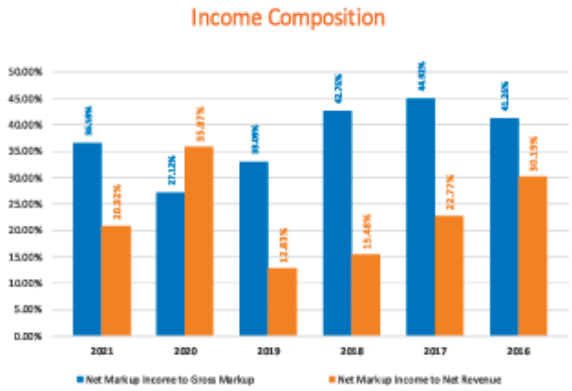
(Rupees in Million)

	2021	2020	2019	2018	2017	2016
Markup earned						
Mark-up Earned on Advances	35,135	38,860	46,190	28,853	20,506	16,946
Mark-up Earned on Investments	44,717	45,754	31,815	15,855	13,243	12,350
Mark-up Earned on lendings	1,763	1,365	2,705	2,159	835	329
Mark-up Earned on Balances with Banks	37	41	157	26	84	49
	81,651	**86,019**	**80,867**	**46,893**	**34,668**	**29,674**

Markup Expensed						
Mark-up expensed on deposits	43,955	52,483	46,984	23,531	17,075	15,412
Mark-up expensed on borrowings	6,168	8,411	5,237	2,697	1,716	1,887
Mark-up expensed on subordinated debts	604	862	1,110	152	125	131
Mark-up expensed on lease liability	1,048	937	779	459	179	-
	51,775	**62,694**	**54,110**	**26,840**	**19,095**	**17,430**

Non Markup income						
Fee and commission income	5,103	3,732	3,530	3,245	2,807	975
Dividend income	377	137	104	82	91	62
Foreign exchange income	577	328	11	227	109	75
Gain on securities - net	1,786	8,466	222	28	1,316	2,524
Other income - net	61	382	73	92	269	1,658
	7,904	**13,046**	**3,940**	**3,673**	**4,591**	**5,294**



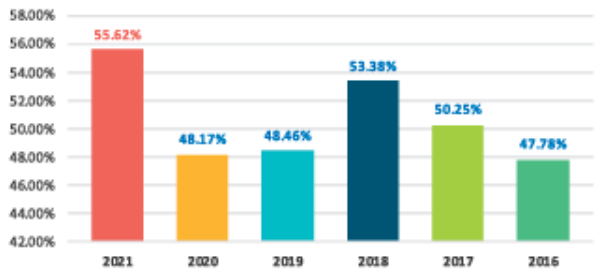


OPERATING EXPENSES

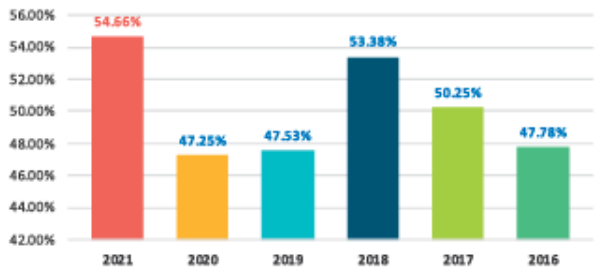
(Rupees in Million)

	2021	2020	2019	2018	2017	2016
Total compensation expense	**10,631**	**8,734**	**7,213**	**6,139**	**4,936**	**4,152**
Property Expense						
Rent and taxes	22	39	71	970	778	739
Insurance	17	18	19	14	-	-
Utilities cost	797	664	637	491	391	340
Depreciation	523	589	528	497	443	388
Amortization on ROU asset	991	891	876	-	-	-
Others	50	45	24	29	14	23
	2,400	**2,247**	**2,154**	**2,000**	**1,626**	**1,490**
Information technology expenses						
Software maintenance	513	473	376	200	93	(16)
Hardware maintenance	55	82	107	96	89	65
Depreciation	348	285	230	216	90	126
Amortization	208	198	174	68	26	23
Network Charges	424	355	331	321	236	179
	1,547	**1,393**	**1,219**	**901**	**534**	**378**
Other operating expenses						
Directors' fees and allowances	42	35	9	4	4	4
Legal & professional charges	227	113	105	107	76	64
Subscription charges	39	31	16	16	-	12
Outsourced services costs	438	367	236	362	444	251
Travelling & conveyance	837	561	584	476	354	303
NIFT clearing charges	68	69	59	50	48	39
Depreciation owned assets	364	307	291	263	256	224
Depreciation NBAs	49	59	74	66	87	106
Depreciation Ijarah assets	119	163	238	360	339	80
Training & development	67	26	37	16	9	10
Postage & courier charges	158	221	144	110	103	68
Stationery & printing	409	265	230	242	144	127
Marketing, advertisement & publicity	650	356	103	139	118	71
Donations	-	10	1	-	-	-
Auditors Remuneration	12	11	12	12	10	10
Insurance expense	245	144	140	101	89	73
Deposit protection fee	443	352	337	160	-	-
Repair & Maintenance	294	180	158	138	120	117
Entertainment	151	112	95	90	81	73
Fuel charges - Generator	100	86	108	95	90	104
Commission and Brokerage	274	244	141	120	81	94
Bank charges	36	42	63	52	53	51
SMS Banking Charges	41	48	39	34	11	4
ATM Charges	274	174	140	98	127	124
Cash remittance & maintenance charges	270	200	181	190	149	134
Branch License fee	28	17	15	18	25	16
ECIB and CNIC verification charged	204	71	71	34	34	26
Others	224	242	240	222	141	143
	6,059	**4,506**	**3,867**	**3,573**	**2,994**	**2,327**
Operating expenses excluding compensation	10,006	8,146	7,240	6,474	5,153	4,194
Total operating expenses	**20,637**	**16,880**	**14,453**	**12,613**	**10,089**	**8,346**

Cost to Income Ratio



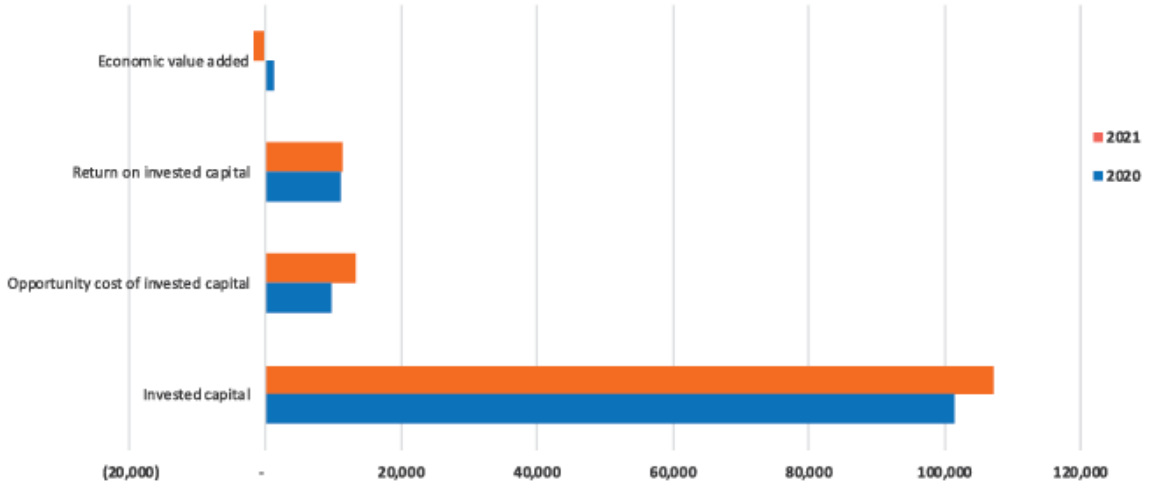
Cost to Income Ratio (excluding WWF)



ECONOMIC VALUE ADDED STATEMENT

(Rupees in Million)

	2021	2020
Invested Capital		
Average shareholder's equity	51,254	43,809
Add: Cumulative provision against assets	55,783	57,716
	107,037	101,525
Return on invested capital		
Profit after taxation	12,440	6,944
Add: Provisions and write offs - net	(1,002)	4,186
Total return on invested capital	11,438	11,130
Economic cost	12.38%	9.71%
Opportunity cost of invested capital	13,249	9,855
Economic value added	(1,810)	1,275



During the year 2021, Bank's share was continuously traded below its part value in Pakistan Stock Exchange. Consequently, the average price per share remained little subdued and was recorded as Rs. 8.52 despite continuous improvement in quarterly Earning Per Shares (EPS) with full year EPS improving to Rs. 4.71 per share. Further, dividend announcement for shareholders was increased by 25% during the year through announcement of stock dividend @ 12.50% for the year 2021 as against 10.00% cash dividend paid for last year which resultantly increased the economic cost. Accordingly, Economic value Added (EVA) for year 2021 remained adversely skewed as compared to year 2020.

CAPITAL EXPENDITURE

Capital expenditure during the year:

The total capital expenditure during 2021 was Rs. 2.46 billion mainly on account of business expansion in Karachi & South Region and for the purpose of improvement in IT infrastructure and Digital Banking.

Capital expenditures planned for next year:

The Bank has budgeted capital expenditure of Rs. 6.43 billion for the year 2022 with major focus on branches expansion, renovation of existing branches & offices, development of IT infrastructure and rolling out new technology based products & services through Digital Banking Channel including launch of credit cards

NON PERFORMING ASSETS AND RELATED PROVISION

(Rupees in Million)

Particulars	Dec 31, 2021		Dec 31, 2020	
	Non performing assets	Provision	Non performing assets	Provision
Investments				
Beginning Balance	4,080	4,080	3,696	3,696
Other Adjustments	-	-	-	-
Additions / Charged During the period	322	322	516	516
Reversal	(11)	(11)	(8)	(8)
Disposal / Write-Offs	(280)	(280)	(125)	(125)
Ending Balance	4,111	4,111	4,080	4,080
Advances				
Beginning Balance	57,251	47,851	51,363	45,120
Other Adjustments	-	-	-	-
Additions / Charged During the period	1,351	4,004	8,292	4,818
Reversal	(6,570)	(5,152)	(2,404)	(2,087)
Write-Offs	-	(-)	-	-
Ending Balance	52,032	46,703	57,251	47,851
Other Assets				
Beginning Balance	2,041	2,037	1,771	1,767
Other Adjustments	-	-	-	-
Additions / Charged During the period	3	35	270	292
Reversal	(131)	(148)	-	(5)
Write-Offs	-	(10)	-	(17)
Ending Balance	1,913	1,914	2,041	2,037
Total				
Beginning Balance	63,372	53,968	56,830	50,583
Other Adjustments	-	-	-	-
Additions / Charged During the period	1,677	4,362	9,078	5,627
Reversal	(6,712)	(5,311)	(2,411)	(2,100)
Write-Offs	(280)	(291)	(125)	(142)
Ending Balance	58,056	52,728	63,372	53,968

BUSINESS SEGMENT ANALYSIS

Balance Sheets & Profit/(Loss) Accounts of following Business Segments have been stated in Note 40 to the Annual Audited Financial Statements:

- *Corporate & Investment Banking (CIBG)*
  This includes, loans, project finance, real estate finance, export finance, trade finance, investment banking, and other banking activities with corporate and public sector customers.

- *Consumer & Digital Banking (CDB)*
  It includes deposits and banking services including digital baking services to customers of the Bank.

- *Retail & Priority Sector Lending (RPSL)*
  It includes loans of individuals, agriculture customers, SME and lending under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

- *Treasury*
  It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

- *Islamic Banking (IB)*
  The segment pertains to full scale Islamic Banking operations of the Bank.

- *Others (including Head Office)*
  This includes head office related activities, and all other activities not tagged to the segments above.

Key variances during year 2021 are hereunder:

Profit & Loss:

- Profit before tax of Corporate and Investment Banking, Islamic Banking Group & Retail and Priority Sector Lending, increased due to reversal of provision during the year 2021 against NPLs.

- Further, Landings under Government Subsidized Initiatives also adds a positive impact on net interest margin of Retail and Priority Sector Lending.

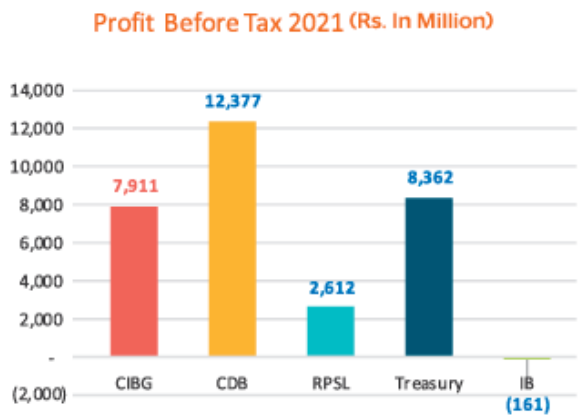
- Profit before tax of Consumer and Digital Banking increased due to decrease in SBP Policy Rate and corresponding impact on Cost of Deposits and improvement in procurement of loss cost fresh deposits.

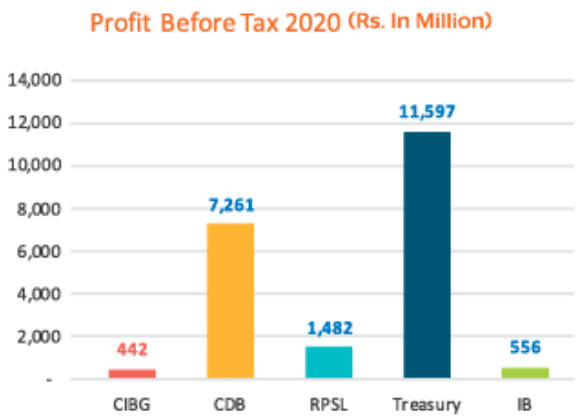
- Profit before tax of Treasury decreased due to the higher level of Capital Gains realized on Government Securities in year 2020.

- Profit before tax of Islamic Banking decreased on account of negative impacts of rise in NPLs on net interest margins & and provision charged during the period.

Balance Sheet:

- Movement in Assets & Liabilities of different Business Segments was on account of rise in the Level of Deposits and corresponding growth in Assets of the Bank including Advances & Investments.





SIX YEARS' VERTICAL ANALYSIS

(Rupees in Million)

	2021		2020		2019		2018		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Statement of Financial Position												
ASSETS												
Cash and balances with treasury banks	71,319	6%	69,272	6%	53,415	6%	43,589	6%	42,478	6%	35,756	7%
Balances with other banks	8,718	1%	2,398	0%	10,311	1%	5,802	1%	6,077	1%	3,766	1%
Lendings to financial institutions	30,980	3%	16,087	1%	4,060	0%	27,843	4%	24,571	4%	11,562	2%
Investments - net	531,683	44%	567,789	52%	361,453	42%	210,071	29%	242,506	37%	199,742	36%
Advances - net	484,405	40%	391,161	36%	383,313	44%	381,877	53%	295,752	45%	262,068	48%
Fixed assets	19,832	2%	14,813	1%	15,219	2%	8,788	1%	7,890	1%	7,256	1%
Intangible assets	1,101	0%	689	0%	793	0%	891	0%	629	0%	437	0%
Deferred tax assets - net	13,696	1%	7,774	1%	6,568	1%	7,965	1%	10,725	2%	6,480	1%
Other assets - net	35,218	3%	25,465	2%	33,797	4%	27,552	4%	27,109	4%	20,357	4%
	1,196,952	100%	1,095,446	100%	868,928	100%	714,380	100%	657,737	100%	547,424	100%
LIABILITIES												
Bills payable	10,109	1%	4,169	0%	3,421	0%	3,578	1%	3,365	1%	4,183	1%
Borrowings	71,323	6%	154,841	14%	77,045	9%	41,793	6%	38,949	6%	39,829	7%
Deposits and other accounts	1,002,955	84%	835,068	76%	691,017	80%	595,582	83%	556,281	85%	453,220	83%
Subordinated debts	7,789	1%	6,792	1%	8,794	1%	8,797	1%	4,499	1%	4,500	1%
Other liabilities	49,943	4%	42,315	4%	41,968	5%	26,909	4%	24,911	4%	17,837	3%
	1,142,119	95%	1,043,185	95%	822,245	95%	676,659	95%	628,005	95%	519,570	95%
NET ASSETS	54,833	5%	52,262	5%	46,682	5%	37,720	5%	29,732	5%	27,854	5%
REPRESENTED BY												
Share capital - net	26,174	2%	26,174	2%	26,174	3%	26,174	4%	26,174	4%	15,288	3%
Share deposit money	-	0%	-	0%	-	0%	-	0%	-	0%	7,000	1%
Reserves	10,517	1%	8,029	1%	6,640	1%	4,991	1%	3,478	1%	1,301	0%
Surplus on revaluation of assets - net of tax	(1,369)	0%	5,955	1%	5,371	1%	3,260	0%	2,887	0%	3,607	1%
Unappropriated profit / (Accumulated Losses)	19,511	2%	12,103	1%	8,497	1%	3,296	0%	(2,806)	0%	659	0%
	54,833	5%	52,262	5%	46,682	5%	37,720	5%	29,732	5%	27,854	5%
Profit & Loss Account												
Mark-up / return / interest earned	81,651	91%	86,019	87%	80,867	95%	46,893	93%	34,668	88%	29,676	85%
Mark-up / return / interest expensed	(51,775)	-58%	(62,694)	-63%	(54,110)	-64%	(26,840)	-53%	(19,095)	-49%	(17,432)	-50%
Net mark-up / interest income	29,876	33%	23,325	24%	26,757	32%	20,053	40%	15,574	40%	12,244	35%
Non mark-up / interest income	7,904	9%	13,046	13%	3,940	5%	3,673	7%	4,591	12%	5,295	15%
Total income	37,780	42%	36,371	37%	30,696	36%	23,726	47%	20,165	51%	17,539	50%
Non mark-up / interest expenses	(21,014)	-23%	(17,519)	-18%	(14,876)	-18%	(12,666)	-25%	(10,132)	-26%	(8,380)	-24%
Profit before provisions	16,766	19%	18,852	19%	15,820	19%	11,060	22%	10,033	26%	9,159	26%
Provisions and write offs - net	1,642	2%	(6,862)	-7%	(1,776)	-2%	1,148	2%	(14,731)	-38%	(1,109)	-3%
Profit before taxation	18,408	21%	11,989	12%	14,044	17%	12,208	24%	(4,698)	-12%	8,050	23%
Taxation - net	(5,968)	-7%	(5,046)	-5%	(5,795)	-7%	(4,645)	-9%	1,376	4%	(3,192)	-9%
Profit after taxation	**12,440**	**14%**	**6,944**	**7%**	**8,249**	**10%**	**7,564**	**15%**	**(3,322)**	**-8%**	**4,858**	**14%**

Vertical Analysis Commentary:

Investments & Advances remained major components of Asset Mix of the Bank. The Bank opted to channelize incremental funds in Risk Free Investments and grow Advances Book in a very careful manner. Accordingly, the mix of Advances-net reduced to 40% in 2021 as against 48% in year 2016 which also includes the impact of provision against NPLs for retirement of LOCs in year 2017. The mix of Investments improved to 44% as against 36% in year 2016.

Owing to Branch Expansion and products diversification, the Bank was able to post a steady growth in Deposits with a CAGR of 17%. As of December 31, 2021, the Mix of Deposits and Borrowings stood at 84% & 6%, respectively.

Markup Income has shown a steady growth with main contribution from income on Advances and Investments. The contribution of markup income constitutes 91% of the total revenue for year 2021. Markup Expense has also increased due to growth in Deposit base and change in minimum rate of profit on PLS Deposits. Concentration of Non Markup Income for year 2021 remained at 9% as against 13% during year 2020. The concentration of Non Markup Expense remained at 23% & 18% for the years 2021 & 2020, respectively. The rise in Non-Markup Expenses is in line with Branch Expansion, investment in new technologies and inflationary parameters.

SIX YEARS' HORIZONTAL ANALYSIS

(Rupees in Million)

	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17	2017	17 Vs 16	2016	16 Vs 15
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Statement of Financial Position												
ASSETS												
Cash and balances with treasury banks	71,319	3%	69,272	30%	53,415	23%	43,589	3%	42,478	19%	35,756	37%
Balances with other banks	8,718	264%	2,398	-77%	10,311	78%	5,802	-5%	6,077	61%	3,766	-17%
Lendings to financial institutions	30,980	93%	16,087	296%	4,060	-85%	27,843	13%	24,571	113%	11,562	89%
Investments - net	531,683	-6%	567,789	57%	361,453	72%	210,071	-13%	242,506	21%	199,742	13%
Advances - net	484,405	24%	391,161	2%	383,313	0%	381,877	29%	295,752	13%	262,068	19%
Fixed assets	19,832	34%	14,813	-3%	15,219	73%	8,788	11%	7,890	9%	7,256	13%
Intangible assets	1,101	60%	689	-13%	793	-11%	891	42%	629	44%	437	757%
Deferred tax assets - net	13,696	76%	7,774	18%	6,568	-18%	7,965	-26%	10,725	65%	6,480	-18%
Other assets - net	35,218	38%	25,465	-25%	33,797	23%	27,552	2%	27,109	33%	20,357	-25%
	1,196,952	9%	1,095,446	26%	868,928	22%	714,380	9%	657,737	20%	547,424	16%
LIABILITIES												
Bills payable	10,109	143%	4,169	22%	3,421	-4%	3,578	6%	3,365	-20%	4,183	122%
Borrowings	71,323	-54%	154,841	101%	77,045	84%	41,793	7%	38,949	-2%	39,829	-28%
Deposits and other accounts	1,002,955	20%	835,068	21%	691,017	16%	595,582	7%	556,281	23%	453,220	21%
Subordinated debts	7,789	15%	6,792	-23%	8,794	0%	8,797	96%	4,499	0%	4,500	125%
Other liabilities	49,943	18%	42,315	1%	41,968	56%	26,909	8%	24,911	40%	17,837	4%
	1,142,119	9%	1,043,185	27%	822,245	22%	676,659	8%	628,005	21%	519,570	15%
NET ASSETS	54,833	5%	52,262	12%	46,682	24%	37,720	27%	29,732	7%	27,854	23%
REPRESENTED BY												
Share capital - net	26,174	0%	26,174	0%	26,174	0%	26,174	0%	26,174	71%	15,288	0%
Share deposit money	-	0%	-	0%	-	0%	-	0%	-	-100%	7,000	0%
Reserves	10,517	31%	8,029	21%	6,640	33%	4,991	43%	3,478	167%	1,301	-44%
Surplus on revaluation of assets - net of tax	(1,369)	-123%	5,955	11%	5,371	65%	3,260	13%	2,887	-20%	3,607	10%
Unappropriated profit / (Accumulated Losses)	19,511	61%	12,103	42%	8,497	158%	3,296	-217%	(2,806)	-526%	659	-113%
	54,833	5%	52,262	12%	46,682	24%	37,720	27%	29,732	7%	27,854	23%
Profit & Loss Account												
Mark-up / return / interest earned	81,651	-5%	86,019	6%	80,867	72%	46,893	35%	34,668	17%	29,676	-5%
Mark-up / return / interest expensed	(51,775)	-17%	(62,694)	16%	(54,110)	102%	(26,840)	41%	(19,095)	10%	(17,432)	-14%
Net mark-up / interest income	29,876	28%	23,325	-13%	26,757	33%	20,053	29%	15,574	27%	12,244	11%
Non mark-up / interest income	7,904	-39%	13,046	231%	3,940	7%	3,673	-20%	4,591	-13%	5,295	-31%
Total income	37,780	4%	36,371	18%	30,696	29%	23,726	18%	20,165	15%	17,539	-6%
Non mark-up / interest expenses	(21,014)	20%	(17,519)	18%	(14,876)	17%	(12,666)	25%	(10,132)	21%	(8,380)	13%
Profit before provisions	16,766	-11%	18,852	19%	15,820	43%	11,060	10%	10,033	10%	9,159	-19%
Provisions and write offs - net	1,642	-124%	(6,862)	286%	(1,776)	-255%	1,148	-108%	(14,731)	1228%	(1,109)	-70%
Profit before taxation	18,408	54%	11,989	-15%	14,044	15%	12,208	-360%	(4,698)	-158%	8,050	7%
Taxation - net	(5,968)	18%	(5,046)	-13%	(5,795)	25%	(4,645)	-438%	1,376	-143%	(3,192)	15%
Profit after taxation	12,440	79%	6,944	-16%	8,249	9%	7,564	-328%	(3,322)	-168%	4,858	2%

Horizontal Analysis

Bank's Asset Base has registered consistent growth during 2016-2021 and it crossed Rs. 1.0 Trillion mark in 2020. During year 2021, Total Assets registered growth of 9% while CAGR for 2016-21 remained at 17%.

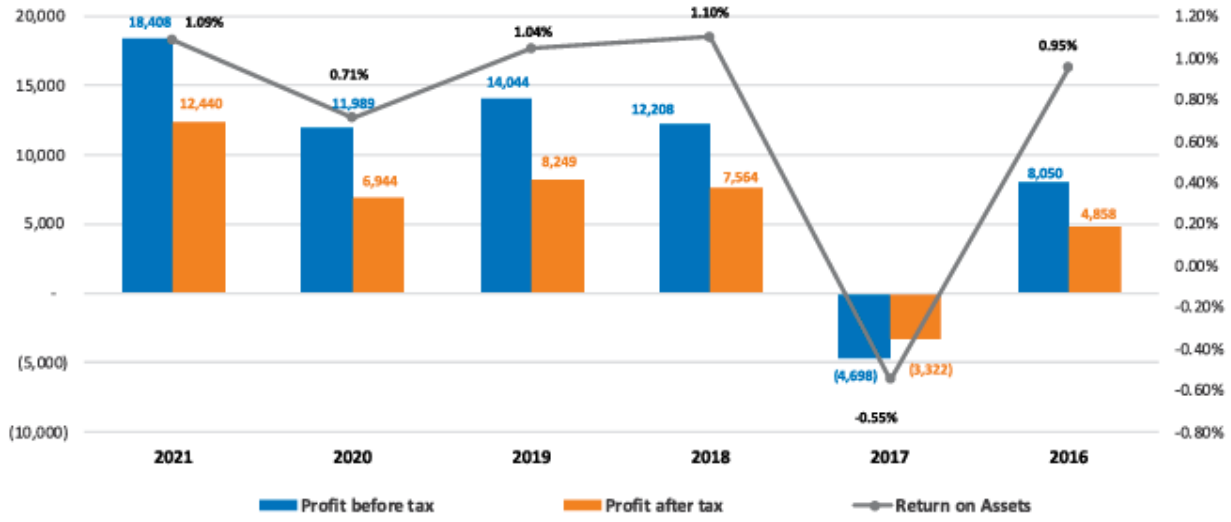
Deposits also grew at a steady rate with a CAGR of 17%. Highest growth of 23% was registered in year 2017 while YOY growth for year 2021 remained at 20%. During the period 2016-2021, 209 Branches were opened by the Bank.

Owing to consistent growth in profitability, the Equity registered a steady growth. The YOY growth for year 2021 remained at 5%. On profitability side, Markup Income of the Bank registered a CAGR of 22% during 2016-2021. The main components were Markup earned on Advances & Investments. In line with Bank's strategy to grow Advances portfolio cautiously and divert incremental funds towards investment in risk free Government Securities, the major contribution came from Markup Income on Investments.

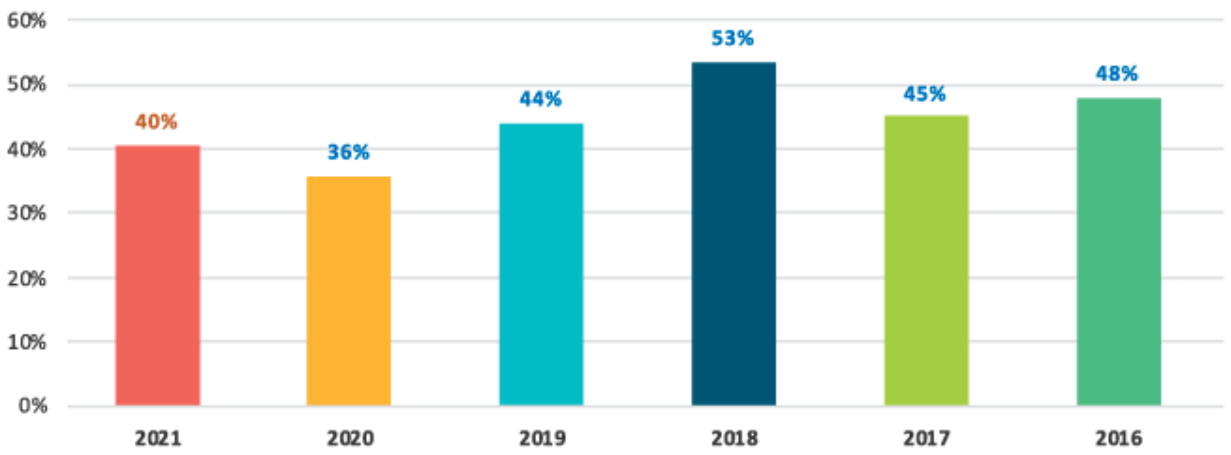
Markup Expense also registered a CAGR of 24% due to above stated growth in Deposits. It also includes impact of change in Minimum Profit Rates on PLS Deposits in line with change in SBP Policy Rate. The Cost of Deposits was effectively managed by the Bank through focus on low cost CASA Deposits.

Non Markup Income registered as CAGR of 8% during 2016-2021. The main contribution was made by Capital Gains realized on Securities during different years. The Fee Based Income also registered as steady growth. Non-Markup Expenses registered a CAGR of 20%. The rise is mainly on account of personnel/property expenses in line with expansion in Branch network (209 Branches added), inflation and investment in new technologies.

Provision Reversal for year 2021 stood at Rs. 1.6 Billion as against Provision Charge of Rs. 6.9 Billion during year 2020. The Charge of Rs. 6.9 Billion for year 2020 includes General Provision of Rs. 3.3 Billion and Specific Provision of Rs. 1.7 Billion on subjective basis. During year 2017, net Charge of Rs. 14.7 Billion was recorded for retirement of LOCs issued by Government of the Punjab. The Bank is fully compliant with the provisioning requirements under prudential regulations of SBP. As of December 31, 2021, a general provision of Rs. 2.5 Billion has also been maintained by the Bank.



ADVANCES CONCENTRATION LEVEL IN ASSETS



CODE OF CONDUCT

All the Directors of the Bank are expected to read and understand the "Code of conduct" and uphold the standards and policies contained therein by ensuring compliance.

Duties, Power and responsibilities

All the Directors confirm to the best of their knowledge and belief that as Director of the Bank of Punjab, they are fully aware of their duties, powers and responsibilities under the relevant Law(s).

Compliance with Rules & Regulations

All the Directors shall ensure compliance with the requirements/instructions embodied in all the regulatory enactments, rules & regulations, code of corporate governance and standards.

Integrity, Honesty, Confidentiality and Reputation

All the Directors shall set up a high standard of integrity and display prudent attitude in dis-charge of their duties. A minimum standard of acceptance would be:

i) Business decisions to be based on professional judgment and prudence.
ii) Professionally tailored and viable strategies shall be followed in pursuit of achiev-ing the Bank's overall objectives.
iii) A good working atmosphere shall be created in ensuring fair dealings, congenial re-lationship, co-operative and harmony.
iv) Customers' friendly culture shall be promoted by observing the followed norms of business ethics.
   - Business needs of the customers shall be given top priority.
   - Business affairs of the customers shall be maintained confidential.
   - Banker-customer relationship shall not be maintained with those involved in drug trafficking, crimes and terrorist activities.

Ethics and disclosure

Every Director shall confirm to the best of their knowledge and belief that:

i) He is not a Director of more than Five (5) listed companies, including the Bank of Punjab.
ii) He is not a Director of any other financial institution.
iii) He is a registered tax payer and not in default of payment of any taxes and/or in de-fault of any loan to a banking company, a DFI or an NBFI or, being a member of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
iv) He does not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.
v) He has sufficient means to discharge his financial obligations.
vi) He and his spouse are not engaged in the business of stock brokerage (unless specifically exempted by SECP).

Conflict of Interest

All the Directors shall not engage in any business transactions which might conflict with the interests of the Bank. They shall not accept any gifts, favors or invitation offered by any client, person or Organization with whom the Bank has a business relationship that creates a conflict between the individual's personal interest and the interest of the Bank.

Insider Trading

i) Director shall not deal directly or indirectly in the securities of the bank whether on their own account or their relative's account, if they are in possession of any un-published price sensitive information concerning the Bank. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

   Where any Director or his/her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he/she shall immediately notify the Company Secretary in writing. Such Director shall also deliver a written record of the price, number of shares, form of share certificates, (i.e. whether physi-cal or electronic within the Central Depository system), and nature of transaction to the Company Secretary within two days of effecting the transaction. Further, no Di-rector shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the period the closed period.(*)

(*) Closed period is determined prior to the announcement of interim/final results and any business decision, which may materially affect the market price of shares.

ii) Evaluation of the Board.

The performance of the overall Board, its Committees and individual Board Members shall be evaluated on annual basis as per mechanism prescribed by the regulator and approved by the Board.

CODE OF CONDUCT AND BUSINESS PRACTICES

All employees of the Bank of Punjab, hereafter called BOP, are required to follow a Code of Conduct & Business Practices in all areas of professional conduct. They must abide by the following:

LAWS/ RULES

- All employees shall conform to and abide by the Bank rules and obey all lawful orders and directives which may from time to time, be given by any person or persons under whose jurisdiction, superintendence or control they may, for the time being, be placed. They undertake at all times to comply with and observe all applicable laws, regulations and Bank's policies, wherever they operate.
- All employees stand firmly against supporting the activities of any Group or individual that unlawfully threatens public order and safety. They shall not be a member of any political party, take part in, subscribe in aid of, or assist in any way, any political movement in or out side of Pakistan or relating to the affairs of Pakistan. They shall not express views detrimental to the ideology, sovereignty or integrity of Pakistan.
- No employee shall canvass or otherwise interfere or use his influence in connection with or take part in any election as a candidate to a legislative / local body or issue an address to the electorate or in any manner announce or allowed to be announced publicly as a candidate or prospective candidate whether in Pakistan or elsewhere. He /She may, however, exercise his/her right to vote.
- No employee shall bring or attempt to bring political or other pressure / influence directly or indirectly to bear on the authorities / superior officers or indulge in derogatory pamphleteering, contribute, or write letters to the newspapers, anonymously or in his/her own name with an intent to induce the authority/ superior officers to act in a manner inconsistent with rules, in respect of any matter relating to appointment, promotion, transfer, punishment, retirement or for any other conditions of service of employment.

INTEGRITY

- All employees shall conduct their self with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, investors and fellow bankers and not engage in acts discreditable to the Bank, profession and nation. If he/she becomes aware of any irregularity that might affect the interests of the Bank, he/she shall inform the senior management immediately.
- Employees shall maintain all books, data, information and records with scrupulous integrity, reflecting in an accurate and timely manner all transactions/reports.
- Employees shall avoid all such circumstances in which there is personal interest conflict, or may appear to be in conflict, with the interest of the Bank or its customers.
- Employee shall not use his/her employment status to seek personal gain from those doing business or seeking to do business with BOP, nor accept such gain if offered, they shall not accept any gift, favor, entertainment or other benefit the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of the Bank or from persons likely to have dealings with the Bank and candidates for employment in the Bank.
- Employees shall not accept any benefit from the estate of, or a trust created by a customer, or from an estate or trust of which a Bank's Company or business unit is an executor, administrator or trustee.

CONFIDENTIALITY

- All employees shall maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities of law after consultation with approving authorities, if required in case of any ambiguity about disclosure. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefit of any individual(s). Inside information about Bank's customers/affairs shall not be used by them for own gain, or for that of others either directly or indirectly.
- All employees to ensure meticulous compliance of the IT security policy of the Bank.
- No employee shall indulge in "insider trading" as per Securities Act 2015. In case of any staff found involved in violation of the instructions he/she shall be dealt with, in accordance of Bank's Disciplinary Action Policy.

PROFESSIONALISM

- Employees shall serve the Bank honestly and faithfully and shall strictly serve the Bank's affairs and the affairs of its constituents. They shall use utmost endeavor to promote the interest and goodwill of the Bank and shall show courtesy and attention in all transactions / correspondence with officers of Government, State Bank of Pakistan, other Banks & Financial Institutions, others Establishments dealing with the Bank, the Bank's constituents and the public.
- Employees shall disclose and assign to BOP all interest in any invention, improvement, discovery or work of authorship that he/she may make or conceive and which may arise out of his/her employment with BOP. If his/her employment is terminated, all rights to property and information generated or obtained as part of his/her employment relationship shall remain the exclusive property of BOP.
- Employees shall be truthful in all advertisings and promotional efforts and shall publish only accurate information about the Bank's operations under valid authority.
- No employee shall engage in Money Laundering

and will be extremely vigilant in protecting BOP from being misused by anyone to launder money by strictly complying with "Know your customer" (KYC) policies & procedures. BUSINESS / WORK ETHICS

- All employees will respect fellow colleagues and work as a team. They shall at all times be courteous and not let any personal differences affect their work. They will treat every customer of the Bank with respect and courtesy.
- Employees shall make sure, good attendance and punctuality and demonstrate a consistently good record in this area. For any absence during working hours, he/she will obtain written permission of his/her immediate supervisor. He/she shall not absent himself/ herself from his/her duties, nor leave his/her station overnight, without having first obtained the permission of the Competent Authority. In case of emergency, if it is not possible to obtain prior permission, necessary permission confirmation will be obtained from the Competent Authority within 24 hours.
- Employees shall maintain a standard of personal hygiene and dress appropriately for attendance at work. Their appearance must inspire confidence and convey a sense of professionalism.
- All employees shall, as personal responsibility, safeguard both the tangible and intangible assets of BOP and its customer(s) that are under their personal control and shall not use Bank assets for their personal benefits except where permitted by BOP. They shall not use any Bank facilities including a car or telephone to promote trade union activities, or carry weapons into Bank premises unless so authorized by the management, or carry on trade union activities during office hours, or subject Bank officials to physical harassment or abuse.
- Employees shall not indulge in any kind of harassment or intimidation whether committed by or against any senior/junior, co-worker, customer, vendor or visitor. They shall not use language, written or spoken in intra-office communication(s) or communication (s) with individual(s) outside the office that may contain any statement or material that is offensive to others. They shall never use the Bank's system to transmit or receive electronic images or text containing ethnic slurs, social epithets or anything that might be construed as harassing, offensive or insulting to others.
- Employees shall not indulge in any sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature or sexually demanding attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment.
- Employees to meet their responsibilities to fellow employees, customers and investors they shall help in maintaining a healthy and productive work environment and shall not engage in the selling, manufacturing, distributing, using, any illegal substance or being under the influence of illegal drugs while on the job. Smoking is allowed only in designated areas.
- Employees shall ensure strict adherence to all health and safety policies as may be implemented from time to time by the Bank.
- Employees shall not give any interview in the print / electronic media or have his/her photograph displayed or act in television / stage plays or in cinema without having permission from the Competent Authority.
- Employees shall intimate Human Resources Management of any changes in the personal circumstances relating to their employment or benefits.
- Employees must raise concerns & suspicions, in confidence, about any actual or operational illegal activity or misconduct complying with the Whistle Blowing policy and Sexual Harassment policy. Failure to do so will result in employee being deemed a party to the irregularity.
- All employees posted at Treasury Functions shall abide by the SBP instructions circulated vide DMMD circular No. 08 of 2014 regarding Code of Conduct for Treasuries of Banks, DFIs & PDs & time to time revisions in instructions by the SBP.

All employees shall also not indulge in any of the following activities except with the prior permission of the Competent Authority:

- Borrow money from or in any way place them self under pecuniary obligation to broker or moneylender or a subordinate employee of the Bank or any firm or person having dealings with the Bank.
- Buy or sell stock, shares or securities, of any description without funds to meet the full cost in the case of purchase or scripts for delivery in the case of sale. However, he/she can make a bona-fide investment of his/her own funds in such stocks, shares and securities as he/she may wish to buy.
- Lend money in his/her private capacity to a constituent of the Bank or have personal dealings with a constituent in the purchase or sale of bills of exchange, Government paper or any other securities.
- Guarantee in his/her private capacity the pecuniary obligation of another person or agree to indemnify in such capacity another person from loss.
- Act as agent for an insurance company, otherwise than as agent for or on behalf of the Bank.
- Be connected with the formation or management of a joint stock company.
- Engage in any other commercial business or pursuit either on his/her own account as agent for another or others.
- Accept or seek any outside employment or office whether stipendiary or honorary.
- Undertake part-time work for a private or public body or private person, or accept fee thereof.
- Open or maintain a Business Current Account with any Bank or Banker of any description including BOP.

OPERATING & COMPETITIVE Environment

Owing to various measures taken by Government of Pakistan (GoP) and State Bank of Pakistan (SBP) for mitigating the negative impact of COVID-19, the economy started showing signs of improvement towards the mid of year 2021. Economic recovery was mainly led by construction sector due to initiative taken by GoP. Further, agriculture sector also gained from the substantial increase in the minimum support price of wheat and subsidized availability of inputs and machinery.

During the year 2021, subsidized financing schemes introduced by Government of Pakistan and Government of the Punjab for promoting self-employment in the Country created room for credit expansion for the banking industry. Further, Temporary Economic Refinance Facility introduced by the SBP for business concerns and projects under low cost housing schemes of GoP also provided much needed impetus for economic activities. However, investment and lending opportunities in the areas of large scale manufacturing, service sector and other private sectors remained scarce due to lack of activities in these areas till second half of the year. Due to low expansion opportunities in the market, there was tough competition among the banks to enhance their market shares.

During the major part of year 2021, the SBP maintained an accommodative monetary stance, by keeping the policy rate unchanged, after a sharp 625 bps reduction during Mar-Jun 2020. This also led to a conservative approach of investing in secured and liquid securities.

STRATEGY & RESOURCE ALLOCATION

The Bank of Punjab would continue to aggressively pursue its strategic plan to become one of the top financial institution of the Country in next few years. Accordingly, resources would be allocated for business expansion, technological advancement and introduction of new products & services in line with market requirements.

STRATEGIC AREAS OF FOCUS

- Leveraging relationship with Government of the Punjab (GoPb) for best interest of organization.
- Support governments initiatives for promoting low cost housing schemes.
- Support governments in inculcating culture of entrepreneurship in the Country through self-finance schemes.
- Help improve financial inclusion and support GoPb in its poverty alleviation programs.
- Aggressive legal measures for recovery of non-performing portfolio.
- Improving upon Agri, SME and Consumer portfolio.
- Fast track expansion in southern region.
- Improvement in trade business.
- Introduction of technology based product & services in the areas of Cash Management, Branchless Banking, Alternative Delivery Channels.
- Introduction of Credit Card business.
- Enhance Taqwa Islamic Banking footprint.
- Invest in Bank's Human Resource and instill culture of merit across the organization.
- Aggressive marketing on print, electronic and social media for promoting Bank's products and services.
- Improve upon private sector low cost deposit.
- Improve on Bank's shares in home remittance business.
- Continue to work for the welfare of public at large through its Corporate Social Responsivity initiatives.

FAIR TREATMENT OF CUSTOMERS FRAMEWORK & CONSUMER GRIEVANCE

Good business relationship between bank and the Customers is crucial for the success and growth of the bank. Mutual trust and confidence are imperative factors to lead a bank towards success. To cater this emerging need/issue SBP as a regulator has taken its first step through establishment of its own separate financial consumer protection department. SBP has accentuated on financial consumer protection through issuance of many circular instructions.

Broader guiding principles of Bank's Fair Treatment of Customers Framework are as under:

- Instill a culture embedded with Fair Treatment of Customer values across the bank.
- Promote good banking practices by setting the service standards in dealing with customers.
- Create customer awareness and transparency in financial products and services offered by the bank.
- Create awareness among customers about their rights to enhance their confidence in Bank of Punjab.
- Protect customer's rights by ensuring compliance of SBP regulations and relevant laws.
- Increase transparency in the provision of banking services so as to enhance the understanding of customers of what they can reasonably expect of the services provided by the bank.
- Ensure accurate and timely delivery of information to the customer regarding bank's products and services.
- Establish a culture that gives freedom to the customers to choose between services or products offered by the bank.
- Prevent collusive business practices that may result in unfavorable outcomes to consumers.
- Provide customers with a recourse mechanism that is effective, transparent and impartial, offering prompt resolution of customer grievances.

Consumer Grievances Handling 2021:

The Bank has established a dedicated Unit for timely, smooth and seamless handling of consumers' complaints. The Management of the Bank ensures that all complaints received from customers and general public is duly addressed. Besides handling complaints received from Bank's internal portal, complaints received through other forums such as Pakistan Citizen Portal etc., are also handled in timely manner.

It is ensured that all complaints received by the Unit are resolved within prescribed Turn around Time (TAT) as per guidelines of State Bank of Pakistan.

The Complaint Types as per SBP's Consumer Grievances Handling Mechanism (CGHM) and average TAT is detailed hereunder:

Product /service Area	Average Time taken to resolve a complaint
Personal Loan/overdraft/ Agri loans	3WD
Auto Loan	4WD
House Loan	3WD
Account Maintenance	4WD
ATM/Debit Card	6 WD
Over the counter issues	4WD
Remittance / Clearing (Inland)	5WD
e- banking	5WD
Home Remittances	4WD

COVID-19
Drive-through Vaccination Facility
BOP
THE BANK OF PUNJAB

REGISTRATION BOOTH
COVID-19
Drive-through Vaccination Facility
BOP

P MAKING IT HAPPEN AGAIN
After making it a success in Lahore, BOP now partners for the
Launch of Islamabad's First
Drive-Thru Vaccination Center

COVID-19
Drive-through Vaccination Facility
BOP
THE BANK OF PUNJAB
COVID VACCINATION DRIVE

COVID-19 RECOVERY PLAN

STATEMENT BY MANAGEMENT

Since the outbreak of COVID-19 pandemic in early 2020, the Management of the Bank has remained fully vigilant to the challenge. While invoking Business Continuity Plan to ensure availability of banking services to the customer across the network, the Bank also ensured safety of staff and people visiting the Bank.

Safety Measures & Business Continuity: The Bank put in place a comprehensive standard operating procedures (SOPs) which were implemented across organization to ensure safety of staff and public visiting at the branches. A taskforce was constituted to oversee effective implementation of SOPs. All frontline staff members working in the branches were provided necessary precautionary equipment to ensure their safety. For staff members and their families infected by COVID-19, the Bank arranged 100% medical facilities. The Bank ensured that it's all branches remains functional during COVID-19 pandemic.

Vaccination of Staff & their families: Immediately upon commencement of vaccination drive in the Country for COVID-19 from second quarter of year 2021, the Bank made necessary arrangements for vaccination of all its staff members and their families. Special walk in vaccination booth were established at the premises of the Bank in all major cities of the Country to facilitate staff and their families.

Use of Technology: in line with instructions with State Bank of Pakistan, the Bank initiate vigorous awareness campaign to encourage use of alternative delivery channels for utilization banking services to discourage queuing up of people in the premises of the Bank. Similarly, all meeting of the Bank were conducted through web based application to control spread of COVID-19.

FORWARD LOOKING STATEMENT AND ACHIEVEMENTS

Despite economic constraints, The Bank of Punjab continued making progress in line with its strategic business plan. Considering the current pace of growth, the future outlook of the Bank seems very bright.

While growth remains an inherent part of the journey across all phases, before embarking upon aggressive growth, it was important to put necessary controls and consolidate in order to provide a robust platform as a solid foundation for growth.

Most of the key control initiatives commenced last year were successfully completed.

The review of COSO framework exercise initiated last year, was divided into two stages:

Stage 1 – referred to as the "As-Is" stage;
Stage 2 – the "To-Be" stage, and;
Stage 3 – Gap Analysis and Implementation stage.

The Bank completed the first stage by the third quarter. Stage 3 is under implementation and is targeted for completion by Q2 2022.

Segregation of Branch business and Branch operations was also initiated and completed ensuring there is no conflict of interest; business units are now focusing on customer acquisition only, and Ops team is providing necessary support – ensuring adequate controls, reporting directly to the Operations Head.
Customer Risk Rating Methodology, which was upgraded to ensure a risk-based approach, was approved and is now in the process of getting implemented in the system. In addition to other benefits, the CRRM will also trigger real time EDD for high-risk customers.

Compliance Risk Management System was launched and implemented, which will not only provide regulatory guidance under a single platform, but would also facilitate efficient management and dissemination of Policies and Procedures.

The Transfer Pricing mechanism was revamped as the existing methodology is a single-rate mechanism. The new mechanism is a curve-based FTP, offering better idea of individual units' performances across varying tenors and products. This has been approved and the Bank is in the process of identifying a software and vendor best suited to the newly developed FTP mechanism.

The Governance Committee framework which was formed in January 2021, was diligently implemented under an annual calendar. This framework is now being slightly rationalized with the merger of a few committees and the introduction of an additional committee to exercise active oversight on rectification of audit observations.

Risk Adjusted Returns methodologies were applied successfully – these policy revisions will help to provide a consistent view of profitability across various business segments, while helping to create, foster, and maintain capital buffers, to leverage the balance sheet in a proficient and prudent manner.

Comprehensive and concentrated efforts to materialize the recovery or regularization of the NPL portfolio were carried out during 2020-2021. As a result of this renewed resolve, the targets set in 2021, for NPL regularization/recovery, were met – thereby resulting in a reversal/recovery of PKR 4.1 billion during the period January – September 2021. Thus, the size of the NPL portfolio reduced from PKR 57.2 billion in 2020 to PKR 54.5 billion (as on September 30, 2021). Despite this, however, an addition of PKR 1.3 billion was also made in the NPLs during January – September 2021.

In Agriculture Financing, BOP occupies the 4th position among commercial banks; advancing 2 positions up from our previous ranking. The Bank has surpassed SBP's Mandatory Agriculture Outstanding & Disbursements targets for FY2020-2021 by PKR 7.01 billion and PKR 7.29 billion, respectively. Core Agriculture Credit Division outstanding portfolio (as of 30th November, 2021) was PKR 9.1 billion – an increase of 49% year on year (December 2020 position: PKR 6.1 billion). The Bank surpassed the ACD portfolio target, set at PKR 8.5 billion, by 7.06%.

The Bank had a stipulated strategy position to capitalize on opportunities where there is first loss support. At year-end 2020, BOP occupied the pole position in PMKJ-YES/PRS in terms of disbursements. The Bank has remained at the number 1 spot during the current year, 2021, as well; our Agri portfolio under PMKJ surpassed outstanding level of PKR 2.5 billion, which is the highest in the industry.

The Bank's Consumer Banking portfolio grew by 34% from the December 2020 position during the first 11 months. Further, the Retail Finance Division overachieved its annual housing and construction target by 57%.

Opening branches in North and South was an integral part of our Retail banking deposit growth strategy. As this is subject to SBP approval, the bank, at most could only open 8 branches in Karachi during the year which were approved

based on our earlier submission. However, this will be the key focus as our objective of increasing the contribution of Private deposit is dependent on this. For 2022, the Bank is planning the construction and operationalization of 33 new branches in Karachi, 32 new branches in the North region, and 23 new branches in Punjab Central.

By way of restructuring Islamic Banking operations, to make them more impactful to the bottom line, a dedicated Islamic Windows Expansion plan was formulated and executed during the outgoing year (2021). To effectively capitalize on the potential of this high-growth banking sector, a total of 25 new Islamic Banking Windows has been planned for launch, of which 22 are already operational.

The Bank explored the possibility of taking over a strategic stake in a Microfinance Bank which is in process. The proposal for the establishment of an Insurance Company has been shared with the Government of Punjab, pending their decision. In addition, the Bank planned an equity injection in Punjab Modaraba, however, our request for in-kind equity injection was not allowed by SBP.

During 2021, the Bank has made progress in the domain of Digitalization. It now offers a large suite of digital financial services, catering to the full spectrum of our customers' online transaction needs. As envisioned in the Strategic Plan, the Bank has operationalized Roshan Digital Account and Digital On-Boarding capabilities, in addition to the introduction of a new Branchless Banking Agent Network. The Bank has also improved its contact centers offering (Queue for Khaas customers, Smart IVR, cheque book activation through Contact Center, among others).

In recognition of the outlook of the Bank, as well as strong financial performance and considerable progress made in the areas of risk, compliance, governance, and all other facets of operations, the Pakistan Credit Rating Agency (PACRA) after a lapse of 5 years, has upgraded the long-term entity rating of the Bank of Punjab to "AA+", with the short-term highest rating of "A1+".

Our People remain the central focus of our strategy, and the key to our future success. Organizational structures have been re-aligned for efficiency and enhanced productivity, at all levels; an online Performance Management System has been put into place for better tracking and transparency; Workload assessments, self-assessments, and mid-year reviews have been conducted and will continue in the future; Significant efforts have been undertaken on the Diversity & Inclusion arena, where policies have been reviewed/redesigned, not just to improve compliance with SBP's Diversity directives, but to curate an environment of inclusivity, understanding, and empathy within the ethos of the Bank itself. In addition, numerous learning and development initiatives, tailored to build both hard and soft skills of our people, have been implemented to provide opportunities for growth and progression, while TATs for HR related services have also been significantly reduced via streamlined complaint lodgment and service delivery.

Numerous marketing campaigns were launched during the outgoing year to improve the Bank's corporate image, and to promote its products and initiatives; among them are the launch of Mera Pakistan Mera Ghar, BOP ForeignSe (Cashback Offer), the launch of Roshan Digital Account, Bonus Munafa Term Deposit, financing of RLNG Power Plant, launch of vertical Khaas Debit Card, as well as communication initiatives aimed at raising awareness regarding Covid-19.

The Social Welfare initiative "Sadqa-e-Jariah" is live on the RDA Platform as of Q3 2021, in addition to social protection programs in collaboration with PSPA (Punjab Social Protection Authority), tailored towards Health & Nutrition, and the welfare of Transgendered individuals.

Upholding the legacy of contributing to national causes as a responsible corporate entity, the Bank of Punjab initiated numerous Corporate Social Responsibility programs, including the introduction of Pakistan's first Drive-Through Covid-19 Vaccination Centers in Lahore and Islamabad. Additionally, BOP extended support to WWF-Pakistan to maintain clean, pollution-free air, water, and land resources – to help abate environmental degradation, and to preserve the natural world for the benefit of all. In the healthcare sector, the Bank supported Al-Shifa Trust Eye Hospital, with the intention to prevent and control blindness, by providing Al-Shifa with standard and sustainable eye care services. To promote Arts & Culture, the Bank spearheaded a national painting award titled "Arjumand Painting Award", to encourage emerging painters. The award will help recognize Pakistani artists who exhibit outstanding abilities in the art of painting. The Bank also supported Pink Ribbon Pakistan in carrying out its Zakat Collection Campaign, which included on-ground and online activities, thus supporting the only organization in Pakistan that is dedicated to working on the issue of breast cancer, with a nationwide outreach. In the same vein, the Bank also carried out a month-long Breast Cancer Awareness campaign to help people in identifying the early signs and symptoms of cancer; the drive included awareness activities at different offices of the Bank, webinars, and free mammography facilities for female employees. Additionally, in the interest of uplifting the socially marginalized segments of society, the Bank supported Shade Trust for the provision

of Ration Bags to 200 underprivileged families in Sialkot. The Bank of Punjab also lent its support to the National Accountability Bureau in its mandate to prevent corruption, and enforce anti-corruption measures.

Dividing our SP into three phases was a strategic decision given the Vision of the Bank required aggressive expansion plans. The primary objective behind the first 2 phases was to lay the foundation and build a platform for ensuring sustainable, organic growth so that once the bank enters the third phase which will be predominantly business expansion, its growth will be aggressive yet remain calculated/ prudent.

SUMMARY OF KEY ACHIEVEMENTS

Corporate & Investment Banking Group:

- Growth in Net Advances by 14%.
- Expected to cross over PKR 500 Billion in Trade Business by the end of December 2021
- Launch of Corporate Digital Payment Portal under the brand "BOP-Biz" in 2021
- Recovered fee income of PKR 1.50 Bn as of November 30th
- Investment Banking:
    - BOP awarded "The Asian Banking & Finance Corporate & Investment Banking Award 2021" for Project Infrastructure Finance Deal of the Year
    - Mandated Lead Advisor & Arranger to:
    - Punjab Thermal Power
    - Lucky Electric Power Co.
    - Pakistan Mobile Communications Limited and Ufone (Pak Telecom Mobile Ltd.)
    - Fauji Cement Company & Attock Cement Company Ltd.
- Transaction Banking: Throughput crossed PKR 100 Bn. Number of transactions nearly 8Mn annually
- Opened Public Sector Salary Accounts of 21 institutions like PMU, Health Department, with BOP, which yielded more than 10 Billion in additional deposits

Consumer & Digital Banking Group:

- Implementation of performance-based compensation plans and targets for all units.
- Launch of New Branchless Banking Agent network
- Operationalization of Roshan Digital Account Capabilities
- Launch of Sadqa-e-Jariah Initiative (live on RDA Portal)
- Launch of Digital On-Boarding Pilot
- Contact Center Initiatives
- Developed a policy for PWDs
- New PSPA Programs: Health & Nutrition, and Transgender
- Launch of BOP Khaas

Retail & Priority Sector Lending Group:

- BOP remained Top Performing Bank for 2nd year in a row under PMKJ-YES
- Launch of Commercial Banking
- Launch of LRMIS (Land Revenue Management Information System) at Branch level
- Targets set for branches along with support from RBG for all 3 segments (Agri., SME, & Retail Finance) and Trade branches
- SME Division registered a 33% growth till Nov '21 from Dec '20
- Collection Mechanism improved; 91% collection ensured in first 30 days of the quarter
- Formed alliances for anchor-led financing programs
- New products introduced:
    - Shamsi Tawanai (Solar Power Solutions)
    - Pilot Warehouse Receipt Financing for Maize and Paddy & Naymat Collateral
    - Clean lending to small clients under a controlled environment (via PMKJ and PRS)
- Targeting farmers and Agri. Businesses by offering financing under PMKJ-YES and Punjab Rozgar Scheme
- Expansion into Sindh; Agri resource placement in Hyderabad, Sukkur, Mirpur Khas
- Digitization of LCH application submission
- BOP is the lead bank under GoPb Peri-Urban Program; leading the consortium for LDA city
- Among the Top 3 in SBP Mystery Shopping results pertaining to GMSS scheme
- Decentralize Credit Management for SME & Agri. Business through Hub formation

Islamic Banking Group:

- Opening of branches in FATA, KP and GB Regions as per vision of the management and BOD
- Formation of Islamic Banking Windows in conventional branches; plan to close the year with 25 new IBWs
- High-Risk account approval TATs reduced
- 12%* growth in Private Sector Deposits as on November 30th, 2021
- 39%* growth in Islamic Financing portfolio as on November 2021
- Launch of consumer finance (autos and mortgages)
- Launching new products (both assets and liabilities)
- BOP is leading LDA City Housing Consortium
- BOP-TIB is the lead Shariah structuring agent for Pakistan Telecommunications Co. Ltd, and PHATA.

Treasury & Financial Institution Group:

- Through the efforts of the Treasury Department, the Bank became one of the first banks to start Debt Market Maker of GOP Securities at Pakistan Stock Exchange.

The Bank has successfully started quoting rates of PIBs and T-Bills on PSX's BATS platform

- Successfully launched Kamyab Pakistan Program. BOP aspires to be the biggest and most active player in the program for empowerment, financial inclusion and low-cost housing
- Segregation/Establishment of a dedicated Islamic Treasury.

Operations Group:

- Centralization of Trade Operations
- Digitalization of SBP Portals for Foreign Exchange Facilitation Desk through BOP website
- Implementation of Systems (C-LINK, FCCM & IHS) for Trade based Money Laundering
- Automation of Trade Reporting to mitigate delays and consequent penal action by SBP
- Development and Implementation of Pakistan Single Window (PSW) module; BOP among pioneers in the industry
- Cost saving of about Rs. 70 (M) in managing CPC, bulk post shipments and Insurance handling
- Scanning and digital archiving of over 600K of account opening forms
- Supported business in timely launching deposit and lending products through configuration and developments in the system and procedures
- Initiation and management of KYC- Remediation Project & ODD units with limited resources
- BOP was awarded No. 1 Bank in Year 2021 by J.P. Morgan Bank for achieving highest STP rate
- Successful launch of RDA with limited infra support and implementation of Treasury Single Account
- Developed and Implemented STP for Remittances product/transactions to reduce human intervention and enhance efficiency
- Successfully completed SWIFT Customer Security Control Framework
- Automation of PRCs / ePRC/ SPRC Issuance & Verification System.
- 99 % recovery of leakage of income detected by Audit in branches
- Project for Establishment of CPC at regional level initiated, (in process)
- More than 97% complaints were closed within TAT
- Development of Digital portal for centralized monitoring of staff and GLs in the branches
- Completed takeover of Credit Operations of all lending segments
- Successfully configured Islamic Windows Operations in conventional branches

Compliance Group:

- FCCM was upgraded with addition of new AML/CFT scenarios
- Implemented TBML System by customizing Trade related scenarios
- C-Link was upgraded
- Implemented Price Verification Solution for Trade Transactions
- Implemented CRM system to automate Regulatory Repository
- Implemented system solution for review of bank's documents
- Automation of Operational Risk tools (RCSA & KRIs, etc.)
- Internal Risk Assessment Report – 2021 was developed and approved
- Process for handling of cross border transactions/ customer onboarding regarding high-risk jurisdictions was introduced
- Development and implementation of Correspondent Risk Rating Model
- Standardized the Review Mechanism of bank's documents by designing standard templates of Policy/ Procedure
- Took initiative to perform Compliance Reviews of branches in all geographies as well as NBE
- Development of Unscrupulous Borrowers/ fraudsters data for C-Link screening
- Conducted multiple training awareness sessions on AML/CFT, Internal Controls, regulatory compliance and fraud prevention
- Customer Risk Rating Methodology was upgraded, adopting risk-based approach

INFORMATION TECHNOLOGY GROUP:

Software Development:

- Kamyab Pakistan Information System
- Pakistan Single Window
- Electronic Proceed Remittance Certificate (ePRC)
- RAAST – Micropayment Gateway
- Sohni Dharti Remittance Program
- Roshan Digital Account (Incl. 8 additional initiatives)
- Integration for Digital Platform & Corporate Internet Banking Platform
- BOP KHAAS
- Image Based Clearing
- New Branchless Banking System for Govt. Sector Disbursement
- Cheque Book Activation from Call Center
- Staff Loan Migration to new CBS Products

Digital Transformation:

- Corporate Internet Banking Platform BOP-Biz
- Installation of 58 new ATMs
- Upgradation of Compliance Link & Implementation of Trade Based Anti-Money Laundering System]
- Upgradation of Oracle FCCM

People & Organizational Excellence Group:

- Re-aligned organizational structures at top and cascading tiers
- Pay-for-Performance, Rewards & Recognition: Created online Conducted Workload Assessments; Introduced Bonus Pool; executives' remuneration brought in-line with market practices
- Introduced Diversity & Inclusion Policy, Prevention from Harassment Policy, Affirmative Action and Deterrent from Retaliation Policy; Revised Disciplinary Action Policy. Special promotions for employees from underrepresented groups
- Conducted manpower planning, on-boarded 1700+ employees to support anticipated business growth; Identified individual development plans for N-1 level
- Conducted training Needs Assessments; Outcome based specialized trainings; IBP E-learning module;
- Improved HRMS was introduced; One Stop Shop was launched for improved complaint resolution; reduced TAT in HR services; Improved Group Life Health Insurance for all employees

Staff & Strategy Group:

- 14+ marketing campaigns successfully developed and rolled-out
- Successfully carried out branding initiatives at 70+ branches
- Strengthened the Bank's brand image via 60+ successful events
- 10 CSR related initiatives; including drive-through COVID Vaccination Centers in Lahore & Islamabad
- Sponsorships in 25+ high-profile events for brand building
- Successfully conducted numerous events at Dubai Expo 2020 to Promote the Bank
- Service Quality Policy was developed and approved
- Complaints SOP was revamped for efficiency as well as alignment with best practices
- Complaint Escalation was automated
- Tracked/mentioned bank-wide key initiatives and action items pertaining to all business and support groups on behalf of P&CEO
- Developed Strategic Plan 2022-2024
- Formulated strategic objectives and coordinated to finalize functional level tactical plans in all areas
- Inculcated change by enabling a culture of performance through effective coordination and monitoring of KPI's
- Monitored the execution of the unified bank-wide Strategy

Risk Management Group:

- Trade Related Risk Profile
- Basel Engine implementation
- Development of LGD model
- Payment Control System
- Validation of ICRR and PD models
- Web Based Operational RMG System (ORMS)
- Application Delivery & Distributed Denial of Service (DDoS) Protection
- TBML Risk Appetite
- Bank wide Risk Register
- RAROC Template
- AML Risk and Control Self-Assessment
- Security Orchestration, Automation & Response Tool
- Zero Trust Network Tool
- Phishing/Awareness Automation tool campaigns
- Total Principle: PKR 3,429 Million, and Markup: PKR 259 Million, recovery (as on December 20, 2021) by SAM. Further, PKR 370 Million expected by year end

Finance Group:

- Successful upgradation of Bank's Credit Rating by PACRA from AA to AA+
- Effective monitoring of financial budget through timely updating to Management & BOD
- Successful completion of COSO framework (As-Is, GAP and To-Be stages) through External Consultant and now the Bank is in implementation phase
- Successful formation of a team for Data Cleansing of Deposits Accounts in system. So far over 180,000 accounts have been reviewed
- Process for acquisition of Fund Transfer Pricing Module completed
- Centralization of major CAPEX/OPEX for effective financial control
- Bank's annual Income Tax Return for Tax year 2021 successfully filed with FBR

STAKEHOLDERS RELATIONSHIP

The Bank's interaction process with its major stakeholders is as under:

1. **Government of the Punjab:**

   Government of the Punjab (GoPb) being majority shareholder of the Bank has presence on Bank's Board of Directors through appointment of nominee Directors and also Chairman of the Board as per BOP Act, 1989. The Bank is also providing various banking services to different departments of GoPb. The Finance Department of GOPb is updated on all key issues related to Bank on frequent basis.

2. **Staff at BOP:**

   The Bank has put in place a comprehensive Human Resource Policy and it is being ensured that pay for performance culture is promoted across organization. The management regularly interact with employees through communications vide email, social media platform and direct meetings. An effective grievance handling mechanism and Whistle blowing program has also been put in place to facilitate staff member. Further, during year 2021, People & Organizational Excellence Group also initiative one stop helpline to resolve staff member's problems in prompt manner.

3. **Account Holders / Customers:**

   The Bank ensure provision of personalized banking services to all its accountholders. The accountholders are being updated on Bank's product & services and status of their accounts through mobile banking/phone banking services. The Accountholders are provided statement of their accounts on regular basis. The Bank also maintain and update its website and social media platform for information of all accountholders.

4. **Investors & Shareholders:**

   The Bank maintain an updated investor information data on its website. Further, periodical corporate briefing sessions are also arranged for information of all investors and shareholders. The Bank also arrange an interactive annual general meeting of shareholders and their all questions & queries are duly answered and addressed.

5. **General Public:**

   The Bank is fully aware of its Corporate Social Responsibilities and all possible efforts are made to ensure welfare of common peoples. The general public is being updated about the affairs of the Bank through all available media platforms.

6. **Regulators:**

   The Bank also maintain close liaison with State Bank of Pakistan and Securities & Exchange Commission of Pakistan as regulators. The Bank ensure effective and timely compliance of all regulatory reporting and information requirements.

BOP خاص THE BANK OF PUNJAB KHAAS PREMIUM BANKING

#SabSayKhaas

LET YOUR CARD STAND TALL FOR YOU

Introducing
Vertical Debit Card

The Bank of Punjab Khaas Premium Banking introduces
"BOP Khaas MasterCard Platinum Debit Card"
to match your lifestyle needs.

- No Annual Fee
- Free Alerts
- Higher Limits
- Secure E-commerce transactions
- Tap and Pay for speed and convenience

BOP THE BANK OF PUNJAB

BOP Phone Banking: 111-267-200 www.bop.com.pk

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITIES

The Bank of Punjab has always remained steadfast in lending a helping hand to the public, particularly its marginalized and disenfranchised segments. The Bank takes pride in working for the welfare of underprivileged communities, and concerted efforts are being made to achieve the objective of financial inclusion.

As the COVID-19 pandemic remained a formidable challenge for the banking industry during the first half of the year 2021, The Bank of Punjab maintained its focus on ensuring the provision of banking services to its clients in a safe and secure environment, while taking all possible measures to uphold the health and wellbeing of its frontline staff. To this end, the Bank ensured the implementation of comprehensive Standard Operating Procedures pertaining to COVID-19 control & prevention. Further, The Bank ensured the provision of necessary health facilities to its employees, and their dependents, throughout the pandemic.

Recognizing the importance of vaccination in the fight against COVID-19, the Bank made necessary arrangements for the vaccination of its staff and their family members, on a priority basis, following the commencement of vaccination drives in the country. Arrangements were made in collaboration with the federal and local governments for establishment of walk-in vaccination booths at various premises of The Bank of Punjab for vaccination of staff and their family members.

In order to lessen the pressure on vaccination centers established by the government for the general public, The Bank of Punjab established drive-through vaccination centers in all major cities of the country, in coordination with the local administration. This initiative by the Bank was met with high praise as it helped the general public in getting vaccinated without having to stand in long queues.

During the year 2021, the Bank participated in the global Pink Ribbon campaign for raising awareness about breast cancer. The Bank arranged media campaigns and special programs to help improve the public's cognizance regarding this disease. The Bank also lent its support to Pink Ribbon in its Zakat Collection Campaign, which included conducting on-ground and online activities. Pink Ribbon is the only organization in the country that is working on the issue of controlling, and raising awareness about, breast cancer with a nation-wide outreach.

In order to promote education in the Country and provide opportunities to students from underprivileged segments of society, the Bank has initiated scholarship programs in collaboration with the top universities of the country. Through these programs, numerous bright, young minds are fulfilling their dream of receiving high quality university education from the nation's best institutions.

The Bank continues to facilitate the Government of Punjab (GoPb) in the disbursement of financial assistance to thousands of underprivileged persons under various initiatives of Punjab Social Protection Authority, through its specially designed Branchless Banking operations and Cash Management Services. The Bank is also facilitating GoPb in

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We cover credibility

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Certification Body of Management Systems
E. P. Voljanského 1, 960 01 Zvolen, Slovak Republic

by this

CERTIFICATE

certifies that the Management System of

THE BANK OF PUNJAB

The Bank of Punjab
BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore, Pakistan

has been established and duly implemented and company applies it in accordance with the standard

CSR 26001:2021

provisions for the following areas:

Commercial Banking

Certified locations:
BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore, Pakistan

The results of Audit Report No. P-CNT-1068-2022-CSR have proved that the Management System fully complies with the requirements of the aforementioned standard.

Certificate No.:	CSR – 10605/22
Initial certification date :	03.03.2022
Date of Issue:	03.03.2022
Expiry date:	02.03.2025

CERTIFICATION BODY QSCert OF MANAGEMENT SYSTEMS

This certificate is valid only if it is published among valid certificates on www.qscert.com

Ing. Marcel Slúch
Chief executive

improving G2P communication, and various initiatives such as E-Stamping, E-Traffic Challans and online collection of federal taxes.

In terms of extending support to the country's healthcare sector, the Bank continues to play its part; BOP supported Al-Shifa Eye Trust Hospital, in the interest of enhancing the capacity of this institution in dealing with the control and prevention of blindness and other vision-related ailments, by providing them with standardized, sustainable eye care services.

As part of its collaboration with NIC, the Bank helped to build an active and well-connected community of change-makers, impact creators, and disruptors. BOP supported NIC's initiative of creating a FinTech Learning and Development Center. Under this initiative, the Bank provided support to 15-year old Nabeel Jafri, a tech entrepreneur, in launching his messaging application.

The Bank continues to sponsor various educational, sports and cultural events across Pakistan. The Bank sponsored various literary festivals with an objective to promote art and literature.

The Embassy of Hungary in Pakistan invited The Bank of Punjab to participate in the restoration of a large and historically significant series of paintings, by the Hungarian artist August Schoefft (1809-1888). The paintings depicted an important period of Pakistan's history, and are considered a precious, surviving testament of the common heritage between Hungary and Pakistan. August Schoefft's work was not only of artistic, but of historic value, as they depicted details of prominent personalities of the 19th century Sikh Court or Darbar, as well as events of everyday life of the Darbar.

Considering the historical value of August Schoefft's paintings, the Bank sponsored their restoration, which was successfully carried out in Hungary. After their exhibition in Hungary, the same paintings have now been returned to Lahore and are being exhibited as national heritage. Furthermore, the Bank has also supported a National Painting Award, titled, "Arjumand Painting Award" for emerging artists and painters. The award is intended to recognize and encourage emerging Pakistani artists who exhibit outstanding abilities and distinguished talent in painting.

As a testament to the Bank's commitment to transparency and accountability, BOP supported the National Accountability Bureau in its mandate to deal with corruption, raising awareness, and enforcing anti-corruption measures.

A further demonstration of BOP's dedication to uplifting the marginalized segments of society took the form of providing ration bags to 200 families in Sialkot, in collaboration with Shade Trust.

The Bank revitalized its Marketing and Corporate Communications to improve its corporate image, outreach, and to promote its new products, services, and initiatives. As a result of this renewed resolve and enhanced focus on reaching existing and prospective customers through compelling marketing, the Bank's visibility in media increased manifold. A few of the major campaigns and TVCs produced in 2021 include, but are not limited to: Mera Pakistan Mera Ghar, BOP ForeignSe, the launch of Roshan Digital Account, awareness regarding COVID-19, Bonus Munafa Term Deposit, Financing of RLNG Power Plant, up-gradation of the Bank's PACRA Ratings, the launch of Vertical Khaas Debit Card, among others.

NOTABLE EVENTS 2021

LAHORE QALANDARS
BOP
FAKHAR ZAMAN
FOUNDER MEMBER

10 Million

BOP

Foreign Se

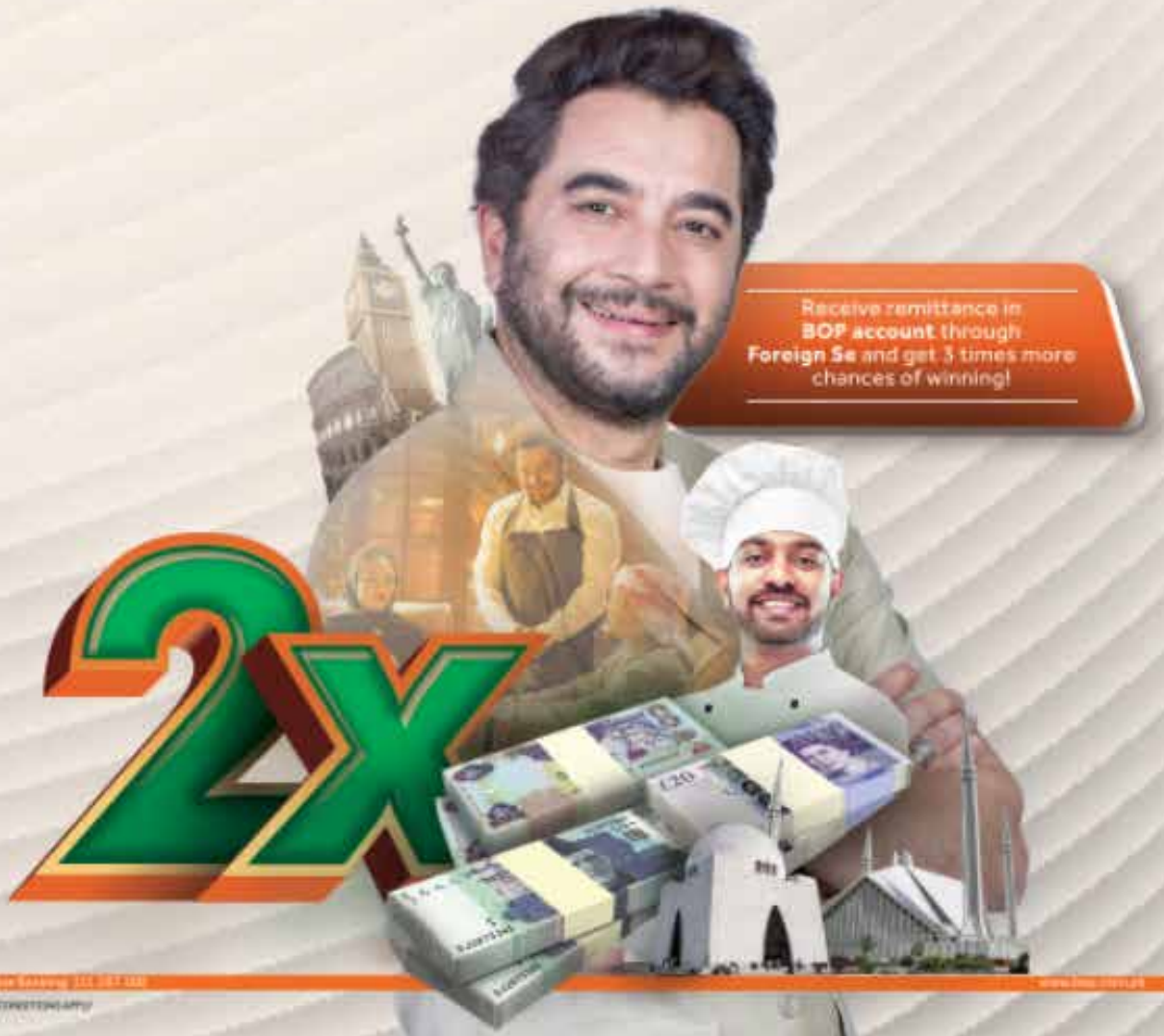
HarFardKaKhayal

DOUBLE YOUR REMITTANCE THROUGH BOP Foreign Se

For the first time in Pakistan, **BOP FOREIGN SE** is giving you a chance to double your money via Lucky Draw by sending remittance home to your loved ones

To Enter Lucky Draw:

- Open Account in BOP
- Receive your remittance via any of our international trusted partners in your BOP Account
- Participate in the lucky draw and get a chance to win throughout the year
- More transactions gives you more chances of winning
- Maximum limit of money transfer which will be doubled is Rs. 50,000
- This offer is for both BOP Conventional and Islamic Accounts
- This offer is valid from 23rd April, 2021 till 31st December, 2021
- This offer is also valid for BOP cash over counter
- For further information regarding this offer by BOP Foreign Se, visit our website www.bop.com.pk



BOP

* TERMS & CONDITIONS APPLY

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **31st** Annual General Meeting of the members of The Bank of Punjab will be held **at Avari Hotel, Shahra-e-Quaid-e-Azam, Lahore** on Wednesday, **30th March 2022 at 11:30 a.m.** to transact the following business.

ORDINARY BUSINESS:

1. To confirm the minutes of Extra-ordinary General Meeting held on October 11, 2021.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Bank of Punjab for the year ended December 31, 2021 together with the Director's and Auditors' reports thereon.

3. To consider and approve Bonus Shares in the proportion of 12.5 shares for every 100 shares held i.e. 12.5% as recommended by the Board of Directors.

4. To appoint Auditors for the year ending December 31, 2022 and to fix their remuneration.

SPECIAL BUSINESS

5. Post-facto approval for all transactions / contracts with Akhuwat for Kamyab Pakistan Program (KPP) be done on arm's length basis.

6. To approve donation to Akhuwat amounting to Rs.30.00 million (net of taxes) for installation of Solar Solution at Akhuwat College University, Kasur.

7. To approve sale of Bank's maintained vehicle in use of the retired Chairman-BOP at its book value on post-facto basis.

8. Any other item of business with the permission of the Chair.

By order of the Board

Lahore
March 08, 2022

Kamran Hafeez
Secretary to the Board

NOTES

1. The Share Transfer Books of the Bank shall remain closed for transfer from 24-03-2022 to 30-03-2022 (both days inclusive). Transfers received at M/s. CORPLINK (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on 22nd March 2022 will be treated in time for the purpose of above entitlement to the transferees.

2. All members are entitled to attend the meeting; however, the right of vote is restricted to those who are registered as such for a period of not less than three months prior to the date of the meeting as per Section 17(1) of The Bank of Punjab Act, 1989.

3. Proxies in order to be effective must be deposited at the Corporate Affairs Department of the Bank, BOP Tower, 10-B, Block-E-II, Main Boulevard, Gulberg-III, Lahore not less than 48 hours before the meeting. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.

4. A member is entitled to appoint another member as proxy to attend the meeting.

5. The members should quote their Folio number in all correspondence with the Bank and at the time of attending the Meeting.

6. Members are requested to promptly notify any change in their addresses to our Registrar M/s. CORPLINK (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore before book closure so that the above entitlement be dispatched at the correct addresses.

7. CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular 01 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan:

A. FOR ATTENDING THE MEETING

i) In case of individual, the account holder or sub-account holder shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors; resolution/power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES

i) In case of individual, the account holder or sub-account holder shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall have to be submitted (unless it has been provided earlier) along with proxy form to the Company.

8. Entry of the member or his/her duly authorized person will be on strict identification as per specimen signature on the Bank's record.

9. Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if Bank receives consent form from the members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to the Corporate Affairs Department, Lahore.

> I/We _____ of _____being a member of The Bank of Punjab, holding _____ordinary shares as per registered Folio/CDC Account No._____ hereby opt for video conference facility at_____.
>
> Signature of Member(s)

The Bank will intimate members regarding venue of conference facility at least 5 days before the date of General meeting along with complete information necessary to enable them to access such facility.

SPECIAL NOTES TO THE SHAREHOLDERS

SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to M/s. CORPLINK (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. The shareholders while sending CNIC must quote their respective Folio numbers. It may be noted that in case of non-receipt of the copy of CNIC, the Bank would be constrained to withhold dividend payment.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provision of Section 242 of the Companies Act, 2017 requires the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. The shareholders who have not provided their bank account details so far are advised to provide their below electronic dividend mandate information to Bank's Share Registrar (in case of physical Share) at the address given above and updates their CDC accounts/Sub-accounts as the case may be, enabling the Bank to credit your future dividend promptly, if any.

Folio No./Investor Account Number / CDC Sub Account No.	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
CNIC No. (Mandatory)	
Email Address	

Signature of Shareholder_____

UNCLAIMED DIVIDEND / SHARES

Shareholders who could not collect their previous dividend/ physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

SPECIAL BUSINESS

A Statement under Bank's Bye-Laws # 18-IV(ii) and under Section 134(3) of the Companies Act, 2017

This statement set out material facts concerning the special business to be transacted at 31st Annual General Meeting.

AGENDA ITEM NO.05:

POST-FACTO APPROVAL FOR ALL TRANSACTIONS / CONTRACTS WITH AKHUWAT FOR KAMYAB PAKISTAN PROGRAM (KPP) BE DONE ON ARM'S LENGTH BASIS.

Dr. Muhammad Amjad Saqib is a Non-Executive Director of the Bank of Punjab and also the Chairman / Executive Director in Akhuwat. He is also on the Advisory Board of Kamyab Pakistan Program (KPP), Government of Pakistan. The Program was launched by the Government in October, 2021. As BOP is participating in Kamyab Pakistan Program which may raise issue of Conflict of Interest since BOP is partnering with Akhuwat for KPP and Akhuwat is a related party, the relationship between BOP and Akhuwat will be absolutely on arm's length and there would be no preferential treatment, such partnering with Akhuwat bears no reservation on part of the Bank.

The shareholders are requested to pass the following resolution:

1. That the Clause 4.3.1 of the Board's Remuneration Policy - 2020 be amended as:

   "Resolved that post-facto approval for all transactions / contracts with Akhuwat for Kamyab Pakistan Program (KPP) be done on arm's length basis be and is hereby approved."

AGENDA ITEM NO.06:

TO APPROVE DONATION TO AKHUWAT AMOUNTING TO RS.30.00 MILLION (NET OF TAXES) FOR INSTALLATION OF SOLAR SOLUTION AT AKHUWAT COLLEGE UNIVERSITY, KASUR

Dr. Muhammad Amjad Saqib is a Non-Executive Director of the Bank of Punjab. He is also the Chairman / Executive Director in Akhuwat which is a related party of the Bank.

Akhuwat is the world largest Islamic Microfinance Organization and has been working for poverty alleviation by empowering socially and economically marginalized segments of the society through its various poverty eluviation projects since 2001.

To address the multi-dimensional issues related to poverty, Akhuwat has initiated services in education, healthcare and

inclusion of the most marginalized segments of the society. Akhuwat College University, Kasur is one of such initiatives by Akhuwat where more than 400 students are given free of cost education and the institution bears all their expenses including food, uniform, stationery, tution and other living expenses.

In order to support the institution BOP has decided to provide a grant of Rs.30.00 million to Akhuwat for installation of Solar Power Plant to lower the electricity expenses and earn revenue by selling the surplus electricity produced through net metering system. This will also showcase BOP's commitment towards initiative like Green Banking (Zero emissions).

The Board of Directors, in order to meet the legal & regulatory formalities, decided that the matter be brought for approval of the shareholders in the Annual General Meeting. The shareholders are requested to pass the following resolution:

"Resolved that donation to Akhuwat for installation of Solar Solution at Akhuwat College University, Kasur amounting to Rs.30.00 million (Rupees Thirty million only) (net of taxes) be and is hereby approved."

AGENDA ITEM NO.07

RETENTION OF BANK MAINTAINED VEHICLE IN USE OF THE CHAIRMAN (BOP) ON POST-FACTO BASIS.

Dr. Pervez Tahir, Chairman Board of Directors, The Bank of Punjab had completed his three years' service tenure with the Bank. Keeping with the past practice, it was proposed that he be allowed to retain any one vehicle of his choice, in his use, at a price (Book Value), as per Bank's Policy in such cases.

The Board while keeping in view the prudence & professionalism and his enormous contribution in turning around the bank and past precedents allowed the Chairman-BOP to retain a vehicle in his use on payment of its book value.

The shareholders are requested to pass the following resolution.

"Resolved that in recognition of his services and as per past precedent and tradition, the sale of one vehicle in his use to Dr. Pervez Tahir, Chairman, Board of Directors, at its book value, be and is hereby approved on post facto basis."

UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

دی بینک آف پنجاب رکھے

HarFardKaKhayal

THE BANK OF PUNJAB

Building a better
working world

EY Ford Rhodes
Chartered Accountants
96-B-I. 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
ey.lhr@pk.ey.com
ey.com/pk

INDEPENDENT AUDITOR'S REPORT

To the members of The Bank of Punjab
Report on the Audit of the Unconsolidated Financial Statements
For the year ended 31 December 2021

Opinion

We have audited the annexed unconsolidated financial statements of The Bank of Punjab, which comprise the unconsolidated statement of financial position as at 31 December 2021, and the unconsolidated profit and loss account and the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 16 branches which have been audited by us and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit and loss and the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Provision against non-performing advances	
The Bank's credit portfolio is spread across various domestic branches and include corporate financing to several public sector entities and large to small size businesses operating in the private sector, as well as consumer financing to individual. As per the Bank's accounting policy (refer note 5.4 to the unconsolidated financial statements), the Bank determines provisions against non-performing financings exposures in accordance with the requirements of Prudential Regulations (PRs) of State Bank of Pakistan (SBP) and also maintains general provision as required by PRs. The PRs require specific provisioning for loan losses on the basis of an age-based criteria which should be supplemented by a subjective evaluation of Bank's credit portfolio. The determination of loan loss provision, therefore, involve use of management judgment, on a case-to-case basis, considering factors such as the borrower's economic, financial and business conditions, borrowers repayment behaviors and realizability of collateral held by the Bank. The Bank's advances to the customers represent 40.5% of its total assets as at 31 December 2021 and are stated at Rs. 484,405 million which is net of provision of Rs. 49,758 million at the year end. In view of the significance of this area in terms of its impact on the unconsolidated financial statements and the level of involvement of management's judgment, we identified adequacy and completeness of provision against financings as a significant area of audit judgment and a key audit matter. The accounting policy and disclosures relating to provisioning against non- performing financings are included in note 5.4 and 10 respectively to the unconsolidated financial statements.	We applied a range of audit procedures including the following: We reviewed the Bank's process for identification and classification of non-performing advances, monitoring of advances with higher risk of default and migration of these advances to non-performing advances category and accurate computation and recording of provisions. - We performed independent checks on test basis for the computations of provisions to assess that the same is in line with the requirements of the applicable Prudential Regulations.. - In addition, we selected a representative sample of borrowers from the financing portfolios including individually significant credit facilities and performed tests and procedures such as review of credit documentation, repayment history and past due status, financial condition as depicted by the borrowers' financial statements, nature of collateral held by the Bank and status of litigation, if any, with the borrower.. - In respect of the level of general provision maintained by the Bank, we discussed the approach and policy followed by the Bank with the management. We also assessed adequacy of disclosures as included in note 10 to the unconsolidated financial statements regarding the non-performing financings and provisions made for the same in the unconsolidated financial statements in accordance with the requirements of the applicable financial reporting framework.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should

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not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:

   a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;

   b) the statement of financial position, the statement of profit and loss and the statement of comprehensive income, statement of changes in equity and cash flow statement (together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

   c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and

   d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is Ahsan Shahzad.

E Y Ford Rhodes
Chartered Accountants

Place: Lahore
Date: 07 March 2022
UDIN: AR202110079Zltr5iUfs

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	2021	2020
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	6	71,318,743	69,271,804
Balances with other banks	7	8,717,632	2,397,707
Lendings to financial institutions	8	30,980,388	16,086,867
Investments - net	9	531,683,056	567,788,623
Advances - net	10	484,405,376	391,160,612
Fixed assets	11	19,831,970	14,812,949
Intangible assets	12	1,101,012	688,508
Deferred tax assets - net	13	13,696,051	7,774,264
Other assets - net	14	35,217,763	25,464,682
		1,196,951,991	1,095,446,016
LIABILITIES			
Bills payable	16	10,109,459	4,168,641
Borrowings	17	71,323,488	154,841,415
Deposits and other accounts	18	1,002,954,667	835,067,592
Liabilities against assets subject to finance lease		-	-
Subordinated debts	19	7,788,980	6,791,700
Deferred tax liabilities		-	-
Other liabilities	20	49,942,521	42,315,157
		1,142,119,115	1,043,184,505
NET ASSETS		54,832,876	52,261,511
REPRESENTED BY			
Share capital - net	21	26,173,766	26,173,766
Reserves		10,517,051	8,029,024
(Deficit) / surplus on revaluation of assets - net of tax	22	(1,368,710)	5,955,359
Unappropriated profit		19,510,769	12,103,362
		54,832,876	52,261,511
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 47 and annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
Mark-up / return / interest earned	24	81,651,255	86,019,127
Mark-up / return / interest expensed	25	51,775,404	62,693,706
Net mark-up / interest income		29,875,851	23,325,421
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	5,103,495	3,732,141
Dividend income		376,643	136,987
Foreign exchange income		576,914	328,303
Income / (loss) from derivatives		-	-
Gain on securities - net	27	1,785,790	8,466,492
Other income - net	28	60,973	381,664
Total non-markup / interest income		7,903,815	13,045,587
Total income		37,779,666	36,371,008
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	20,636,973	16,880,128
Workers welfare fund		363,315	334,882
Other charges	30	13,408	304,279
Total non-markup / interest expenses		21,013,696	17,519,289
Profit before provisions		16,765,970	18,851,719
(Reversal) / provisions and write offs - net	31	(1,642,043)	6,862,308
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		18,408,013	11,989,411
Taxation - net	32	5,967,878	5,045,672
PROFIT AFTER TAXATION		12,440,135	6,943,739
Basic earnings per share	33	4.71	2.63
Diluted earnings per share	34	4.71	2.63

The annexed notes 1 to 47 and annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
Profit after taxation for the year		12,440,135	6,943,739
Other comprehensive income:			
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement loss on defined benefit obligation	37.1.7.2	(747)	(87,285)
Movement in surplus on revaluation of fixed assets - net of tax	22.1	1,946,307	-
Movement in surplus on revaluation of non-banking assets - net of tax	22.2	201,167	(6,978)
		2,146,727	(94,263)
		14,586,862	6,849,476
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of investments - net of tax	22	(9,380,427)	707,349
Total comprehensive income		5,206,435	7,556,825

The annexed notes 1 to 47 and annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of Investments	Surplus / (Deficit) - net of tax on revaluation of Fixed / non banking assets	Unappropriated profit	Total
	Rupees in '000'								
Balance as on January 01, 2020	26,436,924	(263,158)	26,173,766	2,215,040	4,425,236	2,226,914	3,144,293	8,497,085	46,682,334
Profit after taxation for the year	-	-	-	-	-	-	-	6,943,739	6,943,739
Other comprehensive income / (loss)	-	-	-	-	-	707,349	(6,978)	(87,285)	613,086
Total comprehensive income / (loss) for the year ended December 31, 2020	-	-	-	-	-	707,349	(6,978)	6,856,454	7,556,825
Transfer to statutory reserve	-	-	-	-	1,388,748	-	-	(1,388,748)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(66,510)	66,510	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(9,424)	9,424	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	-	(12,140)	14,963	2,823
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(28,145)	30,443	2,298
Transactions with owners, recognized directly in equity:									
Final cash dividend - December 31, 2019 declared subsequent to year end at 7.5%	-	-	-	-	-	-	-	(1,982,769)	(1,982,769)
	-	-	-	-	-	-	-	(1,982,769)	(1,982,769)
Balance as on December 31, 2020	26,436,924	(263,158)	26,173,766	2,215,040	5,813,984	2,934,263	3,021,096	12,103,362	52,261,511
Profit after taxation for the year	-	-	-	-	-	-	-	12,440,135	12,440,135
Other comprehensive (loss) / income	-	-	-	-	-	(9,380,427)	2,147,474	(747)	(7,233,700)
Total comprehensive income / (loss) for the year ended December 31, 2021	-	-	-	-	-	(9,380,427)	2,147,474	12,439,388	5,206,435
Transfer to statutory reserve	-	-	-	-	2,488,027	-	-	(2,488,027)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(59,455)	59,455	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(9,164)	9,164	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(22,497)	31,119	8,622
Transactions with owners recognized directly in equity :									
Final cash dividend - December 31, 2020 declared subsequent to year end at 10%	-	-	-	-	-	-	-	(2,643,692)	(2,643,692)
	-	-	-	-	-	-	-	(2,643,692)	(2,643,692)
Balance as on December 31, 2021	26,436,924	(263,158)	26,173,766	2,215,040	8,302,011	(6,446,164)	5,077,454	19,510,769	54,832,876

The annexed notes 1 to 47 and annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer | President | Chairman | Director | Director

UNCONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		18,408,013	11,989,411
Less: Dividend income		(376,643)	(136,987)
		18,031,370	11,852,424
Adjustments:			
Depreciation on property and equipment	11.3	1,234,819	1,181,106
Depreciation on non banking assets acquired in satisfaction of claims	14.1.1	48,666	58,923
Depreciation on ijarah assets under IFAS - 2	29	118,973	162,883
Depreciation on right-of-use assets	29	990,749	891,145
Amortization on intangible assets	12.1	208,010	197,899
Amortization of discount on debt securities - net		(1,483,712)	(3,042,435)
Markup on lease liability against right-of-use assets	25	1,047,705	937,275
Unrealized gain on revaluation of investments classified as held for trading	9.1	(21,039)	(1,630)
(Reversal) / provision and write-offs - net	31	(1,642,043)	6,862,308
(Gain) / loss on termination of lease liability against right-of-use assets	28	(3,156)	2,635
Loss / (gain) on sale of property and equipment - net	28	364	(101,461)
Gain on sale of non banking assets - net	28	(42,207)	(225,129)
Realized gain on sale of securities - net	27.1	(1,764,751)	(8,464,862)
Provision for employees compensated absences	29.1	12,040	13,982
Gratuity expense	29.1	273,147	187,775
		(1,022,435)	(1,339,586)
		17,008,935	10,512,838
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		(14,893,521)	(12,027,096)
Held for trading securities		(14,356,519)	(9,188,822)
Advances		(91,522,647)	(13,586,291)
Others assets		(9,814,261)	4,762,920
		(130,586,948)	(30,039,289)
Increase / (Decrease) in operating liabilities:			
Bills Payable		5,940,818	747,558
Borrowings from financial institutions		(83,515,791)	77,933,512
Deposits and other accounts		167,887,075	144,050,145
Other liabilities		4,672,150	(243,649)
		94,984,252	222,487,566
Payment made to gratuity fund		(267,524)	(278,213)
Income tax paid		(6,194,183)	(4,850,676)
		(6,461,707)	(5,128,889)
Net cash (used in) / flow from operating activities		(25,055,468)	197,832,226

UNCONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available for sale securities		38,338,338	(185,058,540)
Dividends received		377,380	134,790
Investment in fixed assets		(1,840,523)	(1,068,488)
Investment in intangible assets		(620,514)	(93,122)
Proceeds from sale of property and equipment		3,961	651,459
Proceeds from sale of non banking assets		293,024	842,089
Net cash flow from / (used in) investing activities		36,551,666	(184,591,812)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,720)	(2,002,720)
Dividend paid		(2,643,692)	(1,982,769)
Payment of lease liability against right-of-use assets		(1,480,786)	(1,173,559)
Advance subscription money - subordinated perpetual term finance certificates	19.3	1,000,000	-
Net cash used in financing activities		(3,127,198)	(5,159,048)
Increase in cash and cash equivalents		8,369,000	8,081,366
Cash and cash equivalents at beginning of the year		71,667,375	63,586,009
Cash and cash equivalents at end of the year	35	80,036,375	71,667,375

The annexed notes 1 to 47 and annexures I and II form an integral part of these unconsolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 662 branches including 16 sub branches and 114 Islamic banking branches (2020: 636 branches including 18 sub branches and 104 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

2. BASIS OF PRESENTATION

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

These unconsolidated financial statements are separate financial statements of the Bank in which the investment in subsidiaries are stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated financial statements of the Group are being issued separately.

The financial results of Islamic Banking business have been consolidated in these unconsolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in Annexure-II to these unconsolidated financial statements.

2.1 STATEMENT OF COMPLIANCE

2.1.1 These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP).
- Requirements of The Bank of Punjab Act, 1989;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017.

Wherever the requirements of the directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP), The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of these IFRS or IFAS, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these Standards have not been considered in the preparation of these unconsolidated financial statements.

2.1.3 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard - 3 for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in these unconsolidated financial statements of the Bank.

2.1.4 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2021

During the year, certain amendments to standards, interpretations and improvement to accounting standards became effective; however, the standards, amendments, interpretations and improvements did not have any material effect on these unconsolidated financial statements of the Bank.

2.1.5 New accounting standards and IFRS interpretations that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. The Bank considers that the following standards and interpretations are either not relevant or will not have any material impact on its unconsolidated financial statements in the period of initial application other than IFRS 9.

The SBP vide BPRD Circular No. 04 dated October 23, 2019 has notified the effective date of IFRS 9, 'Financial Instruments' as January 01, 2021. However, the initial application date has been extended to January 01, 2022 by SBP vide BPRD Circular Letter No. 24 dated July 05, 2021. IFRS 9, 'Financial Instruments' has replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk. Presently, in terms of SBP instructions, The Bank calculates impact of adoption of IFRS 9 on the financial statements on parallel run basis based on existing guidelines. Further, final IFRS-9 application instructions has not been issued by the SBP.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IFRS 9	Financial instruments	1 January 2022
IFRS 3	Reference to conceptual framework - Amendments	1 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use -Amendments	1 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract - Amendments	1 January 2022
AIP	Annual improvements to IFRS Standards 2018 - 2020	1 January 2022
IAS 8	Amended Definition of accounting estimates	1 January 2023
IAS 1	Classification of liabilities as current or non-current -Amendments	1 January 2023

3. BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, right-of-use assets, lease liabilities and certain staff retirement benefits at present value.

3.2 These unconsolidated financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Bank's accounting policies. Estimates and judgements are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Bank's unconsolidated financial statements or where judgement was exercised in the application of accounting policies are as follows:

4.1 Classification of investments

In classifying investments as "held for trading" the Bank has determined securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

In classifying investments as "held to maturity" the Bank follows the guidance provided in SBP circulars on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as held for trading or held to maturity are classified as available for sale.

4.2 Provision against non-performing advances and debt securities classified as investments

Apart from the provision determined on the basis of time-based criteria given in Prudential Regulations issued by the SBP, the management also applies the subjective criteria of classification and, accordingly, the classification of advances and debt securities is downgraded on the basis of credit worthiness of the borrower, its cash flows, operations in account and adequacy of security in order to ensure accurate measurement of the provision.

4.3 Impairment of available for sale investments

The Bank considers that available for sale equity investments are impaired when there has been a significant and prolonged decline in the fair value below its cost. Other factors will also need to be considered before deciding the permanent impairment of investment. This determination of what is significant and prolonged requires judgement. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance. As of the statement of financial position date, the management has determined an impairment loss on available for sale securities, held to maturity securities and subsidiary companies as disclosed in Note 9.3 to these unconsolidated financial statements.

4.4 Depreciation, amortization and revaluation of fixed assets

Estimates of useful life of fixed assets are based on management's best estimate. In making estimates of the depreciation / amortization method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern. Further, the Bank estimates the revalued amount of freehold land and buildings on freehold land on a regular basis. The estimates are based on valuations carried out by an independent valuation expert under the market conditions.

4.5 Income taxes

In making estimates for income taxes currently payable by the Bank, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Bank's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

4.6 Staff retirement benefits

The amount of provision for gratuity and compensated absences is determined using actuarial valuation. The valuation involves making use of assumptions about discount rates, mortality, expected rate of salary increases, retirement rates, and average leave utilization per year. Due to the degree of subjectivity involved and long-term nature of these plans, such estimates are subject to significant uncertainty.

4.7 Non banking assets acquired in satisfaction of claims

The Bank estimates the revalued amounts of non banking assets acquired in satisfaction of claims on a regular basis. The estimates are based on expected legal enforceability, ease of realization and valuations carried out by an independent valuation expert under the market conditions.

4.8 Lease liability on right-of-use assets

In making estimates, the Bank uses following practical expedients and significant judgements, as permitted by the standard:

- Use of a single discount rate for leases with similar characteristics; and

- Lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of previous financial year. Significant accounting policies are enumerated as follows:

5.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks, balances with other banks and call money lendings less over drawn nostro accounts and other overdrawn bank accounts.

5.2 Lendings / borrowings from financial institutions

The Bank enters into transactions of repo and reverse repo at contracted rates for a specified period of time. These are recorded as under:

5.2.1 Sale under repurchase obligations

Securities sold subject to a repurchase agreement (repo) are retained in the unconsolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and repurchase price is accrued using effective yield method and recorded as interest expense over the term of the related repo agreement.

5.2.2 Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are not recognized in the unconsolidated financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The differential between the contracted price and resale price is amortized over the period of the contract and recorded as interest income.

5.3 Investments

Investments other than those categorized as held for trading are initially recognized at fair value which includes transaction costs associated with the investments. Investments classified at held for trading are initially recognized at fair value and transaction costs are expensed in the profit and loss account.

All regular way purchase / sale of investment are recognized on the trade date, i.e., the date the Bank commits to purchase / sell the investments. Regular way purchase or sale of investment requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Investment in subsidiary is stated at cost less provision for impairment (if any). Other investments are classified as follows:

Held for trading

These are securities which are acquired with the intention to trade by taking advantage of short-term market/interest rate movements. These are carried at market value, with the related surplus / (deficit) on revaluation being taken to profit and loss account.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortized cost.

Available for sale

These are investments, other than those in subsidiaries and associates, which do not fall under the held for trading or held to maturity categories. These are carried at market value with the surplus / (deficit) on revaluation taken to 'Surplus / (deficit) on revaluation of assets' shown in equity, except available for sale investments in unquoted shares, debentures, bonds, participation term certificates, term finance certificates, federal, provincial and foreign government securities (except for Treasury Bills and Pakistan Investment Bonds) which are stated at cost less provision for diminution in value of investments, if any.

Provision for diminution in the value of investments is made after considering impairment, if any, in their value and charged to profit and loss account. Provision for diminution in value of investments in respect of unquoted shares is calculated with reference to break-up value. Provision for diminution

in value of investments for unquoted debt securities is calculated with reference to the time-based criteria as per the SBP's Prudential Regulations.

Premium or discount on debt securities classified as available for sale and held to maturity securities are amortized using the effective yield method.

On de-recognition or impairment in quoted available for sale securities the cumulative gain or loss previously reported as "Surplus / (Deficit) on revaluation of assets" in equity is included in the profit and loss account for the year.

Gain and loss on disposal of investments are dealt with through the profit and loss account in the year in which they arise.

5.4 Advances including net investment in finance lease

Advances and net investments in finance lease are stated net of provision for doubtful debts. Provision for doubtful debts is made in accordance with the Prudential Regulations prescribed by the SBP and charged to profit and loss account.

Leases where risks and rewards incidental to ownership are substantially transferred to lessee are classified as finance lease. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value.

The rentals received / receivable on Ijarahs are recorded as income / revenue. Depreciation on Ijarah assets is charged to profit and loss account by applying the straight line method whereby the depreciable value of Ijarah assets is written off over the Ijarah period. The Bank charges depreciation from the date of the delivery of respective assets to Mustajir upto the date of maturity / termination of Ijarah agreement.

5.5 Fixed assets and depreciation

5.5.1 Property and equipment

Property and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount.

Depreciation on property and equipment is charged to income using the diminishing balance method so as to write off the historical cost / revalued amount of the asset over its estimated useful life, except motor vehicles, leasehold improvements and computer equipment on which depreciation is charged using the straight line basis. The rates at which the depreciation is charged are given in note 11.3 to these unconsolidated financial statements. Impairment loss or its reversal, if any, is charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Surplus arising on revaluation of freehold land and buildings on freehold land is credited to the "Surplus on Revaluation of Assets" in equity and any deficit arising on revaluation is taken to profit and loss account directly. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of buildings (net of deferred taxation) is transferred directly to un-appropriated profit / accumulated loss.

Gains and losses on sale of fixed assets are included in profit and loss account currently.

Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

Capital work-in-progress is stated at cost less accumulated impairment losses (if any). These are transferred to specific assets as and when assets are available for use.

5.5.2 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are subsequently depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are to be reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. Right-of-use assets are recognized using cost model.

5.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any). The cost of intangible assets is amortized over their useful lives, using the straight line method as per the rates given in note 12.1 to these unconsolidated financial statements. Amortization on additions is charged from the month the assets are available for use while no amortization is charged in the month in which the assets are disposed.

Intangible-in-progress is stated at cost less accumulated impairment losses (if any). These are transferred to specific assets as and when assets are available for use.

5.7 Borrowings / deposits

Borrowings / deposits are recorded at the proceeds received. The cost of borrowings / deposits is recognized as an expense in the period in which this is incurred.

5.8 Subordinated debts

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is recognized separately as part of other liabilities and is charged to the profit and loss account over the period on an accrual basis.

5.9 Employee retirement and other benefits

Defined contribution plan – Provident fund

The Bank operates an approved provident fund scheme, covering all permanent employees. Contributions are made monthly by the Bank and the employees at the rate of 8.33% of basic salary. Contributions by the Bank are charged to profit and loss account.

Defined benefit plan - Gratuity scheme

The Bank operates an approved funded gratuity scheme for all its permanent employees. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to income. Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they occur.

Defined benefit plan - Employees' compensated absences

The Bank makes annual provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. Actuarial gains and losses are charged to income in the year in which they occur.

5.10 Assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation except land which is carried at revalued amount. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of non banking assets is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalized.

5.11 Foreign currencies

Transactions in foreign currency are translated to Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities and commitments for letters of credit and acceptances in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date except assets and liabilities for which there are forward contracts which are translated at the contracted rates. Forward exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

All exchange differences are charged to profit and loss account.

5.12 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized.

Mark-up / return / interest income

Mark-up / return / interest on advances and return on investments are recognized in profit and loss account on an accrual basis, except mark-up on non-performing advances which is recognized when received.

Dividend income

Dividend income is recognized when the Bank's right to receive the dividend is established.

Lease finance income

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease periods so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the SBP. Gain/ loss on termination of lease contracts, documentation charges and other lease income are recognized as income when these are realized.

Fees and commission income

Fee commission is recognized at amount that reflects consideration to which the Bank expects to be entitled in exchange for providing the services. The Bank recognizes fees earned on transaction based arrangements at point in time, when the Bank has provided the services to customer. where the contract requires services to be provided over time, income is recognized on systematic basis over the period of arrangement.

5.13 Lease liabilities against right-of-use assets

The lease liability is initially measured at present value of lease payments to be made over lease term, discounted using bank's incremental weighted average borrowing rate. The lease liability shall be subsequently measured at amortized cost using the effective interest rate method i.e. increase by interest cost on lease liability and decrease by lease payments made.

5.13.1 Short-term leases and leases of low-value asset

The bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

5.14 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments / changes in laws and changes in estimates made during the current year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in income statement, except in the case of items credited or charged to equity in which case it is included in equity.

The Bank also recognizes deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and available for sale securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS)12, 'Income Taxes'.

5.15 Impairment

The carrying amounts of assets (other than deferred tax assets) are reviewed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the

carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.16 Provisions

Provisions are recorded when the Bank has a present obligation as a result of a past event when it is probable that it will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

5.17 Provision for off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations are made when the Bank has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit and loss account is stated net of expected recoveries.

5.18 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity.

5.19 Acceptances

Acceptances comprise undertaking by the Bank to pay bills of exchange drawn on customer. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on balance sheet transactions.

5.20 Financial instruments

5.20.1 Financial assets and liabilities

Financial instruments carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain receivables, borrowing from financial institutions, deposits and other payables. The particular recognition criteria adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.20.2 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off and the Bank intends either to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

5.21 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

5.21.1 Business segments

Corporate and investment banking

This includes, loans, project finance, real estate finance, export finance, trade finance, investment banking, and other banking activities with corporate and public sector customers.

Consumer and digital banking

It includes deposits and banking services including digital baking services to customers of the Bank.

Retail and priority sector lending

It includes loans of individuals, agriculture customers, SME and lending under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic

The segment pertains to full scale Islamic Banking operations of the Bank.

Others

This includes head office related activities, and all other activities not tagged to the segments above.

5.21.2 Geographical segments

The Bank operates only in Pakistan.

5.22 Dividend distribution and appropriations

Dividend distributions and appropriation to reserves are recognized as a liability in the unconsolidated financial statements in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which they relate.

5.23 Earnings per share

The Bank presents earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

	Note	2021	2020
		Rupees in '000'	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		13,800,458	17,921,687
Foreign currencies		4,359,944	4,182,816
		18,160,402	22,104,503
With SBP in:			
Local currency current account	6.1	40,886,803	33,648,507
Foreign currency current account	6.2	900,219	484,298
Foreign currency deposit account	6.3	2,109,501	956,624
		43,896,523	35,089,429
With National Bank of Pakistan in:			
Local currency current account		9,174,433	11,200,818
Prize bonds		87,385	877,054
		71,318,743	69,271,804

6.1 This represents current account maintained with the SBP under the requirements of section 22 "Cash Reserve Requirement" of the Banking Companies Ordinance, 1962.

6.2 This represents mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

6.3 This carries mark-up at the rate of Nil (2020: 0.00% to 0.76% per annum) as announced by SBP on monthly basis.

	Note	2021	2020
		Rupees in '000'	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		261,003	404,719
Deposit accounts	7.1	5,534,036	887
		5,795,039	405,606
Outside Pakistan:			
Current accounts		1,339,397	229,657
Deposit accounts	7.2	1,583,196	1,762,444
		2,922,593	1,992,101
		8,717,632	2,397,707

7.1 These carry mark-up at rates ranging from 2.56% to 11.30% per annum (2020: 2.84% to 6.02% per annum).

7.2 These carry mark-up at rates ranging from 0.00% to 0.01% per annum (2020: 0.03% to 1.34% per annum).

	Note	2021	2020
		Rupees in '000'	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		100,000	-
Repurchase agreement lendings (Reverse Repo)	8.2	26,380,388	7,454,867
Placements	8.3	4,500,000	8,632,000
		30,980,388	16,086,867
8.1 Particulars of lending			
In local currency		30,980,388	16,086,867
In foreign currencies		-	-
		30,980,388	16,086,867

8.2 Securities held as collateral against lendings to financial institutions

	2021			2020		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000'					
Market treasury bills	21,088,298	-	21,088,298	4,154,867	-	4,154,867
Pakistan investment bonds	5,292,090	-	5,292,090	3,300,000	-	3,300,000
Total	26,380,388	-	26,380,388	7,454,867	-	7,454,867

Market value of securities held as collateral as at December 31, 2021 amounted to Rs. 26,391,416 thousand (2020: Rs. 6,651,750 thousand). These carry mark-up at rate ranging from 10.50% to 10.75% per annum (2020: 6.00% to 7.30% per annum) with maturities upto January 07, 2022.

8.3 These carry profit at rate ranging from 7.25% to 10.90% per annum (2020: 6.40% to 7.00% per annum) with maturities upto April 01, 2022.

9. INVESTMENTS - NET

	Note	2021				2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
9.1 Investments by type:									
Held for trading securities									
Federal government securities	9.1.1	33,472,511	-	26,429	33,498,940	19,146,767	-	1,630	19,148,397
Ordinary shares		34,331	-	(5,390)	28,941	-	-	-	-
		33,506,842	-	21,039	33,527,881	19,146,767	-	1,630	19,148,397
Available for sale securities									
Federal government securities	9.1.1 & 9.2.1	425,181,105	-	(9,766,167)	415,414,938	465,221,303	-	4,453,720	469,675,023
Shares		9,091,450	(1,420,029)	(840,977)	6,830,444	4,815,673	(1,378,194)	199,777	3,637,256
Non government debt securities		17,084,566	(2,525,563)	39,662	14,598,665	17,516,016	(2,536,232)	(139,247)	14,840,537
Foreign securities		11,957	-	-	11,957	4,019	-	-	4,019
		451,369,078	(3,945,592)	(10,567,482)	436,856,004	487,557,011	(3,914,426)	4,514,250	488,156,835
Held to maturity securities									
Federal government securities	9.1.1 & 9.6.1	61,299,171	-	-	61,299,171	60,483,391	-	-	60,483,391
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		61,299,571	(400)	-	61,299,171	60,483,791	(400)	-	60,483,391
Subsidiaries	9.1.3	164,945	(164,945)	-	-	164,945	(164,945)	-	-
Total investments		546,340,436	(4,110,937)	(10,546,443)	531,683,056	567,352,514	(4,079,771)	4,515,880	567,788,623

9.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

9.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

9.1.3 The Bank has three subsidiary companies i.e. Punjab Modaraba Services (Private) Limited (PMSL), First Punjab Modaraba (FPM) and Punjab Capital Securities (Private) Limited (PCS). The wholly owned subsidiary company of the Group, PMSL exercises control over FPM, as its management company and also has a direct economic interest in it. Further, PCS is a wholly owned subsidiary of FPM. Key financial results of subsidiary companies are as follows.

	PMSL		FPM		PCS	
	2021	2020	2021	2020	2021	2020
	Rupees in '000'					
Total assets	55,210	37,689	2,164,694	2,042,576	105,456	108,539
Total liabilities	102,178	75,529	2,009,261	1,904,168	22,945	36,019
Equity	(46,968)	(37,840)	155,433	138,408	82,511	72,520
Revenue	-	-	265,783	260,959	31,604	13,807
(Loss) / profit after tax	(10,061)	(12,739)	17,024	(55,875)	9,062	1,967
Total comprehensive (loss) / income	(9,129)	(16,335)	17,024	(55,875)	9,991	2,417

	Note	2021				2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
9.2 Investments by segments:									
Federal government securities:									
Market treasury bills	9.2.1	125,305,799	-	(107,427)	125,198,372	329,361,613	-	149,632	329,511,245
Pakistan investment bonds	9.2.1	389,308,027	-	(9,631,157)	379,676,870	210,484,580	-	4,304,640	214,789,220
Ijarah sukuks		4,502,908	-	(1,154)	4,501,754	2,249,072	-	1,078	2,250,150
Naya Pakistan Certificates		836,053	-	-	836,053	-	-	-	-
Sukuk - bai muajjal with Government of Pakistan		-	-	-	-	2,756,196	-	-	2,756,196
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		519,953,187	(400)	(9,739,738)	510,213,049	544,851,861	(400)	4,455,350	549,306,811
Shares:									
Listed companies		9,019,423	(1,332,637)	(846,367)	6,840,419	4,709,315	(1,287,418)	199,777	3,621,674
Unlisted companies		106,358	(87,392)	-	18,966	106,358	(90,776)	-	15,582
		9,125,781	(1,420,029)	(846,367)	6,859,385	4,815,673	(1,378,194)	199,777	3,637,256
Non government debt securities:									
Listed		10,082,285	(15,321)	39,662	10,106,626	10,294,933	(15,850)	(139,247)	10,139,836
Unlisted		7,002,281	(2,510,242)	-	4,492,039	7,221,083	(2,520,382)	-	4,700,701
		17,084,566	(2,525,563)	39,662	14,598,665	17,516,016	(2,536,232)	(139,247)	14,840,537
Foreign securities:									
Equity securities	9.5	11,957	-	-	11,957	4,019	-	-	4,019
Subsidiaries:									
Punjab modaraba services (private) limited		164,945	(164,945)	-	-	164,945	(164,945)	-	-
Total investments		546,340,436	(4,110,937)	(10,546,443)	531,683,056	567,352,514	(4,079,771)	4,515,880	567,788,623

	2021	2020
	Rupees in '000'	
9.2.1 Investments given as collateral - at cost / amortized cost		
Market treasury bills	-	66,472,184
Pakistan investment bonds	1,768,381	35,514,708
	1,768,381	101,986,892

		Note	2021	2020
			Rupees in '000'	
9.3	**Provision for diminution in value of investments**			
9.3.1	Opening balance		4,079,771	3,696,054
	Charge / reversals :			
	Charge for the year		322,188	516,324
	Reversals for the year		(10,669)	(7,500)
		31	311,519	508,824
	Reversal on disposals		(280,353)	(125,107)
	Closing balance		4,110,937	4,079,771

9.3.2 Particulars of provision against debt securities

Category of classification	2021 NPI	2021 Provision	2020 NPI	2020 Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,525,963	2,525,963	2,536,632	2,536,632
Total	2,525,963	2,525,963	2,536,632	2,536,632

9.4 Quality of available for sale securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

	2021	2020
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Market treasury bills	93,138,541	310,457,363
Pakistan investment bonds	326,703,603	149,758,672
Naya Pakistan Certificates	836,053	-
Ijarah sukuks	4,502,908	2,249,072
Sukuk bai-muajjal with Government of Pakistan	-	2,756,196
	425,181,105	465,221,303

	2021	2020
	Cost / Amortized cost	
	Rupees in '000'	
Shares		
Cement	1,542,575	197,516
Fertilizer	1,332,054	1,040,336
Power generation & distribution	1,035,804	622,608
Textile composite	678,328	264,381
Oil & gas marketing companies	751,764	285,265
Technology & telecommunication	560,225	211,367
Oil & gas exploration companies	414,920	164,466
Chemicals	445,179	384,453
Pharmaceuticals	423,489	73,660
Automobile	355,231	29,952
Engineering	323,895	81,113
Cable & electrical goods	301,051	317,908
Glass & ceramics	284,031	43
Food & personal care products	218,049	93,724
Sugar & allied industries	84,629	89,448
Paper & board	62,780	85
Insurance	37,761	27,081
Commercial banks	25,000	882,759
Leasing companies	17,936	15,566
Textile spinning	2,067	2,067
Others	194,682	31,875
	9,091,450	4,815,673

	2021		2020	
Unlisted Companies	Cost	Breakup value	Cost	Breakup value
	Rupees in '000'			
Al - Baraka Bank Pakistan Limited	25,000	18,966	25,000	15,582
Al - Arabia Sugar Mills Limited	81,358	-	81,358	-
	106,358	18,966	106,358	15,582

	2021	2020
	Cost	
	Rupees in '000'	
Non government debt securities		
Listed		
- AAA	104,167	145,833
- AA+, AA, AA-	1,500,000	1,606,575
- CCC and below	4,985	-
- Unrated	8,473,133	8,542,525
	10,082,285	10,294,933
Unlisted		
- AAA	2,750,000	2,792,857
- A+, A, A-	1,492,240	1,565,258
- BBB+, BBB, BBB-	249,800	249,850
- Unrated	2,510,241	2,613,118
	7,002,281	7,221,083
9.5 Foreign equity securities		
SWIFT shares	11,957	4,019

This represents 13 shares (2020: 06 shares) of SWIFT purchased by the Bank as per mandatory requirement of the SWIFT by-laws requiring its members to purchase shares allocated on the basis of financial contributions payable to SWIFT.

9.6 Particulars relating to held to maturity securities are as follows:

	2021	2020
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Pakistan investment bonds	61,299,171	60,483,391
WAPDA bonds	400	400
	61,299,571	60,483,791

9.6.1 Market value of held to maturity investments amounted to Rs. 63,715,206 thousand (2020: Rs. 69,082,534 thousand).

10. ADVANCES - NET

		Performing		Non Performing		Total	
		2021	2020	2021	2020	2021	2020
	Note	Rupees in '000'					
Loans, cash credits, running finances, etc.	10.1	418,699,627	340,882,450	48,738,919	54,343,717	467,438,546	395,226,167
Net book value of assets in ijarah under IFAS 2 - In Pakistan		1,860,758	1,773,841	215,000	215,000	2,075,758	1,988,841
Islamic financing and related assets		45,336,297	29,209,198	3,050,869	2,661,933	48,387,166	31,871,131
Bills discounted and purchased		16,234,159	13,643,227	27,521	30,521	16,261,680	13,673,748
Advances - gross		482,130,841	385,508,716	52,032,309	57,251,171	534,163,150	442,759,887
Provision against advances:							
- Specific		-	-	(46,702,829)	(47,850,782)	(46,702,829)	(47,850,782)
- General		(3,054,945)	(3,748,493)	-	-	(3,054,945)	(3,748,493)
		(3,054,945)	(3,748,493)	(46,702,829)	(47,850,782)	(49,757,774)	(51,599,275)
Advances - net of provision		479,075,896	381,760,223	5,329,480	9,400,389	484,405,376	391,160,612

10.1 Includes net investment in finance lease as disclosed below:

	2021				2020			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees in '000'							
Lease rentals receivable	1,967,194	25,440,343	1,887,543	29,295,080	2,398,732	20,012,262	459,238	22,870,232
Residual value	1,426,904	10,046,320	518,653	11,991,877	4,506,914	7,414,848	104,100	12,025,862
Minimum lease payments	3,394,098	35,486,663	2,406,196	41,286,957	6,905,646	27,427,110	563,338	34,896,094
Financial charges for future periods	545,180	3,483,391	51,390	4,079,961	556,073	2,839,503	17,170	3,412,746
Present value of minimum lease payments	2,848,918	32,003,272	2,354,806	37,206,996	6,349,573	24,587,607	546,168	31,483,348

10.2 Particulars of advances (gross)

	2021	2020
	Rupees in '000'	
In local currency	534,073,566	442,580,174
In foreign currencies	89,584	179,713
	534,163,150	442,759,887

10.3 Advances include Rs. 52,032,309 thousand (2020: Rs. 57,251,171 thousand) which have been placed under non-performing status as detailed below:

Category of classification	2021 Non performing loans	2021 Provision	2020 Non performing loans	2020 Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	156,255	3,946	190,528	3,495
Substandard	3,173,639	517,367	6,286,206	1,234,491
Doubtful	6,432,920	5,571,388	8,086,336	6,149,532
Loss	42,269,495	40,610,128	42,688,101	40,463,264
Total	52,032,309	46,702,829	57,251,171	47,850,782

10.4 Particulars of provision against advances

	Note	2021 Specific	2021 General	2021 Total	2020 Specific	2020 General	2020 Total
		Rupees in '000'					
Opening balance		47,850,782	3,748,493	51,599,275	45,119,933	412,641	45,532,574
Charge for the year		4,004,162	-	4,004,162	4,818,333	3,335,852	8,154,185
Reversals for the year		(5,152,004)	(693,548)	(5,845,552)	(2,087,484)	-	(2,087,484)
	31	(1,147,842)	(693,548)	(1,841,390)	2,730,849	3,335,852	6,066,701
Amounts written off	10.5.1	(111)	-	(111)	-	-	-
Closing balance		46,702,829	3,054,945	49,757,774	47,850,782	3,748,493	51,599,275
10.4.1 Particulars of provision against advances with respect to currencies							
In local currency		46,702,829	3,054,945	49,757,774	47,785,981	3,748,493	51,534,474
In foreign currencies		-	-	-	64,801	-	64,801
		46,702,829	3,054,945	49,757,774	47,850,782	3,748,493	51,599,275

10.4.2 General provision includes a provision against consumer financing portfolio as required by Prudential Regulations issued by the SBP and recognized / reversed during the year as explained in note 44.1 of these unconsolidated financial statements and provision .

10.4.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,975,509 thousand (2020: Rs. 2,996,620 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	2021	2020
		Rupees in '000'	
10.5 Particulars of write offs:			
10.5.1 Against provisions	10.4	111	-
Directly charged to profit and loss account	31	300	-
		411	-

		Note	2021	2020
			Rupees in '000'	
10.5.2	Domestic			
	Write offs of Rs. 500,000 and above	10.6	-	-
	Write offs of below Rs. 500,000		411	-
			411	-

10.6 Details of loan write off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2021 is given in Annexure-I.

		Note	2021	2020
			Rupees in '000'	
11.	FIXED ASSETS			
	Capital work-in-progress	11.1	191,433	98,500
	Right-of-use assets	11.2	7,891,934	6,265,106
	Property and equipment	11.3	11,748,603	8,449,343
			19,831,970	14,812,949
11.1	Capital work-in-progress			
	Civil works		191,433	98,500
11.2	Right-of-use assets			
	At January 1:			
	Cost		7,987,437	7,191,638
	Accumulated depreciation		(1,722,331)	(849,471)
	Net book value		6,265,106	6,342,167
	Opening net book value		6,265,106	6,342,167
	For the year ended December 31:			
	Additions		2,781,817	900,920
	Terminations - at cost		(218,638)	(105,121)
	Depreciation on terminations		54,398	18,285
	Terminations - at book value		(164,240)	(86,836)
	Depreciation charge	11.2.1	(990,749)	(891,145)
	Closing net book value		7,891,934	6,265,106
	At December 31:			
	Cost		10,550,616	7,987,437
	Accumulated depreciation		(2,658,682)	(1,722,331)
	Net book value		7,891,934	6,265,106

11.2.1 Right-of-use assets are depreciated over their respective lease term.

	2021							
	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
	Rupees in '000'							
11.3 Property and equipment								
At January 1, 2021:								
Cost / Revalued amount	1,538,879	4,154,599	786,165	3,162,450	2,056,895	2,123,090	461,458	14,283,536
Accumulated depreciation	-	(195,713)	(350,863)	(2,662,692)	(1,163,466)	(1,159,182)	(302,277)	(5,834,193)
Net book value	1,538,879	3,958,886	435,302	499,758	893,429	963,908	159,181	8,449,343
Opening net book value	1,538,879	3,958,886	435,302	499,758	893,429	963,908	159,181	8,449,343
For the year ended December 31, 2021:								
Additions	-	677,709	90,836	266,651	283,799	233,401	195,194	1,747,590
Revaluation surplus	1,052,313	1,143,451	-	-	-	-	-	2,195,764
Disposals - at cost	-	-	(5,006)	-	(46,001)	(6,946)	(1,732)	(59,685)
Depreciation on disposal	-	-	3,860	-	42,999	6,769	1,732	55,360
Disposals - at book value	-	-	(1,146)	-	(3,002)	(177)	-	(4,325)
Depreciation charge	-	(201,805)	(47,594)	(321,269)	(214,796)	(347,779)	(101,576)	(1,234,819)
Depreciation adjustment on revaluation surplus	-	449,690	-	-	-	-	-	449,690
Transfers / adjustments - at cost / revalued amount	27,832	169,700	899	(75)	685	(1,502)	410	197,949
Depreciation on transfers / adjustments	-	(52,172)	(899)	75	(685)	1,502	(410)	(52,589)
	27,832	117,528	-	-	-	-	-	145,360
Closing net book value	2,619,024	6,145,459	477,398	445,140	959,430	849,353	252,799	11,748,603
At December 31, 2021:								
Cost / Revalued amount	2,619,024	6,145,459	872,894	3,429,026	2,295,378	2,348,043	655,330	18,365,154
Accumulated depreciation	-	-	(395,496)	(2,983,886)	(1,335,948)	(1,498,690)	(402,531)	(6,616,551)
Net book value	2,619,024	6,145,459	477,398	445,140	959,430	849,353	252,799	11,748,603
Rate of depreciation (percentage)	-	5%	10%	33.33%	20%	20%	33.33%	

	2020							
	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
	Rupees in '000'							
At January 1, 2020								
Cost / Revalued amount	1,660,054	4,246,656	761,949	2,816,022	1,892,619	1,728,660	371,242	13,477,202
Accumulated depreciation	-	-	(318,679)	(2,283,622)	(1,010,503)	(902,502)	(277,440)	(4,792,746)
Net book value	1,660,054	4,246,656	443,270	532,400	882,116	826,158	93,802	8,684,456
Opening net book value	1,660,054	4,246,656	443,270	532,400	882,116	826,158	93,802	8,684,456
For the year ended December 31, 2020:								
Additions	2,036	-	44,817	346,428	208,637	424,315	136,025	1,162,258
Revaluation surplus	-	-	-	-	-	-	-	-
Disposals - at cost / revalued amount	(440,860)	(111,335)	(17,517)	-	(43,785)	(33,545)	(45,809)	(692,851)
Depreciation on disposal	-	17,475	11,395	-	37,645	32,092	44,246	142,853
Disposals - at book value	(440,860)	(93,860)	(6,122)	-	(6,140)	(1,453)	(1,563)	(549,998)
Depreciation charge	-	(209,994)	(46,606)	(379,070)	(191,237)	(285,116)	(69,083)	(1,181,106)
Depreciation adjustment on revaluation surplus	-	-	-	-	-	-	-	-
Transfers / adjustments - at cost / revalued amount	317,649	19,278	(3,084)	-	(576)	3,660	-	336,927
Depreciation on transfers / adjustments	-	(3,194)	3,027	-	629	(3,656)	-	(3,194)
	317,649	16,084	(57)	-	53	4	-	333,733
Closing net book value	1,538,879	3,958,886	435,302	499,758	893,429	963,908	159,181	8,449,343
At December 31, 2020:								
Cost / Revalued amount	1,538,879	4,154,599	786,165	3,162,450	2,056,895	2,123,090	461,458	14,283,536
Accumulated depreciation	-	(195,713)	(350,863)	(2,662,692)	(1,163,466)	(1,159,182)	(302,277)	(5,834,193)
Net book value	1,538,879	3,958,886	435,302	499,758	893,429	963,908	159,181	8,449,343
Rate of depreciation (percentage)	-	5%	10%	33.33%	20%	20%	33.33%	

11.3.1 Freehold land and buildings on freehold land were revalued on December 31, 2021 by PBA approved independent valuer, on the basis of fair market value. The valuation resulted in surplus of Rs. 1,052,313 thousand and Rs. 1,593,141 thousand in respect of freehold land and buildings on freehold land respectively. Detailed particulars as on December 31, 2021 are as follows:

	Revalued amount Rupees in '000'
Freehold land	2,619,024
Buildings on freehold land	6,145,459

11.3.2 Had the freehold land and buildings on freehold land not been revalued, their carrying amounts would have been as follows:

	2021	2020
	Rupees in '000'	
Freehold land	934,308	906,842
Buildings on freehold land	2,692,785	2,013,342

11.3.3 The gross carrying amount (cost) of fully depreciated assets that are still in use is Rs. 836,325 thousand (2020: Rs. 769,453 thousand).

11.3.4 During the year, no fixed assets were sold to related parties.

	Note	2021	2020
		Rupees in '000'	
12. INTANGIBLE ASSETS			
Intangible in progress		523,686	67,644
Softwares	12.1	577,326	620,864
		1,101,012	688,508
12.1 Softwares			
At January 01			
Cost		1,130,853	978,954
Accumulated amortization		(509,989)	(312,090)
Net book value		620,864	666,864
Year ended December 31			
Opening net book value		620,864	666,864
Capitalized during the year		164,472	151,899
Amortization charge	29	(208,010)	(197,899)
Closing net book value		577,326	620,864
At December 31			
Cost		1,295,325	1,130,853
Accumulated amortization		(717,999)	(509,989)
Net book value		577,326	620,864
Rate of amortization (percentage)		10-33.33%	10-33.33%

12.1.1 The gross carrying amount (cost) of fully amortized intangible assets that are still in use is Rs. 428,845 thousand (2020: Rs. 113,502 thousand).

13. DEFERRED TAX ASSETS - NET

	2021			
	At January 01	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'			
Deductible temporary differences on:				
- Deficit on revaluation of investments	-	-	4,121,318	4,121,318
- Right-of-use assets	361,644	257,590	-	619,234
- Provision against advances	10,051,802	647,820	-	10,699,622
	10,413,446	905,410	4,121,318	15,440,174
Taxable temporary differences on:				
- Surplus on revaluation of fixed assets	(680,942)	38,010	(703,613)	(1,346,545)
- Surplus on revaluation of investments	(1,579,987)	-	1,579,987	-
- Accelerated tax depreciation	(266,486)	36,230	-	(230,256)
- Surplus on revaluation of non banking assets	(111,767)	5,860	(61,415)	(167,322)
	(2,639,182)	80,100	814,959	(1,744,123)
	7,774,264	985,510	4,936,277	13,696,051

	2020			
	At January 01	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'			
Deductible temporary differences on:				
- Deficit on revaluation of investments	-	-	-	-
- Right-of-use assets	129,797	231,847	-	361,644
- Provision against advances	8,763,726	1,288,076	-	10,051,802
	8,893,523	1,519,923	-	10,413,446
Taxable temporary differences on:				
- Surplus on revaluation of fixed assets	(717,498)	35,813	743	(680,942)
- Surplus on evaluation of investments	(1,199,107)	-	(380,880)	(1,579,987)
- Accelerated tax depreciation	(306,240)	39,754	-	(266,486)
- Surplus on revaluation of non banking assets	(102,895)	5,075	(13,947)	(111,767)
	(2,325,740)	80,642	(394,084)	(2,639,182)
	6,567,783	1,600,565	(394,084)	7,774,264

	Note	2021	2020
		Rupees in '000'	
14. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		18,791,445	15,302,821
Income / mark-up accrued in foreign currencies		1,013	4,526
Profit paid in advance on pehlay munafa scheme		-	539
Advances, deposits, advance rent and other prepayments		828,612	432,004
Advance taxation (payments less provisions)		-	3,740
Non-banking assets acquired in satisfaction of claims	14.1	5,479,598	5,866,478
Acceptances		8,337,508	2,821,232
Branch adjustment account		-	8,751
Mark to market gain on forward foreign exchange contracts		150,612	20,250
Stock of stationery		90,478	129,902
Suspense account		11,807	7,413
Zakat recoverable from National Investment Trust Limited (NITL)	14.2	36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		41,665	41,129
Receivable against fraud and forgeries		445,033	462,656
Unearned income on sale of sukuk on bai-muajjal basis		-	336,351
Auto Teller Machine and point of sale receivable		740,953	245,955
Others		722,792	545,141
		35,678,306	26,265,678
Less: Provision held against other assets	14.3	(1,914,474)	(2,037,220)
Other assets (net of provision)		33,763,832	24,228,458
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	1,453,931	1,236,224
Other assets - total		35,217,763	25,464,682
14.1 Market value of non-banking assets acquired in satisfaction of claims - net of provision		5,848,593	5,904,147

The carrying and revalued amounts have been determined based on prudence, expected legal enforceability, ease of realization and current market conditions etc. These include assets which are in the process of sale and are stated at their respective sale prices. Latest full scope valuations are carried out by PBA approved independent valuer as on December 31, 2021.

	Note	2021	2020
		Rupees in '000'	
14.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		5,904,147	7,392,801
Surplus on revaluation during the year		275,670	45,122
Disposals during the year - net book value	14.1.2	(250,817)	(616,960)
Transfer to fixed assets - net book value		(145,360)	(333,733)
Reversal on account of restoration of loan		-	(524,160)
Depreciation charged during the year	29	(48,666)	(58,923)
Impairment reversed during the year		113,619	-
Closing balance		5,848,593	5,904,147

	2021	2020
	Rupees in '000'	
14.1.2 Gain on disposal of non-banking assets acquired in satisfaction of claims		
Disposal proceeds	293,024	842,089
Less:		
- Cost / revalued amount	286,955	636,019
- Depreciation	(36,138)	(19,059)
	250,817	616,960
Gain on sale recognized during the year	42,207	225,129

14.2 This represents zakat deducted on dividends by NITL. The Bank has filed suit against NITL for recovery of the amount. The case was decided in favour of the Bank in 1993 and intra court appeal was filed by the Zakat and Ushr Department against the decision which is still pending. As a matter of prudence, though without prejudice to the Bank's claim against NITL at the court of law, the claim amount has been fully provided for.

	Note	2021	2020
		Rupees in '000'	
14.3 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		35,723	35,723
Non banking assets acquired in satisfaction of claims		1,084,936	1,198,555
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	14.3.2	446,760	459,093
Others		310,265	307,059
		1,914,474	2,037,220
14.3.1 Movement in provision held against other assets			
Opening balance		2,037,220	1,767,448
Charge for the year		35,367	292,072
Reversals during the year		(147,839)	(5,308)
	31	(112,472)	286,764
Amount written off		(10,274)	(16,992)
Closing balance		1,914,474	2,037,220

14.3.2 This includes provision amounted to Rs. 3,118 thousand (2020: Nil) maintained against certain closed cases as per approval of the management.

	2021	2020
	Rupees in '000'	
15. CONTINGENT ASSETS		
Contingent assets	Nil	Nil

	Note	2021	2020
		Rupees in '000'	
16. BILLS PAYABLE			
In Pakistan		10,109,459	4,168,641
Outside Pakistan		-	-
		10,109,459	4,168,641
17. BORROWINGS			
Secured			
Borrowings from SBP under:			
Export refinance scheme (ERF)	17.1	28,221,440	22,609,115
Long term financing facility (LTFF)	17.2	13,499,088	11,250,709
Finance facility for storage of agricultural produce (FFSAP)	17.3	185,799	69,523
Finance facility for renewable energy performance platform (REPP)	17.4	5,347,359	1,859,306
Refinancing facility for payment of salaries and wages	17.5	9,132,079	16,242,813
Combating COVID-19	17.6	1,089,182	123,005
Refinancing facility for modernization of small and medium enterprises	17.7	155,628	119,299
Finance facility for working capital of small and medium enterprises	17.8	3,000	-
Finance facility for temporary relief refinance scheme (TERF)	17.9	11,881,311	-
Finance Facility for women entrepreneurs	17.10	3,589	-
		69,518,475	52,273,770
Repurchase agreement borrowings	17.11	-	37,430,967
Call borrowings	17.12	-	64,672,133
Borrowings from Pakistan Mortgage Refinance Company Limited	17.13	1,805,013	462,409
Total secured		71,323,488	154,839,279
Unsecured			
Overdrawn nostro accounts		-	2,136
		71,323,488	154,841,415

17.1 These are secured against the Bank's cash and security balances held with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 2.00% per annum (2020: 1.00% to 2.00% per annum) with maturities upto June 27, 2022.

17.2 This amount has been obtained for providing long term finance to customers. The Bank has granted the SBP right to recover outstanding amount from the Bank at date of maturity of finance by directly debiting current account maintained by the Bank with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 6.00% per annum (2020: 1.00% to 6.00% per annum) with maturities upto December 13, 2031.

17.3 These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 3.50% per annum (2020: 2.00% to 3.50% per annum) with maturities upto June 29, 2028.

17.4 These represent borrowings under scheme of financing facility for renewable energy performance platform. Mark-up on these borrowings is payable quarterly at rate of 1.00% to 3.00% per annum (2020: 2.00% to 3.00% per annum) with maturities upto November 02, 2033.

17.5 These represent borrowings under scheme of financing facility for payment of salaries and wages. Mark-up on these borrowings is payable quarterly at rate of Nil (2020: Nil) with maturities upto April 01, 2023.

17.6 These represent borrowings under scheme of financing facility for combating COVID-19. Mark-up on these borrowings is payable quarterly at rate of Nil (2020: Nil) with maturities upto November 17, 2026.

17.7 These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMES). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2020: 2.00% per annum) with maturities upto November 11, 2030.

17.8 These represent borrowings under scheme of financing facility for working capital financing of small and medium enterprises. Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2020: Nil) with maturities upto January 06, 2022.

17.9 These represent borrowings under scheme of temporary relief refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% to 3.00% per annum (2020: Nil) with maturities upto December 13, 2031.

17.10 These represent borrowings under scheme of financing women entrepreneurs. Mark-up on these borrowings is payable quarterly at rate of Nil (2020: Nil) with maturities upto January 01, 2026.

17.11 These are secured against market treasury bills, carrying mark-up at rate of Nil (2020: 6.25% to 7.05% per annum). The carrying value of market treasury bills given as collateral against these borrowings is Nil (2020: Rs. 37,448,377 thousand).

17.12 These are secured against Pakistan investment bonds (PIBs) and Market treasury bills (MTBs), carrying markup at rate of Nil (2020: 6.25% to 7.15% per annum). The carrying value of PIBs and MTBs given as collateral against these borrowings is Nil (2020: PIBs and MTBs Rs. 35,233,653 thousand and Rs.29,023,807 thousand respectively).

17.13 These are secured against Pakistan investment bonds (PIBs) and hypothecation charge over mortgage loan portfolio, carrying markup at rates ranging from 6.50% to 8.03% per annum (2020: 7.00% to 7.85% per annum) maturing on June 30, 2031. The carrying value of PIBs given as collateral against these borrowings is Rs. 1,768,381 thousand (2020: Rs. 281,055 thousand).

	2021	2020
	Rupees in '000'	
17.14 Particulars of borrowings with respect to currencies		
In local currency	71,323,488	154,839,279
In foreign currencies	-	2,136
	71,323,488	154,841,415

18. DEPOSITS AND OTHER ACCOUNTS

	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	169,522,753	3,649,150	173,171,903	144,971,825	3,099,131	148,070,956
Savings deposits	459,784,249	3,340,461	463,124,710	388,946,529	2,635,237	391,581,766
Term deposits	320,956,024	7,419,447	328,375,471	265,567,945	3,594,396	269,162,341
Others	16,921,902	-	16,921,902	19,012,007	-	19,012,007
	967,184,928	14,409,058	981,593,986	818,498,306	9,328,764	827,827,070
Financial institutions:						
Current deposits	1,797,032	874,512	2,671,544	2,690,764	821,999	3,512,763
Savings deposits	4,870,165	3,585	4,873,750	2,746,932	7,427	2,754,359
Term deposits	10,841,125	2,446,653	13,287,778	889,875	-	889,875
Others	527,609	-	527,609	83,525	-	83,525
	18,035,931	3,324,750	21,360,681	6,411,096	829,426	7,240,522
	985,220,859	17,733,808	1,002,954,667	824,909,402	10,158,190	835,067,592

	2021	2020
	Rupees in '000'	
18.1 Composition of deposits:		
- Individuals	153,435,431	157,876,351
- Private sector	227,188,625	168,476,448
- Government (federal and provincial)	496,982,326	409,081,183
- Public sector entities	103,987,604	92,393,088
- Banking companies	2,897,620	3,121,762
- Non-banking financial institutions	18,463,061	4,118,760
	1,002,954,667	835,067,592

18.2 Deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 318,300,730 thousand (2020: Rs. 276,891,867 thousand).

	Note	2021	2020
		Rupees in '000'	
19. SUBORDINATED DEBTS			
Privately placed term finance certificates - I	19.1	2,495,000	2,496,000
Privately placed term finance certificates - II	19.2	4,293,980	4,295,700
Advance subscription money - subordinated perpetual term finance certificates	19.3	1,000,000	-
		7,788,980	6,791,700

19.1 Privately placed term finance certificates - I

The Bank has issued rated, unsecured and subordinated term finance certificates under section 120 of the Companies Ordinance, 1984, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date; and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013; with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rupees 2,500,000 thousand
Issue date:	December 23, 2016
Maturity date:	December 22, 2026
Rating:	AA-
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 100 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

19.2 Privately placed term finance certificates - II

The Bank has issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rupees 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	AA-
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

19.3 Advance subscription money - subordinated perpetual term finance certificates

Prior to close of year ended December 31, 2021, the Bank received Rs. 1,000,000 thousand under formal investor agreement from potential investors as advance subscription money against unsecured, subordinated, perpetual and non cumulative term finance certificates in the nature of Additional Tier -I capital. Subordinated to all other debts of the Bank including deposits but superior to equity. The Bank has applied to SBP for grant of formal approval for issue of Additional Tier - I capital for Capital Adequacy requirement as per guidelines set by SBP. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 200 bps per annum.

	Note	2021	2020
		Rupees in '000'	
20. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		14,222,369	15,775,068
Mark-up / return / interest payable in foreign currency		52,107	63,615
Lease key money		11,991,877	12,025,862
Provision for taxation (provisions less payments)		755,465	-
Sundry creditors and accrued expenses		1,242,506	1,492,807
Acceptances		8,337,508	2,821,232
Mark-up payable on subordinated debts		90,505	75,781
Unclaimed dividends		2,586	2,588
Branch adjustment account		290,150	-
Payable to gratuity fund	37.1.3	268,144	261,774
Gratuity payable to key management personnel		5,750	-
Payable to charity fund		8	-
Provision against off-balance sheet obligations	20.1	62,183	62,183
Provision for employees compensated absences	37.2.3	133,629	123,506
Taxes / zakat / import fee payable		684,132	526,978
Deferred income on sale of sukuk on bai - muajjal basis		-	336,351
Lease liability against right-of-use assets	20.2	9,479,713	7,298,374
Workers welfare fund		983,158	619,843
Inter bank fund transfer payable		544,489	298,024
Others		796,242	531,171
		49,942,521	42,315,157

20.1 The above provision has been made against letters of guarantee issued by the Bank.

20.2 Lease liability against right-of-use assets

	2021	2020
Not later than one year	107,808	58,981
Later than one year and less than five years	1,077,877	1,215,564
Over five years	8,294,028	6,023,829
	9,479,713	7,298,374

21. SHARE CAPITAL - NET

21.1 Authorized Capital

2021	2020		2021	2020
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each.

21.2 Issued, subscribed and paid up capital

2021	2020		2021	2020
Number of shares			Rupees in '000'	
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
509,464,036	509,464,036	Issued as bonus shares	5,094,641	5,094,641
2,643,692,380	2,643,692,380		26,436,924	26,436,924
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
2,643,692,380	2,643,692,380		26,173,766	26,173,766

GoPb held 57.47% shares in the Bank as at December 31, 2021 (December 31, 2020: 57.47%).

	Note	2021	2020
		Rupees in '000'	
22. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
(Deficit) / surplus on revaluation of:			
- Available for sale securities	9.1	(10,567,482)	4,514,250
- Property and equipment	22.1	5,137,390	2,577,581
- Non-banking assets acquired in satisfaction of claims	22.2	1,453,931	1,236,224
		(3,976,161)	8,328,055
Deferred tax on deficit / (surplus) on revaluation of:			
- Available for sale securities		4,121,318	(1,579,987)
- Property and equipment	22.1	(1,346,545)	(680,942)
- Non-banking assets acquired in satisfaction of claims	22.2	(167,322)	(111,767)
		2,607,451	(2,372,696)
		(1,368,710)	5,955,359

22.1 Surplus on revaluation of property and equipment - net of tax			
At January 01		2,577,581	2,630,999
Surplus recognized during the year		2,645,454	-
Surplus on land and building transferred from non banking assets during the year		11,820	63,868
Surplus realized on disposal during the year		-	(14,963)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(59,455)	(66,510)
Related deferred tax liability on incremental depreciation charged during the year		(38,010)	(35,813)
At December 31		5,137,390	2,577,581
Less: related deferred tax liability on:			
- revaluation as at January 01		(680,942)	(717,498)
- revaluation recognized during the year		(621,325)	-
- effect of change in deferred tax due to rate change		(77,822)	-
- surplus transferred from non banking asset during the year		(4,466)	(2,080)
- surplus realized on disposal during the year		-	2,823
- incremental depreciation charged during the year		38,010	35,813
	13	(1,346,545)	(680,942)
		3,790,845	1,896,639

	Note	2021	2020
		Rupees in '000'	
22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net of tax			
At January 01		1,236,224	1,333,687
Surplus recognized during the year		275,670	45,122
Surplus realized on disposal during the year		(31,119)	(30,443)
Surplus reversed on account of restoration of loan		-	(33,775)
Surplus on land and building transferred to fixed assets during the year		(11,820)	(63,868)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(9,164)	(9,424)
Related deferred tax liability on incremental depreciation charged during the year		(5,860)	(5,075)
At December 31		1,453,931	1,236,224
Less: related deferred tax liability on:			
- revaluation as at January 01		(111,767)	(102,895)
- revaluation recognized during the year		(61,729)	(18,325)
- effect of change in deferred tax due to rate change		(12,774)	-
- surplus transferred to fixed assets during the year		4,466	2,080
- surplus realized on disposal during the year		8,622	2,298
- incremental depreciation charged during the year		5,860	5,075
	13	(167,322)	(111,767)
		1,286,609	1,124,457
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	80,791,490	64,847,674
Commitments	23.2	388,223,744	148,893,256
Other contingent liabilities	23.3	8,975	8,975
		469,024,209	213,749,905
23.1 Guarantees:			
Financial guarantees		18,341,471	18,515,042
Performance guarantees		18,710,766	18,139,861
Other guarantees		43,739,253	28,192,771
		80,791,490	64,847,674
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		136,560,464	78,976,971
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	205,641,893	48,807,235
- forward lending	23.2.2	45,923,548	20,393,865
Commitments for acquisition of:			
- fixed assets		13,052	689,875
- intangible assets		84,787	25,310
		388,223,744	148,893,256

	Note	2021	2020
		Rupees in '000'	
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		105,824,202	24,708,677
Sale		99,817,691	24,098,558
		205,641,893	48,807,235
23.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	45,923,548	20,393,865

23.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2021	2020
	Rupees in '000'	
23.3 Other contingent liabilities	8,975	8,975

For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. Now, the Bank has filed appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.

	Note	2021	2020
		Rupees in '000'	
23.4 Claims against the Bank not acknowledged as debts	23.4.1	54,809,134	54,743,496

23.4.1 The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2021	2020
	Rupees in '000'	
24. MARK-UP / RETURN / INTEREST EARNED		
a) On loans and advances	35,134,711	38,859,849
b) On investments:		
Available for sale securities	35,872,000	37,345,707
Held for trading securities	1,367,238	1,018,716
Held to maturity securities	7,477,551	7,389,212
c) On lendings to financial institutions:		
Securities purchased under resale agreements	993,245	1,065,581
Call lending	182,285	94
Letters of placement	587,000	298,978
d) On balances with banks	37,225	40,990
	81,651,255	86,019,127

	Note	2021	2020
		Rupees in '000'	
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		43,955,154	52,483,499
Borrowings:			
Securities sold under repurchase agreements		744,020	2,651,455
Call borrowings		4,465,203	5,109,314
SBP borrowings		875,124	640,537
Borrowing from Pakistan Mortgage Refinance Company Limited		83,887	9,262
Subordinated debts:			
Mark-up on subordinated loan from GoPb		-	106,644
Mark-up on advance subscription money - subordinated perpetual term finance certificate		738	-
Mark-up on privately placed term finance certificates		603,573	755,720
Markup on lease liability against right-of-use assets		1,047,705	937,275
		51,775,404	62,693,706
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		572,496	487,905
Consumer finance related fees		359,111	256,197
Card related fees		811,107	618,720
Credit related fees		802,328	642,252
Branchless banking fees		124,342	100,857
Commission on trade		751,623	571,400
Commission on guarantees		421,062	264,015
Commission on cash management		156,165	144,141
Commission on remittances including home remittances		437,494	363,128
Commission on bancassurance		110,158	38,452
Commission on wheat financing		214,120	-
SMS banking income		343,489	245,074
		5,103,495	3,732,141
27. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	27.1	1,764,751	8,464,862
Unrealized gain - held for trading	9.1	21,039	1,630
		1,785,790	8,466,492
27.1 Realized gain on sale of securities - net:			
Federal government		1,213,864	8,069,228
Shares / units		550,887	394,634
Term finance certificates		-	1,000
		1,764,751	8,464,862
28. OTHER INCOME - NET			
Rent on property		-	43,529
Gain / (loss) on termination of lease liability against right-of-use assets		3,156	(2,635)
(Loss) / gain on sale of property and equipment - net		(364)	101,461
Gain on sale of non banking assets - net	14.1.2	42,207	225,129
Notice pay on resignations		15,974	14,180
		60,973	381,664

	Note	2021	2020
		Rupees in '000'	
29. OPERATING EXPENSES			
Total compensation expense	29.1	10,631,065	8,734,391
Property expense:			
Rent and taxes		22,210	39,010
Insurance		16,979	18,359
Utilities cost		796,784	663,931
Security		1,148	1,483
Repair and maintenance including janitorial charges		49,021	43,431
Depreciation		523,074	589,064
Depreciation on right-of-use assets	11.2	990,749	891,145
Others		-	397
		2,399,965	2,246,820
Information technology expenses:			
Software maintenance		512,905	473,022
Hardware maintenance		54,879	82,092
Depreciation		347,779	285,116
Amortization	12.1	208,010	197,899
Network charges		423,700	354,881
		1,547,273	1,393,010
Other operating expenses:			
Directors' fees and allowances	38.2	41,685	35,200
Fees and allowances to shariah board	38.3	5,925	3,660
Legal and professional charges		221,304	109,638
Subscription charges		38,962	31,080
Outsourced staff services costs	36.1	437,730	367,095
Travelling and conveyance		836,652	560,890
NIFT clearing charges		67,957	69,078
Depreciation		363,966	306,926
Depreciation on non banking assets	14.1.1	48,666	58,923
Depreciation on ijarah assets		118,973	162,883
Training and development		66,608	26,047
Postage and courier charges		158,377	220,858
Stationery and printing		408,857	264,909
Marketing, advertisement and publicity		649,687	356,021
Donations	29.2	-	10,000
Auditors remuneration	29.3	11,513	11,068
Insurance		244,711	144,477
Deposit protection fee		443,027	351,964
Repair and maintenance		293,584	179,597
Entertainment expenses		150,834	111,596
Fuel for generator		100,036	85,646
Commission and brokerage		274,174	244,136
Bank charges		36,362	41,931
SMS banking charges		40,608	48,491
ATM charges including ATM maintenance charges		273,571	174,061
Cash remittance charges		269,805	200,336
Branch license fee		27,701	16,507
CNIC verification / ECIB charges		203,713	71,311
COVID - 19 related expenses		38,493	45,725
Miscellaneous expenses		185,189	195,853
		6,058,670	4,505,907
		20,636,973	16,880,128

Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,187,522 thousand (2020: Rs. 558,412 thousand). This expense represents payments made to companies incorporated in Pakistan.

	Note	2021	2020
		Rupees in '000'	
29.1 Total compensation expense			
Managerial remuneration:			
Fixed		8,760,186	7,564,256
Variable cash bonus / awards etc.		925,553	465,342
Provision for gratuity	37.1.7.1	267,397	174,489
Provision for compensated absences	37.2.4	12,040	13,982
Gratuity expense of key management personnel	42.4	5,750	13,286
Contribution to defined contribution plans		299,283	246,497
Utilities		343	106
Medical		271,411	206,795
Conveyance		47,844	25,937
Liveries		33,090	17,641
Scholarship		8,168	6,060
Grand Total		10,631,065	8,734,391

29.2 This represents donation paid during the year (2020: Akhuwat Corona Imdad Fund Rs. 10,000 thousand).

	Note	2021	2020
		Rupees in '000'	
29.3 Auditors remuneration			
Audit fee		3,850	3,350
Fee for half year review and other statutory certifications		5,172	5,178
Special certifications		1,391	1,540
Out of pocket expenses		1,100	1,000
		11,513	11,068
30. OTHER CHARGES			
Penalties imposed by SBP		13,408	304,279
31. PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments	9.3.1	311,519	508,824
(Reversal) / provision against advances - net	10.4	(1,841,390)	6,066,701
(Reversal) / provision against other assets - net	14.3.1	(112,472)	286,764
Bad debts written off directly	10.5.1	300	-
Other assets written off directly		-	19
		(1,642,043)	6,862,308

	Note	2021	2020
		Rupees in '000'	
32. TAXATION			
Current	32.1	7,061,542	6,633,772
Prior years		(108,154)	12,463
Deferred		(985,510)	(1,600,563)
		5,967,878	5,045,672

32.1 This includes provision for super tax for the year in accordance with Income Tax Ordinance, 2001.

The Government vide Finance Act 2022, has changed the effective tax rate for banking industry from 35% to 39% by enacting super tax at the rate of 4% for indefinite period of time. Accordingly, the effect of change in tax rate has been recognized in these unconsolidated financial statements.

	2021	2020
	Rupees in '000'	
32.2 Relationship between tax expense and accounting profit		
Accounting profit before tax for the year	18,408,013	11,989,411
Tax on income @ 35% (2020: 35%)	6,442,805	4,196,294
Super tax @ 4% (2020: 4%)	726,630	669,764
Effective tax rate @ 39% (2020: 39%)	7,169,435	4,866,058
Tax effect of permanent differences	4,693	106,498
Tax effect of prior year	(108,154)	12,463
Cumulative tax effect of change in tax rate	(1,120,866)	-
Others	22,770	60,653
Tax charge for the year	5,967,878	5,045,672

	2021	2020
33. BASIC EARNINGS PER SHARE		
Profit after tax for the year (Rs in '000')	12,440,135	6,943,739
Weighted average number of ordinary shares (No.)	2,643,692,380	2,643,692,380
Basic earnings per share (Rs)	4.71	2.63

34. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

	Note	2021	2020
		Rupees in '000'	
35. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	71,318,743	69,271,804
Balance with other banks	7	8,717,632	2,397,707
Overdrawn nostro accounts	17	-	(2,136)
		80,036,375	71,667,375

35.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2021				2020			
	Liabilities		Equity	Total	Liabilities		Total	Total
	Sub-ordinated debts	Other liabilities	Un-appropriated profit		Sub-ordinated debts	Other liabilities	Un-appropriated profit	
	Rupees in '000'							
Balance as at January 01,	6,791,700	42,315,157	12,103,362	61,210,219	8,794,420	41,967,541	8,497,085	59,259,046
Changes from financing cash flows								
Redemption of Subordinated debts	(2,720)	-	-	(2,720)	(2,002,720)	-	-	(2,002,720)
Advance subscription money - subordinated perpetual term finance certificates	1,000,000	-	-	1,000,000	-	-	-	-
Payment of lease liability against right-of-use-assets	-	(1,480,786)	-	(1,480,786)	-	(1,173,559)	-	(1,173,559)
Dividend paid	-	-	(2,643,692)	(2,643,692)	-	-	(1,982,769)	(1,982,769)
Total changes from financing cash flows	997,280	(1,480,786)	(2,643,692)	(3,127,198)	(2,002,720)	(1,173,559)	(1,982,769)	(5,159,048)
Liability related								
Changes in Other liabilities								
Cash based	-	4,404,626	-	4,404,626	-	(334,087)	-	(334,087)
Non cash based	-	4,703,524	-	4,703,524	-	1,855,262	-	1,855,262
Total liability related other changes	-	9,108,150	-	9,108,150	-	1,521,175	-	1,521,175
Total equity related other changes	-	-	10,051,099	10,051,099	-	-	5,589,046	5,589,046
Balance as at December 31	7,788,980	49,942,521	19,510,769	77,242,270	6,791,700	42,315,157	12,103,362	61,210,219

	2021	2020
	Number	
36. STAFF STRENGTH		
Permanent	9,358	7,930
On Bank contract	1,899	2,037
Bank's own staff strength at the end of the year	11,257	9,967

36.1 In addition to the above, 1,155 (2020: 1033) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

37. EMPLOYEE BENEFITS

37.1 Defined benefit plan - gratuity

The Bank operates a funded gratuity scheme for all its permanent employees. The benefits under the scheme are payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof, with effect from January 01, 2008, subject to minimum of five years of service. The Bank makes annual provision in these unconsolidated financial statements for its liabilities on the basis of actuarial valuation.

37.1.1 Number of employees under the scheme

The number of employees covered under the following defined benefit scheme are:

	2021	2020
	Number	
- Eligible employees under gratuity scheme	9,358	7,930

37.1.2 Principal actuarial assumptions

The most recent valuation was carried out at December 31, 2021 using the "Projected Unit Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

	2021	2020
	Per annum	
Discount rate	11.75%	9.75%
Expected rate of return on plan assets	11.75%	9.75%
Expected rate of salary increase	10.75%	8.75%
Average expected remaining working life (years)	8	8

	Note	2021	2020
		Rupees in '000'	
37.1.3 Reconciliation of payable to defined benefit plan			
Present value of obligations	37.1.4	1,918,269	1,590,008
Fair value of plan assets	37.1.5	(1,669,712)	(1,343,925)
Benefits payable		19,587	15,691
Payable to defined benefit plan		268,144	261,774

	Note	2021	2020
		Rupees in '000'	
37.1.4 Movement in present value of defined benefit obligations			
Obligations at the beginning of the year		1,590,008	1,284,100
Current service cost		256,355	164,580
Interest cost		152,231	138,435
Benefits paid during the year		(57,339)	(51,196)
Re-measurement (gain) / loss		(22,986)	54,089
Obligations at the end of the year		1,918,269	1,590,008
37.1.5 Movement in fair value of plan assets			
Fair value at the beginning of the year		1,343,925	1,088,236
Interest income on plan assets		141,189	128,526
Contribution by the Bank during the year		261,774	211,783
Benefits paid during the year		(53,443)	(51,424)
Return on plan assets excluding interest income		(23,733)	(33,196)
Fair value at the end of the year		1,669,712	1,343,925
37.1.6 Movement in payable under defined benefit scheme			
Opening balance		261,774	211,783
Charge for the year	37.1.7.1	267,397	174,489
Contribution by the Bank during the year		(261,774)	(211,783)
Re-measurement loss recognized in other comprehensive income during the year	37.1.7.2	747	87,285
Closing balance		268,144	261,774
37.1.7 Charge for defined benefit plans			
37.1.7.1 Cost recognized in profit and loss			
Current service cost		256,355	164,580
Net interest on defined benefit plan		11,042	9,909
		267,397	174,489
37.1.7.2 Re-measurements recognized in other comprehensive income during the year			
(Gain) / loss on obligation experience adjustment		(22,986)	54,089
Return on plan assets over interest income		23,733	33,196
Total re-measurement loss recognized in other comprehensive income		747	87,285
37.1.8 Components of plan assets			
Cash and cash equivalents - net		133,509	1,036,625
Government Securities		1,209,200	-
Shares / units		327,003	307,300
		1,669,712	1,343,925

These assets are mostly contained in the form of cash and cash equivalents so there is no significant risk associated with it. However, investments in shares/ units may be adversely affected by movement in equity and interest rate markets.

37.1.9 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations. The increase / (decrease) in the present value of defined benefit obligations as a result of change in discount rate and salary growth is summarized below:

	2021	2020
	Rupees in '000'	
1% increase in discount rate	1,789,226	1,472,296
1% decrease in discount rate	2,056,664	1,724,426
1 % increase in expected rate of salary increase	2,056,619	1,724,426
1 % decrease in expected rate of salary increase	1,789,204	1,470,252
37.1.10 Expected contributions to be paid to the fund in the next financial year	268,144	261,774
37.1.11 Expected charge for the next financial year	340,032	206,947
37.1.12 Maturity profile		
The weighted average duration of the obligation (in years)	7	7

37.1.13 Funding policy

There is no statutory minimum funding requirements. However, contributions to the scheme are made on the basis of actuarial valuations carried in each year.
The Bank's gratuity scheme is mainly subject to following risks:

Asset volatility	The majority of the gratuity fund assets are invested in cash or cash-equivalent. Therefore, there is insignificant investment risk to the scheme due to fluctuation in interest rate environment or changes in bond yields. Also, there is no liquidity investment risk to the scheme. However, investments in shares/ units may be adversely affected by movement in equity and interest rate markets.
Inflation risk	Higher than expected growth in inflation may result in higher than assumed salary increases which will lead to increase in liability. However, assets of the scheme may not be at significant risk due to changes in inflation rate.
Life expectancy / Withdrawal rate	Actuarial valuation assumes heavy withdrawals for younger ages but moderate withdrawal rates are used for older ages. Significant withdrawals of employees having reasonable years of service would cause large benefit payments. Consequently, deficit position of the scheme would deteriorate further. However, availability of cash for benefit payments will not be an issue due to the liquid nature of assets of the Gratuity Fund.

37.2 Defined benefit plan - compensated absences

The Bank makes annual provision in these unconsolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. The employees of the Bank are entitled to take leave as Leave Preparatory to Retirement (LPR) immediately before retirement. These leaves are subject to retirees' un-utilized privilege leave balance with an upper limit of 180 days. Alternatively, the retiree may receive a lump-sum cash amount equal to 180 days basic salary at the time of retirement in lieu of LPR of 180 days. Privilege leave accrues at the rate of 30 days per year. Moreover, any unutilized privilege leaves over 180 days are ignored.

37.2.1 Principal actuarial assumptions

The most recent valuation was carried out at December 31, 2021. The principal assumptions used in the valuation were as follows:

	2021	2020
	Per annum	
Discount rate (%)	11.75%	9.75%
Expected rate of eligible salary increase in future years (%)	10.75%	8.75%
Average number of leaves accumulated per annum by the employees (days)	18	18

	2021	2020
	Rupees in '000'	
37.2.2 Present value of defined benefit obligation	133,629	123,506
37.2.3 Movement in payable to defined benefit plan:		
Opening balance	123,506	111,612
Charge for the year	12,040	13,982
Benefit paid	(1,917)	(2,088)
Closing balance	133,629	123,506
37.2.4 Charge for defined benefit plan:		
Current service cost	4,116	3,888
Interest cost	11,948	12,162
Actuarial gain recognized	(4,024)	(2,068)
	12,040	13,982

37.2.5 Sensitivity analysis:

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit plan. The increase / (decrease) in the present value of defined benefit plan as a result of change in discount rate and salary growth is summarized below:

	2021	2020
	Rupees in '000'	
Increase in discount rate by 1%	122,180	111,827
Decrease in discount rate by 1%	146,146	137,205
Increase in expected future increment in salary by 1%	146,149	137,205
Decrease in expected future increment in salary by 1%	122,182	111,626

37.2.6 Reconciliation of net liability recognized for compensated absences for the five years is as follows:

	2021	2020	2019	2018	2017
	Rupees in '000'				
Opening net liability	123,506	111,612	102,294	93,523	91,181
Net charge for the year	10,123	11,894	9,318	8,771	2,342
	133,629	123,506	111,612	102,294	93,523
Actuarial gain / (loss) on obligation	4,024	2,068	(1,175)	886	1,617

37.3 Defined contribution plan

The Bank operates and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Bank and employees at the rate of 8.33% of basic salary.

38. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total compensation expense

	Note	2021				
		Chairman	Members shariah board	President / CEO	Key management personnel	Other material risk takers / controllers
		Rupees in '000'				
Fees and allowances etc.	38.3	-	5,925	-	-	-
Managerial remuneration						
Fixed		-	1,502	92,575	236,419	227,908
Variable cash bonus / awards		-	116	35,000	32,504	36,875
Charge for defined benefit plan		-	-	5,750	6,629	8,959
Contribution to defined contribution plan		-	-	-	8,385	7,874
Servant salary		-	-	720	2,874	3,529
Club membership		-	-	265	1,271	2,089
Fuel		-	389	-	10,622	14,999
Others		-	-	116	210	432
Total		-	7,932	134,426	298,914	302,665
Number of persons		-	6	1	15	32

	2020				
	Chairman	Members shariah board	President / CEO	Key management personnel	Other material risk takers / controllers
	Rupees in '000'				
Fees and allowances etc.	87	3,660	-	-	-
Managerial remuneration					
Fixed	-	983	76,323	180,033	180,710
Variable cash bonus / awards	-	44	19,325	11,199	16,842
Charge for defined benefit plan	-	-	13,286	3,642	6,529
Contribution to defined contribution plan	-	-	79	4,171	7,402
Servant salary	-	-	510	1,924	1,940
Furnishing allowance	-	-	750	1,500	-
Club membership	-	-	46	3,650	565
Fuel	-	307	-	6,231	10,303
Others	-	-	21	1,103	-
Total	87	4,994	110,340	213,453	224,291
Number of persons	0	3	3	23	30

38.1.1 In terms of section 10 (2) of the Bank of Punjab Act, 1989, the Chairman of the Board shall be nominated by the GoPb amongst the Directors. However, the GoPb has not concluded nomination of the Chairman of the Board of Directors during the year ended December 31, 2021 and the same is in process.

38.1.2 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver and mobile phone as per Bank's policy.

38.1.3 Total compensation paid during the year ended December 31, 2020 to President / CEO includes amount paid to Acting Presidents amounting to Rs. 49,143 thousand from January 01, 2020 to April 15, 2020.

38.1.4 Deferred cash bonus for key management personnel and other material risk takers / controllers stood at December 31, 2021 is Rs. 22,182 thousand (2020: Nil)

38.2 Remuneration paid to directors for participation in board and committee meetings

Name of Director	2021							
	Rupees in '000'							
	For Board Committees							
	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Monitoring Committee of the Board on Forensic Investigation of Sugar Industry NPLs	Total amount paid
Dr. Muhammad Amjad Saqib	2,044	806	-	1,744	-	1,181	-	5,775
Khawaja Farooq Saeed	2,044	431	-	2,104	806	1,181	938	7,504
Iftikhar Ali Sahoo	994	375	805	750	188	188	-	3,300
Mohammad Jehanzeb Khan	2,043	188	1,613	1,744	806	-	-	6,394
Muhammad Abdullah Khan Sumbal	375	188	-	374	188	-	-	1,125
Saeed Anwar	2,044	806	1,613	431	806	-	937	6,637
Shaharyar Ahmad	1,125	375	750	-	-	750	750	3,750
Syed Ghazanfar Abbas Jilani	2,044	431	1,613	1,744	187	1,181	-	7,200
Total	12,713	3,600	6,394	8,891	2,981	4,481	2,625	41,685

Name of Director	2020							
	Rupees in '000'							
	For Board Committees							
	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Monitoring Committee of the Board on Forensic Investigation of Sugar Industry NPLs	Total amount paid
Dr. Pervaiz Tahir - ex chairman	87	-	-	-	-	-	-	87
Mohammad Jehanzeb Khan	2,600	-	375	1,725	750	513	-	5,963
Abdullah Khan Sumbal	2,600	375	375	1,125	188	513	-	5,176
Syed Ghazanfar Abbas Jilani	1,125	-	375	563	-	375	-	2,438
Khawaja Farooq Saeed	2,600	187	837	1,725	562	375	-	6,286
Saeed Anwar	2,600	375	1,212	-	750	513	-	5,450
Dr. Muhammad Amjad Saqib	2,600	563	-	1,725	375	700	-	5,963
Shaharyar Ahmad	2,337	375	563	-	-	562	-	3,837
Total	16,549	1,875	3,737	6,863	2,625	3,551	-	35,200

38.3 Remuneration paid to Shariah board members

	2021				2020			
	Chairman	Resident member	Non-resident member	Total amount paid	Chairman	Resident member	Non-resident member	Total amount paiod
	Rupees in '000'							
Meeting fee and allowances	2,540	-	3,385	5,925	1,890	-	1,770	3,660
Salary & festival bonus paid to resident member through Bank's payroll	-	2,007	-	2,007	-	1,334	-	1,334
Total amount	2,540	2,007	3,385	7,932	1,890	1,334	1,770	4,994
Number of persons	1	2	3		1	1	1	

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited unconsolidated financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

39.1 The Bank measures fair vale using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2021				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	448,913,878	-	448,913,878	-	448,913,878
Shares	6,859,385	6,840,419	-	18,966	6,859,385
Non-Government debt securities	10,106,626	-	10,106,626	-	10,106,626
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary company	-	-	-	-	-
Financial assets disclosed but not measured at fair value :					
Government securities	61,299,171	-	63,715,206	-	63,715,206
Non Financial assets measured at fair value :					
Property and equipment (land & building)	8,764,483	-	8,764,483	-	8,764,483
Non banking assets acquired in satisfaction of claims	5,848,593	-	5,848,593	-	5,848,593
Financial liabilities measured at fair value:					
Payable to gratuity fund	268,144	-	268,144	-	268,144
Provision for employees compensated absences	133,629	-	133,629	-	133,629
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	107,277,276	-	107,277,276	-	107,277,276
Forward sale of foreign exchange contracts	101,120,153	-	101,120,153	-	101,120,153

	2020				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	488,823,420	-	488,823,420	-	488,823,420
Shares	3,637,256	3,621,674	-	15,582	3,637,256
Non-Government debt securities	10,139,836	-	10,139,836	-	10,139,836
Foreign securities	4,019	-	-	4,019	4,019
Subsidiary company	-	-	-	-	-
Financial assets disclosed but not measured at fair value :					
Government securities	60,483,391	-	69,082,534	-	69,082,534
Non Financial assets measured at fair value :					
Operating fixed assets (land & building)	5,497,765	-	5,497,765	-	5,497,765
Non banking assets acquired in satisfaction of claims	5,904,147	-	5,904,147	-	5,904,147
Financial liabilities measured at fair value:					
Payable to gratuity fund	261,774	-	261,774	-	261,774
Provision for employees compensated absences	123,506	-	123,506	-	123,506
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	24,343,173	-	24,343,173	-	24,343,173
Forward sale of foreign exchange contracts	23,712,804	-	23,712,804	-	23,712,804

40. SEGMENT INFORMATION

40.1 Segment details with respect to busine ss activities

	2021						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	24,904,888	-	7,235,506	44,448,997	4,621,515	440,349	81,651,255
Inter segment revenue - net	(19,147,791)	61,725,743	(4,367,170)	(33,250,325)	(65,951)	(4,894,506)	-
Non mark-up / return / interest income	1,684,760	2,288,181	632,116	3,022,414	177,574	98,770	7,903,815
Total income	7,441,857	64,013,924	3,500,452	14,221,086	4,733,138	(4,355,387)	89,555,070
Segment total expenses	1,385,686	51,633,678	1,635,409	5,547,853	4,123,826	8,462,648	72,789,100
Profit before provisions	6,056,171	12,380,246	1,865,043	8,673,233	609,312	(12,818,035)	16,765,970
Provisions	(1,854,381)	3,577	(747,074)	311,519	770,058	(125,742)	(1,642,043)
Profit / (loss) before tax	7,910,552	12,376,669	2,612,117	8,361,714	(160,746)	(12,692,293)	18,408,013
Balance sheet							
Cash & bank balances	-	24,886,324	-	41,562,509	13,587,542	-	80,036,375
Investments - net	4,244,704	-	-	510,848,259	16,590,093	-	531,683,056
Net inter segment lending	-	923,007,639	-	-	442,430	20,151,877	943,601,946
Lendings to financial institutions	-	-	-	26,480,388	4,500,000	-	30,980,388
Advances - performing	335,615,453	-	86,053,619	-	47,197,055	10,209,769	479,075,896
- non-performing - net	2,675,142	-	818,292	-	1,835,989	57	5,329,480
Others	13,603,362	4,915,621	640,698	11,157,299	3,461,685	36,068,131	69,846,796
Total assets	356,138,661	952,809,584	87,512,609	590,048,455	87,614,794	66,429,834	2,140,553,937
Borrowings	68,607,066	-	1,805,013	-	911,409	-	71,323,488
Subordinated debts	-	-	-	-	-	7,788,980	7,788,980
Deposits & other accounts	-	923,748,571	-	-	79,206,096	-	1,002,954,667
Net inter segment borrowing	279,443,786	-	74,282,001	589,876,159	-	-	943,601,946
Others	8,087,809	29,061,013	11,425,595	172,296	2,944,671	8,360,596	60,051,980
Total liabilities	356,138,661	952,809,584	87,512,609	590,048,455	83,062,176	16,149,576	2,085,721,061
Equity							54,832,876
Total equity & liabilities							2,140,553,937
Contingencies & commitments	255,411,391	-	416,094	205,641,893	7,448,017	106,814	469,024,209

	2020						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	29,145,073	-	6,346,075	45,088,416	5,057,562	382,001	86,019,127
Inter segment revenue - net	(22,931,710)	64,402,623	(3,982,350)	(34,842,275)	(59,260)	(2,587,028)	-
Non mark-up / return / interest income	598,899	1,723,574	263,241	9,964,601	117,991	377,281	13,045,587
Total income	6,812,262	66,126,197	2,626,966	20,210,742	5,116,293	(1,827,746)	99,064,714
Segment total expenses	971,789	58,580,536	897,820	8,104,777	4,145,715	7,512,358	80,212,995
Profit before provisions	5,840,473	7,545,661	1,729,146	12,105,965	970,578	(9,340,104)	18,851,719
Provisions	5,398,528	284,602	247,252	508,825	414,325	8,776	6,862,308
Profit / (loss) before tax	441,945	7,261,059	1,481,894	11,597,140	556,253	(9,348,880)	11,989,411
Balance sheet							
Cash & bank balances	-	43,841,350	-	22,168,221	5,659,940	-	71,669,511
Investments - net	2,320,445	-	-	548,471,575	16,996,603	-	567,788,623
Net inter segment lending	-	743,701,158	-	-	951,270	32,767,984	777,420,412
Lendings to financial institutions	-	-	-	7,454,867	8,632,000	-	16,086,867
Advances - performing	290,749,427	-	53,317,428	-	30,983,039	6,710,329	381,760,223
- non-performing - net	6,229,401	-	930,497	-	2,218,148	22,343	9,400,389
Others	8,282,387	6,015,362	746,993	7,309,414	3,680,612	22,705,635	48,740,403
Total assets	307,581,660	793,557,870	54,994,918	585,404,077	69,121,612	62,206,291	1,872,866,428
Borrowings	51,665,928	-	462,409	102,105,236	607,842	-	154,841,415
Subordinated debts	-	-	-	-	-	6,791,700	6,791,700
Deposits & other accounts	-	773,528,003	-	-	61,539,589	-	835,067,592
Net inter segment borrowing	253,101,917	-	42,481,624	481,836,871	-	-	777,420,412
Others	2,813,815	20,029,867	12,050,885	1,461,970	2,859,733	7,267,528	46,483,798
Total liabilities	307,581,660	793,557,870	54,994,918	585,404,077	65,007,164	14,059,228	1,820,604,917
Equity							52,261,511
Total equity & liabilities							1,872,866,428
Contingencies & commitments	160,308,823	-	639,748	48,807,235	3,269,939	724,160	213,749,905

41. TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, the Bank arranges and maintain government securities on behalf of its customers.

42. RELATED PARTY TRANSACTIONS

Related parties comprise subsidiary, key management personnel and entities in which key management personnel are office holders / members. The Bank in the normal course of business carries out transactions with various related parties on arm's length basis. Amounts due from and due to related parties are shown under receivables and payables. Remuneration of key management personnel, shariah board and fixed assets sold to related parties are disclosed in Note 38.1, 38.2 & Note 11.3.4 respectively. In addition key management personnel are paid terminal and short-term terminal benefits.

	2021					2020				
	Directors	Key management personnel modaraba	Subsidiary company and managed	Employee funds	Other related parties	Directors	Key management personnel modaraba	Subsidiary company and managed	Employee funds	Other related parties
	Rupees in '000					Rupees in '000				
Lendings to financial institutions:										
Opening balance	-	-	1,000,000	-	-	-	-	400,000	-	-
Addition during the year	-	-	4,600,000	-	-	-	-	4,000,000	-	-
Repaid during the year	-	-	4,000,000	-	-	-	-	3,400,000	-	-
Closing balance	-	-	1,600,000	-	-	-	-	1,000,000	-	-
Investments (gross)	-	-	164,945	-	-	-	-	164,945	-	-
Provision for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
Advances:										
Opening balance	-	161,708	686,633	-	595,721	-	311,603	1,258,526	-	-
Addition during the year	-	153,404	4,211,653	-	2,963,637	-	51,412	3,904,573	-	5,541,638
Repaid during the year	-	46,096	4,765,855	-	2,241,339	-	201,307	4,476,466	-	4,945,917
Closing balance	-	269,016	132,431	-	1,318,019	-	161,708	686,633	-	595,721
Provision held against advances	-	-	-	-	-	-	-	59,757	-	-
Contingencies (non fund exposure)	-	-	2,000	-	112,072	-	-	7,000	-	419,488
Other assets - advance deposits and prepayments	-	17,547	100,000	-	-	-	-	-	-	-
Other assets - markup receivable	-	13,821	21,649	-	14,151	-	11,049	36,846	-	14,491
Right-of-use assets	-	-	-	-	62,202	-	-	-	-	66,055
Lease liability against right-of-use assets	-	-	-	-	22,900	-	-	-	-	20,030
Deposits and other accounts:										
Opening balance	598	24,363	11,287	3,071,616	33,878	61	13,746	1,588	2,564,910	876
Received during the year	16,522	532,244	4,627,102	4,247,275	61,507,975	4,353	457,854	4,158,702	1,152,506	122,199
Withdrawn during the year	16,218	529,812	4,602,002	6,944,119	59,982,854	3,816	447,237	4,149,003	645,800	89,197
Closing balance	902	26,795	36,387	374,772	1,558,999	598	24,363	11,287	3,071,616	33,878
Other liabilities - markup payable	-	-	20	-	11,087	-	-	-	-	-

	2021					2020				
	Directors	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties	Directors	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties
	Rupees in '000									
Income:										
Mark-up / return / interest earned	-	10,317	115,184	-	34,743	-	13,880	162,543	-	24,297
Non markup income	-	-	-	-	8,367	-	-	-	-	580
Expense:										
Mark-up / return / interest paid	24	555	225	88,308	51,689	26	1,314	-	245,354	314
Mark-up on lease liability against right-of-use assets	-	-	-	-	2,870	-	-	-	-	4,240
Depreciation on right-of-use assets	-	-	-	-	3,853	-	-	-	-	4,614
Non markup expense	-	-	5,218	-	-	-	-	1,543	-	-
Provisions:										
(Reversal) / charge of provision - advances	-	-	(59,757)	-	-	-	-	3,456	-	-

42.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current year are not reflected as part of the closing balance. The same are accounted for through movement presented above.

42.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government- related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

As at Statement of Financial Position date the loans and advances, deposits, acceptances and contingencies relating to GoPb and its related entities amounted to Rs. 57,299,296 thousand (December 31, 2020: Rs. 37,126,458 thousand), Rs. 484,197,126 thousand (December 31, 2020: Rs. 421,019,222 thousand) Rs. 71,929 thousand (December 31, 2020: Rs. 71,929 thousand) and Rs. 26,097,691 thousand (December 31, 2020: Rs. 27,070,415 thousand) respectively. Markup / interest earned and markup receivable from these loans & advances amounted to Rs.4,142,460 thousand and 1,078,401 thousand respectively. Markup / interest expensed and markup payable on these deposits amounted to Rs.27,220,372 thousand and Rs.9,079,554 thousand respectively. Income on contingencies is Rs.101,798 thousand.

42.3 The Bank made contribution of Rs. 299,283 thousand (2020: Rs. 246,497 thousand) to defined contribution plan during the year.

42.4 During the year, the Bank has recorded Rs. 5,750 thousand as gratuity expense to president (2020: Rs 13,286 thousand to ex-Acting President / DCEO).

42.5 First Punjab Modaraba and Punjab Modaraba Services (Pvt) Limited are using The Bank of Punjab premises free of cost.

42.6 Advances to employees as at December 31, 2021, other than key management personnel, amounted to Rs. 11,219,294 thousand (2020: Rs. 7,375,234 thousand) with markup receivable of Rs. 678,455 thousand (2020: Rs. 519,593 thousand) and markup income of Rs.419,855 thousand (2020: Rs. 351,368 thousand).

	Note	2021	2020
		Rupees in '000'	
43. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS			
Minimum Capital Requirement (MCR):			
Paid-up capital (net of losses)		28,388,806	28,388,806
Capital Adequacy Ratio (CAR):			
Eligible Common Equity Tier 1 (CET 1) Capital		43,993,744	41,936,560
Advance subscription money - Additional Tier 1 (ADT 1) Capital	19.3	-	-
Total Eligible Tier 1 Capital		43,993,744	41,936,560
Eligible Tier 2 Capital		9,338,940	15,270,354
Total Eligible Capital (Tier 1 + Tier 2)		53,332,684	57,206,914
Risk Weighted Assets (RWAs):			
Credit Risk		352,126,107	289,144,564
Market Risk		18,193,098	6,871,393
Operational Risk		64,190,824	56,498,084
Total		434,510,029	352,514,041
Common Equity Tier 1 Capital Adequacy ratio		10.12%	11.90%
Tier 1 CAR (%)		10.12%	11.90%
Total CAR (%)		12.27%	16.23%

As explained in note 19.3, had the advance subscription money against future issuance of non-cumulative perpetual term finance certificates been accounted for as eligible capital, the capital adequacy, leverage and net stable funding ratio would have been 12.50%, 3.08% and 124.00%, respectively.

43.1 Capital adequacy framework

The Basel Framework for a capital adequacy is applicable to the Bank both at the consolidated level (including the subsidiary) and on a stand alone basis. The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future business developments. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratio compares the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratios under SBP rules, which ultimately determine the regulatory capital required to be maintained by Banks and DFIs.

In addition, the SBP requires that the paid up capital of locally incorporated banks should be raised to Rs. 10 billion by December 31, 2013 in a phased manner. The paid-up capital requirement (net of losses) as at December 31, 2021 is Rs.10.0 billion.

The SBP requires that banks doing business in Pakistan should maintain regulatory capital for credit, market, and operational risks, the amount of which should at least be equal to 10% plus capital conservation buffer of 2.50% of the risk weighted assets of the Bank.

However, in order to dampen the effects of COVID - 19, SBP vide Circular No 12 of 2020 dated March 26, 2020, provided relaxation to maintain CCB of 1.5% from March, 2020 till further instructions. Accordingly, capital adequacy ratio requirement stood at 11.50% and the Banks's total capital adequacy ratio as at December 31, 2021 under Basel III stood at 12.27%

The SBP's regulatory capital as managed by the Bank is analyzed into following tiers:

- Tier I capital (CET1), which comprises of highest quality capital element and include fully paid up capital, share premium, reserve for bonus shares, general reserves and accumulated losses.

- Additional Tier I capital (ADT-I), which includes instrument meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares and its premium after all regulatory adjustments applicable on ADT-I.

The deductions from Tier 1 capital include mainly:
i) Book value of goodwill / intangibles;
ii) Shortfall in provision
iii) Deficit on revaluation of available for sale investments - AFS & fixed assets;
iv) Defined benefit pension fund asset
v) Investment in own shares
vi) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
vii) Investment in mutual funds above a prescribed ceiling
viii)Threshold deductions applicable from 2014 on deferred tax assets and certain investments;
ix) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position during transition phase

- Tier II capital, which includes subordinated debt / instruments and its premium, general reserve for loan losses (up to a maximum of 1.25% of CRWA), net of tax revaluation reserves, exchange translation reserves after all regulatory adjustments applicable on Tier-II.

The deductions from Tier 2 include mainly

i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;

ii) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Bank calculates capital requirement as per regulatory framework, using the following approaches:

Credit risk	Standardized Approach
Market risk	Standardized Approach
Operational risk	Basic Indicator Approach

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Bank.

		2021	2020
		Rupees in '000'	
43.2	**Leverage Ratio (LR):**		
	Eligible Tier-1 Capital	43,993,744	41,936,560
	Total Exposures	1,462,811,386	1,307,635,296
	LR (%)	3.01%	3.21%
43.3	**Liquidity Coverage Ratio (LCR):**		
	Total High Quality Liquid Assets	566,498,287	538,917,589
	Total Net Cash Outflow	413,944,607	386,811,819
	LCR (%)	136.85%	139.32%
	Net Stable Funding Ratio (NSFR):		
	Total Available Stable Funding	667,827,072	600,034,473
	Total Required Stable Funding	539,376,598	471,758,220
	NSFR (%)	123.81%	127.19%

43.4 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time are available at http://bop.com.pk.

44. RISK MANAGEMENT

The Bank has established market, credit, liquidity and operational risk appetite under the supervision of Board of Directors, where the Bank has already implemented new core business system and web based obligor risk rating system. The Bank has implemented a system of reporting risks and exceptions on various frequencies to business groups, Asset and Liabilities Committee, Investment Committee, Board Risk Management Committee and Board of Directors.

44.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligations and cause the other party to incur a financial loss. The Bank manages its exposure to credit risk by pursuing credit policy approved by the Board of Directors and undertaking all lending activities in accordance with standard practices and procedures as laid down in the Credit Policy Manual. The Bank's credit process currently entails assessment of credit worthiness of potential customers, pre-sanction evaluation of credit proposal, adequacy and quality checks over collateral and examination of charge documents before disbursements. The Bank will also continue to keep its focus on expansion through diversified exposure. Further, to strengthen the portfolio and as a matter of prudence, adequate provisions against non-performing advances are accounted for in accordance with the requirements of the Prudential Regulations issued by the SBP.

The Bank's risk management involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that following primary objectives are adhered:

a. Individuals who take or manage risks clearly understand it in the entire credit value chain.

b. The Bank's risk exposure is within the risk appetite limits duly defined by the regulator or established by Board of Directors.

c. Risk taking decisions are in line with business strategy and objectives set by the management.

d. Business decisions optimize the risk-reward trade-off.

e. Risk taking decisions are explicit and clear.

f. Sufficient capital as a buffer is available to take risk.

The risk management function of the Bank is regularly conducting assessments of Bank's credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment.

During the year 2020, the Bank further strengthened its credit review procedures in light of COVID-19 pandemic situation and a buffer was created against unforeseen loan losses in form of general provision to mitigate credit risk.

During the year 2021 following post COVID-19 economic recovery and objective classification of certain accounts, the management now considers it appropriate to maintain general provision to an extent of Rs. 2,500,000 thousand to mitigate any further adverse impact on equity, performance and regulatory compliance. Accordingly, a net reversal from general provision of Rs. 781,355 thousand has been recognized in these unconsolidated financial statements.

Further, assessment of following obligor risk rating factors are in place for effective risk management:

Adjusted net worth, current ratio, net profit margin, adjusted leverage, relationship with the Bank, quality of financial reporting, ownership structure, account behavior, internal quality and buyer / supplier concentration.

44.1.1 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2021	2020	2021	2020	2021	2020
			Rupees in '000'			
Public / Government	1,200,000	2,500,000	-	-	-	-
Private	29,780,388	13,586,867	-	-	-	-
	30,980,388	16,086,867	-	-	-	-

44.1.2 Investment in debt securities

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
			Rupees in '000'			
Oil & gas	104,167	145,833	-	-	-	-
Textile	571,632	582,301	571,632	582,301	571,632	582,301
Cement	20,000	20,000	20,000	20,000	20,000	20,000
Sugar	308,606	308,606	308,606	308,606	308,606	308,606
Electronics and electrical appliances	27,862	520,599	27,862	27,862	27,862	27,862
Construction	47,387	47,387	47,387	47,387	47,387	47,387
Power (electricity), gas, water, sanitary	10,708,212	11,314,946	400	400	400	400
Transport, storage and communication	5,488	5,488	5,488	5,488	5,488	5,488
Financial	521,359,479	545,408,204	26,908	26,908	26,908	26,908
Services	867,240	890,258	-	-	-	-
Chemical and pharmaceuticals	1,500,000	1,500,000	-	-	-	-
Fertilizer	1,517,680	1,624,255	1,517,680	1,517,680	1,517,680	1,517,680
	537,037,753	562,367,877	2,525,963	2,536,632	2,525,963	2,536,632
Credit risk by public / private sector						
Public/ Government	519,953,187	553,416,407	400	400	400	400
Private	17,084,566	8,951,470	2,525,563	2,536,232	2,525,563	2,536,232
	537,037,753	562,367,877	2,525,963	2,536,632	2,525,963	2,536,632

44.1.3 Advances

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
			Rupees in '000'			
Agriculture, forestry, hunting and fishing	23,387,696	16,240,841	1,594,354	1,719,776	1,275,176	1,301,745
Oil & gas	2,253,449	1,432,213	99,564	108,181	80,797	83,138
Textile	91,036,952	81,325,326	22,594,938	25,196,074	21,176,270	23,397,721
Chemical and pharmaceuticals	12,036,528	10,724,142	41,988	108,105	41,988	87,022
Cement	18,835,441	16,450,985	-	93,246	-	93,246
Sugar	13,717,499	16,276,840	1,716,172	2,021,095	1,508,642	1,759,210
Footwear and leather garments	2,253,507	1,729,427	517,610	517,610	516,066	516,066
Automobile and transportation equipment	2,327,717	2,289,286	1,985,237	2,114,743	1,981,736	2,011,725
Electronics and electrical appliances	5,573,162	3,107,790	111,634	31,513	67,634	31,513
Cable, electrical & engineering	7,285,762	6,871,970	2,180,272	2,184,081	2,123,552	2,103,054
Production & transmission of energy	82,342,597	74,470,207	3,119,104	3,272,610	1,905,914	2,076,873
Construction	10,407,103	6,455,130	1,678,035	1,727,683	1,425,839	1,422,215
Trading & commerce	30,338,244	31,895,731	8,226,611	9,213,670	7,615,485	6,708,841
Food & allied	54,773,093	34,252,509	2,853,135	3,082,326	2,802,584	2,929,458
Transport, storage and communication	68,958,485	50,370,204	163,825	176,319	163,825	176,319
Financial	4,801,922	3,116,218	959,030	606,009	959,030	606,009
Fertilizer	9,159,211	11,342,978	62,266	66,879	62,266	66,879
Services	15,199,339	13,897,447	1,132,540	1,383,421	1,007,791	1,229,461
Individuals	57,526,712	43,087,668	835,004	898,549	683,058	671,745
Others	21,948,731	17,422,975	2,160,990	2,729,281	1,305,176	578,542
	534,163,150	442,759,887	52,032,309	57,251,171	46,702,829	47,850,782
Credit risk by public / private sector						
Public/ Government	153,977,196	115,264,859	-	-	-	-
Private	380,185,954	327,495,028	52,032,309	57,251,171	46,702,829	47,850,782
	534,163,150	442,759,887	52,032,309	57,251,171	46,702,829	47,850,782

	2021	2020
	Rupees in '000'	
44.1.4 Contingencies and commitments		
Textile and ginning	32,510,604	14,184,990
Cement	17,696,783	2,203,095
Sugar	1,035,352	1,971,414
Financial	241,832,171	67,237,907
Construction and real estate	17,707,258	12,100,439
Oil and gas	3,537,699	6,874,235
Auto and allied	1,810,272	1,556,366
Food and allied	4,139,694	3,772,706
Chemical and pharmaceuticals	2,710,686	2,726,604
Fertilizers	2,773,187	2,998,697
Cable, electrical and engineering	4,103,574	3,273,404
Production and transmission of energy	42,816,673	42,075,870
Transport, storage and communication	8,485,191	6,519,333
Trading and commerce	3,311,218	2,927,534
Services	4,956,551	781,120
Others	79,597,296	42,546,191
	469,024,209	213,749,905
Credit risk by public / private sector		
Public/ Government	92,790,919	61,831,913
Private	376,233,290	151,917,992
	469,024,209	213,749,905

44.1.5 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 231,949,089 thousand (2020: Rs. 179,556,038 thousand).

	2021	2020
	Rupees in '000'	
Funded	144,289,362	121,923,500
Non funded	87,659,727	57,632,538
Total exposure	231,949,089	179,556,038

The sanctioned limits against these top 10 exposures aggregated to Rs. 382,338,498 thousand (2020: Rs. 259,445,323 thousand).

Total funded classified therein

	2021		2020	
	Amount	Provision held	Amount	Provision held
	Rupees in '000'			
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	6,071,699	5,695,850
Loss	-	-	-	-
Total	-	-	6,071,699	5,695,850

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

44.1.6 Advances - province / region-wise disbursement and utilization

	2021						
	Disbursements	Utilization					
Province / Region		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	275,933,046	259,064,239	11,210,780	2,743,663	587,847	2,265,216	61,301
Sindh	101,536,041	4,925,298	94,752,945	565,509	162,289	1,130,000	-
KPK including FATA	1,692,248	406	-	1,691,842	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	32,050,513	949,604	-	2,346,490	-	28,754,119	300
AJK including Gilgit-Baltistan	14,535	-	-	-	-	-	14,535
Total	411,226,383	264,939,547	105,963,725	7,347,504	750,136	32,149,335	76,136

	2020						
	Disbursements	Utilization					
Province / Region		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	222,079,696	213,964,993	5,082,660	336,305	503,459	2,187,443	4,836
Sindh	83,087,045	2,414,776	79,063,437	1,528,123	80,709	-	-
KPK including FATA	817,217	275	-	816,942	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	22,268,326	-	-	3,910,769	-	18,315,802	41,755
AJK including Gilgit-Baltistan	4,500	-	-	-	-	-	4,500
Total	328,256,784	216,380,044	84,146,097	6,592,139	584,168	20,503,245	51,091

44.1.7 Credit risk - general disclosures

The Bank follows the standardized approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit rating or type of exposure, whichever is applicable.

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Bank utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), JCR-VIS (Japan Credit Rating Company – Vital Information Systems), Fitch Moody's and Standard & Poors . Credit rating data for advances is obtained from recognized ECAIs and then mapped to SBP's rating grades.

Type of exposures & ECAIs used

Exposures	JCR-VIS	PACRA	S&P	Moody's	Fitch
Corporate	√	√			
Banks	√	√	√	√	√
Sovereigns			√		
PSEs	√	√			
SMEs	√	√			

Mapping to SBP rating grades

For all credit exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to SBP rating grades are given below:

Long term ratings grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS	ECA Scores
1	AAA AA+ AA AA-	Aaa Aa1 Aa2 Aa3	AAA AA+ AA AA-	AAA AA+ AA AA-	AAA AA+ AA AA-	0 1
2	A+ A A-	A1 A2 A3	A+ A A-	A+ A A-	A+ A A-	2
3	BBB+ BBB BBB-	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-	BBB+ BBB BBB-	3
4	BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-	BB+ BB BB-	4
5	B+ B B-	B1 B2 B3	B+ B B-	B+ B B-	B+ B B-	5 6
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short term rating grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

Credit exposures subject to standardized approach

Exposures	Rating	2021 Amount outstanding	2021 Deduction CRM	2021 Net amount	2020 Amount outstanding	2020 Deduction CRM	2020 Net amount
		Rupees in '000					
Corporate	1	46,944,674	(14,316,014)	32,628,660	39,718,795	(5,783,299)	33,935,496
	2	125,736,486	(2,068,418)	123,668,068	86,847,146	(1,462,186)	85,384,960
	3,4	9,442,480	(174,751)	9,267,729	14,853,075	(206,106)	14,646,969
	5,6	-	-	-	-	-	-
	Unrated-125%	33,878,185	(2,319,837)	31,558,348	25,657,917	(660,089)	24,997,828
	Unrated-100%	58,042,503	(4,675,337)	53,367,166	49,795,777	(730,216)	49,065,561
Bank	1	38,468,068	(17,671,981)	20,796,087	26,570,344	(5,334,907)	21,235,437
	2,3	2,466,667	-	2,466,667	15,048	-	15,048
	4,5	179,640	-	179,640	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Public sector enterprises in Pakistan	1	27,781,681	(6,595,379)	21,186,302	24,377,640	(5,556,688)	18,820,952
	2,3	-	-	-	-	-	-
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	78,618,621	(78,618,621)	-	74,755,104	(74,062,609)	692,495
Sovereigns and on Government of Pakistan or Provisional Government or SBP or Cash	0	583,709,633	(36,601,415)	547,108,218	614,195,065	(23,344,678)	590,850,387
	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4,5	30,389	-	30,389	16,448	-	16,448
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Listed equity investments	100%	874,797	-	874,797	249,846	-	249,846
Un-listed equity investments	150%	18,966	-	18,966	15,582	-	15,582
Non performing loans	150%	3,081,057	-	3,081,057	4,772,618	-	4,772,618
	100%	1,708,607	-	1,708,607	3,877,256	-	3,877,256
	50%	539,817	-	539,817	750,515	-	750,515
Mortgage	35%	10,780,812	-	10,780,812	6,290,344	-	6,290,344
Low Cost Housing	25%	1,845,429	-	1,845,429	-	-	-
Retail	75%	65,925,321	(13,117,366)	52,807,955	55,186,506	(12,934,665)	42,251,841
Fixed assets	100%	19,831,970	-	19,831,970	14,812,949	-	14,812,949
Deferred tax assets	100%	-	-	-	-	-	-
Deferred tax assets	250%	5,244,527	-	5,244,527	4,519,166	-	4,519,166
Significant investments	250%	-	-	-	-	-	-
Others	100%	35,217,769	(5,300,590)	29,917,179	25,464,245	(994,789)	24,469,456
Total		1,150,368,099	(181,459,709)	968,908,390	1,072,741,386	(131,070,232)	941,671,154

44.1.8 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Bank has adopted comprehensive approach of credit risk mitigation for banking book. Under this approach cash, lien on deposits, government securities, and eligible securities etc. are consolidated as eligible collateral. Where the Bank's exposure to an obligor is secured by eligible collaterals, the Bank reduces its exposure for the calculation of the capital requirement by the realizable amount of the collateral, adjusted for any applicable haircuts.

44.1.8.1 Credit risk: Disclosures for portfolio subject to the standardized approach

No credit risk mitigation benefit is taken in the trading book. For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net amount for the calculation of risk weighted assets.

44.1.8.2 Equity position risk in the banking book

The Bank takes proprietary equity positions for both short term and long term trading purposes. As of December 31, 2021 the composition of equity investments, is as follows:

	Held for trading	Available for sale	Total
		Rs. In '000'	
Operators / Directors are representing Sialkot Chamber of Commerce			
Ordinary shares (listed) - net of impairment held	28,941	6,541,478	6,570,419
Ordinary shares (un-listed) - net of impairment held	-	30,923	30,923
Preference shares - net of impairment held	-	270,000	270,000
Total	28,941	6,842,401	6,871,342

The Bank classify its equity investment portfolio in accordance with the directives of the SBP as follows:

- Investments - Held for trading
- Investments – Available for Sale
- Investments in subsidiaries

44.2 Market risk

Market risk is the risk that the value of 'on' or 'off' balance sheet positions will be adversely affected by movements in equity and interest rate markets, foreign exchange rates and equity position risk.

Interest rate risk is risk to the earnings or market value of a portfolio due to uncertain future interest rates. Interest rate risks can be categorized in different ways, and there is usually some overlap between categories. Interest rate risk can be categorized into the following components:

a. Repricing or maturity mismatch risk or yield curve risk
b. Basis risk
c. Options risk
d. Price risk

Equity price risk is the risk that the value of a security or portfolio of securities will decline in the future. It is risk to earnings or capital that results from adverse changes in the value of equity related portfolios of a financial institution.

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. The risk is that adverse fluctuations in exchange rates may result in a loss to the institution.

Foreign exchange risk arises from two factors: currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and currency cash flow mismatches. Such risk continues until the foreign exchange position is covered.

The Bank's market risk management structure consists of NPL & Risk Management Committee (NPL & RMC). , Assets and Liabilities Committee and independent Enterprise Risk & Governance department (ER&G). Market risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Bank and to define market risk policies and procedures. ER&G unit seeks to facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency in reporting the Bank's market risk profile to the senior management, the Board of Directors and the SBP.

The Bank is using following techniques for mitigation of market risk:

-Hedging the open positions i.e. taking offsetting positions
-Portfolio diversification
-Limits setting, monitoring and reporting

The Bank is using following techniques for measurement of market risk and all the reports along with suggestive strategies which are escalated to senior management for their review and corrective actions:

- Daily mark to market revaluation of equity, foreign exchange and bonds portfolio
- Estimated value at risk on equity and foreign exchange exposures.
- Interest rate gap analysis
- Duration analysis
- Stress testing of market risk exposures.
- Scenarios based analysis

44.2.1 Balance sheet split by trading and banking books

	2021			2020		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000'					
Cash and balances with treasury banks	71,318,743	-	71,318,743	69,271,804	-	69,271,804
Balances with other banks	8,717,632	-	8,717,632	2,397,707	-	2,397,707
Lendings to financial institutions	30,980,388	-	30,980,388	16,086,867	-	16,086,867
Investments - net	491,601,740	40,081,316	531,683,056	545,710,522	22,078,101	567,788,623
Advances - net	484,405,376	-	484,405,376	391,160,612	-	391,160,612
Fixed assets	19,831,970	-	19,831,970	14,812,949	-	14,812,949
Intangible assets	1,101,012	-	1,101,012	688,508	-	688,508
Deferred tax assets - net	13,696,051	-	13,696,051	7,774,264	-	7,774,264
Other assets	35,217,763	-	35,217,763	25,464,682	-	25,464,682
	1,156,870,675	40,081,316	1,196,951,991	1,073,367,915	22,078,101	1,095,446,016

44.2.2 Foreign exchange risk

The Bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with foreign commercial banks and foreign currency deposits. The Bank manages its foreign exchange exposure by matching foreign currency assets and liabilities. Foreign exchange exposure and nostro balances are managed within the statutory limits, as fixed by SBP. Counter parties limits are also fixed to limit risk concentration. Market risk charge calculates on FEEL and forward contracts (interest rate) and credit risk charge manage by Bank on all forward contracts.

	2021				2020			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000							
United States Dollar	5,233,234	12,332,382	6,044,660	(1,054,488)	3,949,430	5,427,835	(147,258)	(1,625,664)
Great Britain Pound Sterling	1,698,989	4,034,680	2,234,694	(100,997)	1,163,850	3,418,473	2,246,898	(7,725)
Euro	2,534,033	1,365,305	(1,520,922)	(352,194)	2,578,326	1,310,425	(1,447,381)	(179,479)
Japanese Yen	74,475	1,441	(66,939)	6,095	295	2,253	4,663	2,705
Other currencies	853,067	-	(684,984)	168,083	107,670	1,340	(46,803)	59,526
	10,393,798	17,733,808	6,006,509	(1,333,501)	7,799,571	10,160,326	610,119	(1,750,637)

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	(12,413)	-	(2,487)
- Other comprehensive income	-	-	-	-

44.2.3 Equity position risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Bank's strategy is to invest in equity securities for increase in dividend income and capital gains through market volatility.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 5% change in equity prices on				
- Profit and loss account	-	(344,356)	-	(167,584)
- Other comprehensive income	-	-	-	-

44.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II specific

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the market interest rates. The vulnerability of the Bank towards the adverse movements of the interest rate can be gauged by using duration GAP analysis.

Interest rate risk in the banking book is the risk to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. The banking book activities that give rise to interest rate risk include lending activities, balance sheet funding and capital management. Interest rate risk in banking book can be measured by both, changes in net interest income and changes in market value of interest bearing AFS investments. This also refers to the non-trading market risk. To adjust the effective rate sensitivity, the Bank is using following strategies after proper analysis of the Bank's gaps and prevailing interest rate:

- Reduced asset sensitivity
- Increased asset sensitivity
- Reduced liability sensitivity
- Increased liability sensitivity

The Bank's interest rate risk management policy includes following techniques to mitigate potential risks:

a) Monitoring and management of interest rate volatility in terms of percentage change in net income through interest sensitive gaps.
b) Key consideration in investing in interest rate driven financial instruments.
c) Managing volatility in the trading on category / instrument wise basis.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 1% change in interest rates on				
- Profit and loss account	(4,812,111)	(344,989)	(4,847,855)	(191,484)
- Other comprehensive income	-	-	-	-

44.2.5 Mismatch of interest rate sensitive assets and liabilities

	2021											
		Exposed to Yield / Interest risk										
	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
		Rupees in '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		71,318,743	2,109,501	-	-	-	-	-	-	-	-	69,209,242
Balances with other banks	7.25%	8,717,632	7,117,232	-	-	-	-	-	-	-	-	1,600,400
Lending to financial institutions	7.71%	30,980,388	28,780,388	2,000,000	200,000	-	-	-	-	-	-	-
Investments - net	8.52%	531,683,056	1,328,729	53,886,382	17,207,707	209,136,825	142,157,726	37,914,285	1,270,100	62,179,960	-	6,601,342
Advances - net	7.36%	484,405,376	49,599,548	434,601,495	-	-	-	-	-	-	-	204,333
Other assets		28,438,273	-	-	-	-	-	-	-	-	-	28,438,273
		1,155,543,468	88,935,398	490,487,877	17,407,707	209,136,825	142,157,726	37,914,285	1,270,100	62,179,960	-	106,053,590
Liabilities												
Bills payable		10,109,459	-	-	-	-	-	-	-	-	-	10,109,459
Borrowings	7.17%	71,323,488	2,318,198	24,402,473	7,705,699	4,991,766	4,467,197	1,166,837	4,268,981	19,716,582	2,285,755	-
Deposits and other accounts	5.12%	1,002,954,667	38,424,427	590,119,600	59,539,129	94,686,762	434,421	2,465,934	23,991,436	-	-	193,292,958
Subordinated debts	8.89%	7,788,980	-	-	7,788,980	-	-	-	-	-	-	-
Other liabilities		49,590,188	37,903	1,544	10,948	57,413	121,689	246,177	710,011	2,117,973	6,176,055	40,110,475
		1,141,766,782	40,780,528	614,523,617	75,044,756	99,735,941	5,023,307	3,878,948	28,970,428	21,834,555	8,461,810	243,512,892
On-balance sheet gap		13,776,686	48,154,870	(124,035,740)	(57,637,049)	109,400,884	137,134,419	34,035,337	(27,700,328)	40,345,405	(8,461,810)	(137,459,302)
Off-balance sheet financial instruments												
Documentary credits and guarantees		217,351,954	-	-	-	-	-	-	-	-	-	217,351,954
Commitments in respect of:												
- forward foreign exchange contracts - net		6,006,511	-	-	-	-	-	-	-	-	-	6,006,511
- forward lending		45,923,548	-	-	-	-	-	-	-	-	-	45,923,548
Other commitments		97,839	-	-	-	-	-	-	-	-	-	97,839
Off-balance sheet gap		269,379,852	-	-	-	-	-	-	-	-	-	269,379,852
Total yield / interest risk sensitivity gap			48,154,870	(124,035,740)	(57,637,049)	109,400,884	137,134,419	34,035,337	(27,700,328)	40,345,405	(8,461,810)	131,920,550
Cumulative yield / interest risk sensitivity gap			48,154,870	(75,880,870)	(133,517,919)	(24,117,035)	113,017,384	147,052,721	119,352,393	159,697,798	151,235,988	283,156,538

	2020											
			Exposed to Yield / Interest risk									
	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
						Rupees in '000						
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		69,271,804	956,624	-	-	-	-	-	-	-	-	68,315,180
Balances with other banks	5.50%	2,397,707	1,763,331	-	-	-	-	-	-	-	-	634,376
Lending to financial institutions	10.41%	16,086,867	14,286,867	1,800,000	-	-	-	-	-	-	-	-
Investments - net	9.81%	567,788,623	27,580,589	79,759,572	162,417,091	84,851,556	34,666,974	43,006,414	43,079,934	89,055,218	-	3,371,275
Advances - net	9.12%	391,160,612	38,065,185	353,086,257	-	-	-	-	-	-	-	9,170
Other assets		18,982,465	-	-	-	-	-	-	-	-	-	18,982,465
		1,065,688,078	82,652,596	434,645,829	162,417,091	84,851,556	34,666,974	43,006,414	43,079,934	89,055,218	-	91,312,466
Liabilities												
Bills payable		4,168,641	-	-	-	-	-	-	-	-	-	4,168,641
Borrowings	8.68%	154,841,415	62,672,147	29,419,076	5,703,591	36,353,005	4,274,982	5,906,562	3,005,488	6,840,746	663,682	2,136
Deposits and other accounts	7.04%	835,067,592	44,844,606	476,370,663	38,663,540	94,915,051	5,175,166	332,451	4,086,864	-	-	170,679,251
Subordinated debts	11.23%	6,791,700	-	-	6,791,700	-	-	-	-	-	-	-
Other liabilities		42,252,974	6,718	489	5,341	46,433	148,442	195,523	871,599	1,982,905	4,040,924	34,954,600
		1,043,122,322	107,523,471	505,790,228	51,164,172	131,314,489	9,598,590	6,434,536	7,963,951	8,823,651	4,704,606	209,804,628
On-balance sheet gap		22,565,756	(24,870,875)	(71,144,399)	111,252,919	(46,462,933)	25,068,384	36,571,878	35,115,983	80,231,567	(4,704,606)	(118,492,162)
Off-balance sheet financial instruments												
Documentary credits and guarantees		143,824,645	-	-	-	-	-	-	-	-	-	143,824,645
Commitments in respect of:												
- forward foreign exchange contracts		610,119	-	-	-	-	-	-	-	-	-	610,119
- forward lending		20,393,865	-	-	-	-	-	-	-	-	-	20,393,865
Other commitments		715,185	-	-	-	-	-	-	-	-	-	715,185
Off-balance sheet gap		165,543,814	-	-	-	-	-	-	-	-	-	165,543,814
Total yield / interest risk sensitivity gap			(24,870,875)	(71,144,399)	111,252,919	(46,462,933)	25,068,384	36,571,878	35,115,983	80,231,567	(4,704,606)	47,051,652
Cumulative yield / interest risk sensitivity gap			(24,870,875)	(96,015,274)	15,237,645	(31,225,288)	(6,156,904)	30,414,974	65,530,957	145,762,524	141,057,918	188,109,570

Reconciliation of financial assets and liabilities with total assets and liabilities:

	2021	2020
	Rupees in '000'	
Financial assets	1,155,543,468	1,065,688,078
Non financial assets:		
Fixed assets	19,831,970	14,812,949
Intangibles	1,101,012	688,508
Operators/ Directors are representing Sialkot Chamber of Commerce	13,696,051	7,774,264
Other assets	6,779,490	6,482,217
	41,408,523	29,757,938
Total assets as per statement of financial position	1,196,951,991	1,095,446,016
Financial liabilities	1,141,766,782	1,043,122,322
Non financial liabilities:		
Other liabilities	352,333	62,183
Total liabilities as per statement of financial position	1,142,119,115	1,043,184,505

44.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. The Bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Bank is able to manage operational risk. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and appraisal procedures, including the use of internal audit. The Bank has established a comprehensive business continuity plan to deal with the risk of financial loss and damage to reputation arising from operational risk factors.

The Bank uses Risk Control Self Assessment and monitoring of Key Risk Indicators to mitigate operational losses. The Bank's operational risk management framework, as laid down in the operational risk policy, duly approved by Board of Directors, is flexible enough to implement in stages and permits the overall risk management approach to evolve in the light of organizational learning and the future needs of the Bank. Operational loss events are reviewed and appropriate corrective actions taken on an ongoing basis, including measures to improve control procedures with respect to design and operative effectiveness.

In accordance with the operational risk policy and framework, a database covering losses, control breaches and near misses is being maintained. Major risk events are analyzed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. quarterly updates on operational risk events are presented to senior management and the Board Risk Management Committee (BRMC).

44.3.1 Operational risk disclosures Basel-II specific

Currently, the Bank is reporting operational risk capital charge under Basic Indicator Approach (BIA). However, the Bank took a number of initiatives with respect to operational risk management. The Bank will initiate further steps for improvement in operational risk management to adopt next approach of capital charge i.e. Alternative Standardized Approach (ASA).

44.4 Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses. The Bank's ALCO is primarily responsible to ensure adequate maintenance and monitoring of liquidity and minimization of liquidity risk. The Bank manages its liquidity risk by continuous monitoring of the maturity profiles of its assets and liabilities, strengthening of its credit recovery procedures by focusing on retail and medium-sized customers and managing open positions through effective treasury operations. Allocation of funds towards various business prepositions and pricing of assets and liabilities of the Bank are given significant importance.

The Bank is using following strategies for mitigation of liquidity risk:

- Invest key liquid deposit providers in liquid investment.
- Contingency funding plan
- Monitoring of advances to deposits ratio.
- Diversification of portfolio
- Maintaining desirable level of currency wise liquidity
- Identify situations or events that may trigger a crisis situation in terms of liquidity

44.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

	2021													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	71,318,743	71,318,743	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	8,717,632	8,717,632	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	30,980,388	-	27,680,388	-	1,100,000	1,300,000	700,000	200,000	-	-	-	-	-	-
Investments - net	531,683,056	(1,154)	-	-	60,495	15,159,889	31,535,998	6,150,632	85,365,096	125,007,808	142,870,278	39,898,243	14,897,997	70,737,774
Advances - net	484,405,376	30,172,966	1,921,132	3,470,141	14,035,309	25,274,109	54,154,402	33,365,346	11,984,443	32,917,785	37,546,641	27,879,365	83,765,134	127,918,603
Fixed assets	19,831,970	6,410	38,460	44,870	109,303	118,993	121,561	349,257	354,320	343,738	1,325,245	1,416,240	3,019,471	12,584,102
Intangible assets	1,101,012	987	5,922	6,909	16,766	30,584	30,584	91,752	91,752	91,752	367,008	366,996	-	-
Deferred tax assets - net	13,696,051	-	-	-	-	-	-	-	-	-	-	-	13,696,051	-
Other assets - net	35,217,763	8,936,259	800,866	1,135,939	11,160,879	3,877,590	2,254,845	838,147	188,373	6,024,865	-	-	-	-
	1,196,951,991	119,151,843	30,446,768	4,657,859	26,482,752	45,761,165	88,797,390	40,995,134	97,983,984	164,385,948	182,109,172	69,560,844	115,378,653	211,240,479
Liabilities														
Bills payable	10,109,459	10,109,459	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	71,323,488	111,853	379,262	997,738	829,345	12,377,786	10,219,674	7,705,699	151,432	4,840,334	4,467,197	1,166,837	6,073,994	22,002,337
Deposits and other accounts	1,002,954,667	662,246,658	5,196,537	10,485,748	21,786,900	38,450,521	61,334,603	63,048,512	38,290,088	60,738,630	13,916,667	3,002,022	24,457,781	-
Subordinated debts	7,788,980	-	-	-	-	-	-	1,360	-	1,360	2,720	2,720	3,495,440	4,285,380
Other liabilities	49,942,521	18,252,134	842,347	1,111,749	1,031,870	3,860,036	2,216,204	846,816	302,771	1,408,086	2,175,341	2,457,903	6,562,474	8,874,790
	1,142,119,115	690,720,104	6,418,146	12,595,235	23,648,115	54,688,343	73,770,481	71,602,387	38,744,291	66,988,410	20,561,925	6,629,482	40,589,689	35,162,507
Net assets	54,832,876	(571,568,261)	24,028,622	(7,937,376)	2,834,637	(8,927,178)	15,026,909	(30,607,253)	59,239,693	97,397,538	161,547,247	62,931,362	74,788,964	176,077,972
Share capital - net	26,173,766													
Reserves	10,517,051													
(Deficit) / surplus on revaluation of assets - net of tax	(1,368,710)													
Unappropriated profit	19,510,769													
	54,832,876													

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
						2020								
						Rupees in '000								
Assets														
Cash and balances with treasury banks	69,271,804	69,271,804	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	2,397,707	2,397,707	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	16,086,867	-	7,886,867	1,010,000	5,390,000	1,800,000	-	-	-	-	-	-	-	-
Investments - net	567,788,623	4,985	-	14,908,665	12,291,789	39,242,603	34,863,099	152,176,817	52,247,705	33,020,259	35,422,260	43,581,464	51,191,717	98,837,260
Advances - net	391,160,612	17,664,170	2,398,325	3,596,090	14,406,600	20,391,101	38,949,039	28,455,639	9,634,978	25,571,550	25,633,812	53,474,189	78,910,285	72,074,834
Fixed assets	14,812,949	3,904	23,422	33,608	66,420	80,210	80,261	236,119	235,076	248,492	986,358	1,017,578	2,431,287	9,370,214
Intangible assets	688,508	617	3,702	4,319	10,487	19,125	19,125	57,375	57,375	57,375	229,500	229,508	-	-
Deferred tax assets - net	7,774,264	-	-	-	-	-	-	-	-	-	-	-	7,774,264	-
Other assets - net	25,464,682	7,686,363	77,465	301,791	7,942,133	692,734	276,399	497,174	946,267	7,044,356	-	-	-	-
	1,095,446,016	97,029,550	10,389,781	19,854,473	40,107,429	62,225,773	74,187,923	181,423,124	63,121,401	65,942,032	62,271,930	98,302,739	140,307,553	180,282,308
Liabilities														
Bills payable	4,168,641	4,168,641	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	154,841,415	2,426,090	42,988,829	9,664,727	7,594,637	19,204,577	10,214,499	5,703,591	9,854,028	26,498,977	4,274,982	5,906,562	3,005,488	7,504,428
Deposits and other accounts	835,067,592	569,085,666	7,725,313	16,210,203	16,838,799	24,332,092	52,745,363	40,310,611	50,139,774	47,213,979	5,374,267	590,787	4,500,738	-
Subordinated debts	6,791,700	-	-	-	-	-	-	1,360	-	1,360	2,720	2,720	5,440	6,778,100
Other liabilities	42,315,157	20,195,703	691,496	547,564	748,486	1,398,788	549,745	677,790	1,379,893	1,244,108	1,455,284	2,319,759	4,978,875	6,127,666
	1,043,184,505	595,876,100	51,405,638	26,422,494	25,181,922	44,935,457	63,509,607	46,693,352	61,373,695	74,958,424	11,107,253	8,819,828	12,490,541	20,410,194
Net assets	52,261,511	(498,846,550)	(41,015,857)	(6,568,021)	14,925,507	17,290,316	10,678,316	134,729,772	1,747,706	(9,016,392)	51,164,677	89,482,911	127,817,012	159,872,114
Share capital - net	26,173,766													
Reserves	8,029,024													
(Deficit) / surplus on revaluation of assets - net of tax	5,955,359													
Unappropriated profit	12,103,362													
	52,261,511													

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

	2021									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 top 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	71,318,743	71,318,743	-	-	-	-	-	-	-	-
Balances with other banks	8,717,632	8,717,632	-	-	-	-	-	-	-	-
Lendings to financial institutions	30,980,388	28,780,388	2,000,000	200,000	-	-	-	-	-	-
Investments - net	531,683,056	59,341	46,695,887	6,150,632	210,372,904	142,870,278	39,898,243	14,897,997	70,737,774	-
Advances - net	484,405,376	49,599,548	79,428,511	33,365,346	44,902,228	37,546,641	27,879,365	83,765,134	108,003,557	19,915,046
Fixed assets	19,831,970	199,043	240,554	349,257	698,058	1,325,245	1,416,240	3,019,471	7,240,262	5,343,840
Intangible assets	1,101,012	30,584	61,168	91,752	183,504	367,008	366,996	-	-	-
Deferred tax assets - net	13,696,051	-	-	-	-	-	-	13,696,051	-	-
Other assets - net	35,217,763	22,033,943	6,132,435	838,147	6,213,238	-	-	-	-	-
	1,196,951,991	180,739,222	134,558,555	40,995,134	262,369,932	182,109,172	69,560,844	115,378,653	185,981,593	25,258,886
Liabilities										
Bills payable	10,109,459	10,109,459	-	-	-	-	-	-	-	-
Borrowings	71,323,488	2,318,198	22,597,460	7,705,699	4,991,766	4,467,197	1,166,837	6,073,994	19,716,582	2,285,755
Deposits and other accounts	1,002,954,667	152,450,217	196,361,410	127,432,704	163,412,910	78,300,859	67,386,214	88,841,973	64,384,192	64,384,188
Subordinated debts	7,788,980	-	-	1,360	1,360	2,720	2,720	3,495,440	4,285,380	-
Other liabilities	49,942,521	21,256,740	6,057,600	846,816	1,710,857	2,175,341	2,457,903	6,562,474	2,698,735	6,176,055
	1,142,119,115	186,134,614	225,016,470	135,986,579	170,116,893	84,946,117	71,013,674	104,973,881	91,084,889	72,845,998
Net assets	54,832,876	(5,395,392)	(90,457,915)	(94,991,445)	92,253,039	97,163,055	(1,452,830)	10,404,772	94,896,704	(47,587,112)
Share capital - net	26,173,766									
Reserves	10,517,051									
(Deficit) / surplus on revaluation of assets - net of tax	(1,368,710)									
Unappropriated profit	19,510,769									
	54,832,876									

Deposit account without contractual maturities have been classified by taking into account historical trend of their withdrawal pattern, which shows that 15% of such deposits mature in each of the first two categories mentioned above and 10% mature in each of the remaining seven categories.

	2020									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 top 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	69,271,804	69,271,804	-	-	-	-	-	-	-	-
Balances with other banks	2,397,707	2,397,707	-	-	-	-	-	-	-	-
Lendings to financial institutions	16,086,867	14,286,867	1,800,000	-	-	-	-	-	-	-
Investments - net	567,788,623	27,205,439	74,105,702	152,176,817	85,267,964	35,422,260	43,581,464	51,191,717	98,837,260	-
Advances - net	391,160,612	38,065,185	59,340,140	28,455,639	35,206,528	25,633,812	53,474,189	78,910,285	62,815,195	9,259,639
Fixed assets	14,812,949	127,354	160,471	236,119	483,568	986,358	1,017,578	2,431,287	5,640,245	3,729,969
Intangible assets	688,508	19,125	38,250	57,375	114,750	229,500	229,508	-	-	-
Deferred tax assets - net	7,774,264	-	-	-	-	-	-	7,774,264	-	-
Other assets - net	25,464,682	16,007,752	969,133	497,174	7,990,623	-	-	-	-	-
	1,095,446,016	167,381,233	136,413,696	181,423,124	129,063,433	62,271,930	98,302,739	140,307,553	167,292,700	12,989,608
Liabilities										
Bills payable	4,168,641	4,168,641	-	-	-	-	-	-	-	-
Borrowings	154,841,415	62,674,283	29,419,076	5,703,591	36,353,005	4,274,982	5,906,562	3,005,488	6,840,746	663,682
Deposits and other accounts	835,067,592	145,828,108	158,965,432	94,902,596	151,945,738	59,966,252	55,182,772	59,092,723	54,591,985	54,591,986
Subordinated debts	6,791,700	-	-	1,360	1,360	2,720	2,720	5,440	6,778,100	-
Other liabilities	42,315,157	22,183,249	1,948,533	677,790	2,624,001	1,455,284	2,319,759	4,978,875	2,086,742	4,040,924
	1,043,184,505	234,854,281	190,333,041	101,285,337	190,924,104	65,699,238	63,411,813	67,082,526	70,297,573	59,296,592
Net assets	52,261,511	(67,473,048)	(53,919,345)	80,137,787	(61,860,671)	(3,427,308)	34,890,926	73,225,027	96,995,127	(46,306,984)
Share capital - net	26,173,766									
Reserves 8,029,024										
(Deficit) / surplus on revaluation of assets - net of tax	5,955,359									
Unappropriated profit	12,103,362									
	52,261,511									

45. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Bank in its meeting held on February 18, 2022 has proposed a stock dividend of 12.50% (2020: 10% cash dividend). These appropriations will be approved in the forthcoming Annual General Meeting. These unconsolidated financial statements for the year ended December 31, 2021 do not include the effect of these appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2022.

46. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on February 18, 2022 by the Board of Directors of the Bank.

47. GENERAL

47.1 Figures have been rounded off to the nearest thousand rupees.

47.2 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

Chief Financial Officer	President	Chairman	Director	Director

Annexure I

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED

DURING THE YEAR ENDED DECEMBER 31, 2021

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
1	Muzaffar Ali Asif Ali Nadeem Babar Sani (Kot Afzal Abad Rossa Tibba Chak # 1 Tehsil Chunian Kasur Pattoki)	Muzaffar Ali (35101-2509930-1) Asif Ali (35101-2509928-5) Nadeem Babar Sani (35101-2509932-1)	Muhammad Din	427	596	-	1,023	-	-	596	-	596
2	Zulfiqar Ali Mehdi (Ghous Pour Qureshian Tulamba Mian Channu)	Zulfiqar Ali Mehdi (36302-0455616-5)	Peer Mehdi Hussain	-	1,541	-	1,541	-	-	1,541	-	1,541
3	Nazim Ud Din (Bakar Key Mahar P.O. Basirpur)	Nazim Ud Din (35301-5047787-3)	Abdul Shakoor	-	1,610	-	1,610	-	-	1,592	-	1,592
4	Nazim Ud Din (Bakar Key Mahar P.O. Basirpur)	Nazim Ud Din (35301-5047787-3)	Abdul Shakoor	-	691	-	691	-	-	691	-	691
5	Rajco Poultry Farm (Panwana P.O Pasrur)	Muhammad Fayyaz (34602-3977816-9) Anwar Ahmed (34602-9918193-7) Imitaz Ahmed (34602-5022888-3)	M.Fiaz Imtiaz Ahmed Anwar Ahmed	-	1,635	-	1,635	-	-	1,603	-	1,603
6	Shehzad Ahmed (Chack 3/SP Gayiana P/O Havililakha Depalpur)	Shehzad Ahmed (35301-1922970-7)	Muhammad Rafique Bhatti	-	918	-	918	-	-	916	-	916
7	Ali Muhammad Mughal (Tehsil Depalpur Khalil Abad Colony Depalpur District Okara)	Ali Muhammad Mughal (35301-8220837-5)	Haji Muhammad Zafar Khan	-	2,185	-	2,185	-	-	2,164	-	2,164
8	Ahsan Raza (House # 136, Shamsabad Colony Eid Gah Road Multan)	Ahsan Raza (32203-6971287-9)	Mushtaq Ahmad Hashmi	-	2,091	-	2,091	-	-	2,077	-	2,077
9	Zulfiqar Ali (Atari Virk Sham Kot P.O. Chunian)	Zulfiqar Ali (35101-2456123-9)	Qamar Ali	-	1,387	-	1,387	-	-	1,381	-	1,381
10	Ayyaz Qamar (House No. 257, Street No. 03 Rasoolabad Colony Hasilpur)	Ayyaz Qamar (31203-3613876-1)	Rana Qamar Hussain	-	528	-	528	-	-	528	-	528
11	Zafar Hussain (P.O.Injrateh Jand District Attock)	Zafar Hussain (37104-6942265-5)	Noor Hussain	-	893	-	893	-	-	893	-	893

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
12	Haroon Javed (Qila Jawind Singh Tehsil Depalpur District Okara)	Haroon Javed (35202-0396186-5)	Javed Aslam	-	2,136	-	2,136	-	-	2,122	-	2,122
13	Muhammad Nawaz (Dilo Kala P/O Thathi Asaish Tehsil Pindi Bhattian District Hafizabad)	Muhammad Nawaz (34302-1213577-1)	Shaer Mohammad	-	748	-	748	-	-	748	-	748
14	Muhammad Nawaz (Dilo Kala P/O Thathi Asaish Tehsil Pindi Bhattian District Hafizabad)	Muhammad Nawaz (34302-1213577-1)	Shaer Mohammad	-	2,380	-	2,380	-	-	2,356	-	2,356
15	Ch Liaqat Ali (Chauhdary House Shah Jamal Road Khan Muzaffargarh)	Ch Liaqat Ali (32304-6527518-5)	Chauhdary Mehmood-Ul-Hassan	-	637	-	637	-	-	637	-	637
16	Sardar Agri Farms Prop Rizwan Ullah Khan (House No 13 Gali No 1 Mohallah Gujranwala X Peoples Colony Block Gujran)	Rizwan Ullah Khan (34101-3576703-3)	Sardar Nusrat Ullah	-	803	-	803	-	-	803	-	803
17	Sardar Agri Farms Prop Rizwan Ullah Khan (House No 13 Gali No 1 Mohallah Gujranwala X Peoples Colony Block Gujran)	Rizwan Ullah Khan (34101-3576703-3)	Sardar Nusrat Ullah	2,275	1,724	-	3,999	-	-	1,700	-	1,700
18	Altaf Ahmad Gondal (House #300-A Satellite Town Sargodha)	Altaf Ahmad Gondal (38403-4498350-3)	S/O Allah Buksh	535	898	-	1,433	-	-	909	-	909
19	Syed Nusrat Abbas Kirmani (Chak Nawab Shah Chak # 21/1 A.L P/O Akhtarabad Okara)	Syed Nusrat Abbas Kirmani (42301-0715066-7)	Sayed Imam Ali Shah	2,399	1,327	-	3,726	-	-	1,327	-	1,327
20	Shabiran Bibi (Chak # 25/2 Okara)	Shabiran Bibi (35302-8038299-2)	Muhammad Ameer	536	835	-	1,371	-	-	835	-	835
21	Rafaqat Ali (Mohallah Misken Abad Ghazi Kohli P.O. Losar Sharfo Taxila Rawalpindi)	Rafaqat Ali (37406-8523431-9)	Malik Mian Khan	2,287	2,073	-	4,360	-	-	2,073	-	2,073
22	Syed Ali Nawaz (Bhaikey Lal Chand P.O. Same Hujra Shah Muqeem)	Syed Ali Nawaz (35301-1950894-3)	Syed Shahnawaz	3,113	5,557	-	8,670	-	-	5,640	-	5,640
23	Iftikhar Ahmad (Chak.93/ District Yazman Bahawalpur)	Iftikhar Ahmad (31205-1664128-7)	Muhammad Siddique	-	1,151	-	1,151	-	-	861	-	861
24	Abdul Waheed Shad (Chak# 38 / P.O.39 / Tehsil & District Pakpattan)	Abdul Waheed Shad (36402-8796094-3)	Haji Muhammad Ali	500	1,107	-	1,607	-	-	1,144	-	1,144
25	Rub Nawaz (127 Khan Colony Faisalabad Road Okara)	Rub Nawaz (35202-7343737-5)	Mian Farzand Ali	392	1,000	-	1,392	-	-	1,024	-	1,024

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
26	Shoukat Ali (Kot Adna Abad Elha Abad P/O Khas Theng Ghatan Tehsil Chunian.)	Shoukat Ali (35101-5835094-7)	Muhammad Ashiq	1,860	213	-	2,073	-	-	287	269	556
27	Lal Khan (Chack # 31/4- L Tehsil & District Okara)	Lal Khan (35302-6155508-3)	Karam Khan	513	915	-	1,428	-	-	915	-	915
28	Muhammad Hashim (Labana Chak # 37 P/O Pattoki Tehsil Pattoki District Kasur Pattoki)	Muhammad Hashim (35103-5080494-7)	Hurmat Khan	412	690	-	1,102	-	-	682	-	682
29	Malik Riaz Hussain (9/66, Akbar Street Islampura Lahore.)	Malik Riaz Hussain (35103-8603189-9)	Malik Sardar Ali	-	510	-	510	-	-	510	-	510
30	Muhammad Irshad (Chak # 543/E District Vehari)	Muhammad Irshad (36603-7824573-7)	Muhammad Khan	739	964	-	1,703	-	-	1,020	-	1,020
31	Didar Ali (Chak Makhdoom Wala P.O. Jhanbiwahin Tehsil Kahror Pacca Lodhran)	Didar Ali (36202-4254139-3)	Sallay Khan	374	1,090	-	1,464	-	-	1,107	-	1,107
32	Pakistan Milk And Breeders (Suit # 3, Plot # 8C Sunset 2 Phase II Extension DHA Karachi)	Hassan Ahmed Farooqui (42201-2362383-7)	Ghulam Rabbani	4,796	5,761	-	10,557	-	-	5,761	-	5,761
33	Muhammad Asghar Ramzan (Kot Sorro P/O Karam Pur Tehsil Mailsi Vehari)	Muhammad Asghar Ramzan (36602-9592955-5)	Mohammad Ramzan	2,016	894	-	2,910	-	-	1,040	-	1,040
34	Ali Sajid (H. No. 1953, Mohallah Islamabad Tehsil Chunian District Kasur)	Ali Sajid (35101-0795667-3)	Riaz Hussain	412	494	-	906	-	-	513	-	513
35	Asmat Batool (Nothain P.O. Adoketeh. Pindi Bhattian District Hafizabad)	Asmat Batool (34302-4892657-8)	W/O Syed Hussain Ali Shah	2,980	5,694	-	8,674	-	-	5,883	-	5,883
36	Asmat Batool (Nothain P.O. Adoketeh. Pindi Bhattian District Hafizabad)	Asmat Batool (34302-4892657-8)	W/O Syed Hussain Ali Shah	1,740	2,563	-	4,303	-	-	2,563	-	2,563
37	Asmat Batool (Nothain P.O. Adoketeh. Pindi Bhattian District Hafizabad)	Asmat Batool (34302-4892657-8)	W/O Syed Hussain Ali Shah	370	547	-	917	-	-	547	-	547
38	Niamat Ali & Karamat Ali (Chak # 1, Rosa Tibba Tehsil Chunian Kasur)	Niamat Ali (35101-2518690-9) Karamat Ali (35101-2861425-9)	Rehmat Ali	1,167	2,246	-	3,413	-	-	2,304	-	2,304

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
39	Azeem Cold Storage (Churasta Mian Khanchurasta Mian Khan Depalpur)	Muhammad Naseem (35202-5447863-1)	Prop.Mohammad Naseem	4,859	1,192	-	6,051	-	-	1,641	-	1,641
40	Abdul Majeed (Chah Utradi Wala Mohalla Multani Wala Kahror Pacca. District Lodhran)	Abdul Majeed (36202-2263321-7)	Karim Bux	578	1,437	-	2,015	-	-	1,498	-	1,498
41	Muhammad Nawaz (Village Shamair P.O. Kamoki Tehsil Kamoki Lahore)	Muhammad Nawaz (34102-9303135-1)	Muhammad Nawaz	-	2,861	-	2,861	-	-	2,846	-	2,846
42	Kaneez Fatima (Chak #3/1-R.A Tehsil Renala Khurd District Okara)	Kaneez Fatima (35202-9678520-0)	Syed Israr Hussain	539	588	-	1,127	-	-	608	-	608
43	Conimpex Hatchery & Breeding Farm (1683-Quaid-E-Azam Market Multan Cant Multan)	Mir Tahir Shua Zaidi (36302-4974012-5) Syed Farjad Zaidi (36302-8835247-9)	Syed Ahmad Shuaa Zaidi	15,000	500	-	15,500	-	-	2,293	1,008	3,301
44	Conimpex Hatchery & Breeding Farm (1683-Quaid-E-Azam Market Multan Cant Multan)	Mir Tahir Shua Zaidi (36302-4974012-5) Syed Farjad Zaidi (36302-8835247-9)	Syed Ahmad Shuaa Zaidi	15,000	500	-	15,500	-	-	2,661	1,124	3,785
45	Muhammad Yasin (Mouza Lala Wala P/O Hujra Shahmuqeem Tehsil Depalpur)	Muhammad Yasin (35301-1972057-3)	Muhammad Hassan	-	574	-	574	-	-	574	-	574
46	Jam Muhammad Iqbal (Basti Walana P.O. Sanjarpur Sadiqabad)	Jam Muhammad Iqbal (31304-8370982-7)	Jam Allah Wasaya	20	2,687	-	2,707	-	-	2,149	-	2,149
47	Malik Mukhtar Ahmad (Kalia P.O. Aanba Sheikhupura)	Malik Mukhtar Ahmad (35404-2933083-3)	Malik Noor Muhammad	502	840	-	1,342	-	-	840	-	840
48	Nadeem Asghar (Mohallah Naukhar Qadeem Farooqabad P.O. Same Tehsil & District Sheikhupura)	Nadeem Asghar (35404-5254893-7)	Chaudhary Asghar Ali	317	754	-	1,071	-	-	721	-	721
49	Anees Hussain (Hoewky P.O. Same Tehsil & District Sheikhupura)	Anees Hussain (35404-8892905-1)	Muhammad Nawaz	366	637	-	1,003	-	-	637	-	637
50	Ajmal Khan (Chak No 104-RB Tehsil Jaranwala Faisalabad)	Ajmal Khan (33104-2143529-1)	Muhammad Sher	267	498	-	765	-	-	525	-	525
51	Muhammad Hassan (Dera Ali Sarhana Jattri Kohna P/O Same Tehsil & District Sheikhupura)	Muhammad Hassan (35404-2565653-7)	Peeran Ditta.	307	512	-	819	-	-	512	-	512

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
52	Malik Sajid Mehmood (Kachi Muhammad Khan P.O. Taranda Muhammad Pannah Tehsil Liaquatpur)	Malik Sajid Mehmood (31302-2152625-1)	Malik Jind Wadda	2,722	5,160	-	7,882	-	-	5,268	-	5,268
53	Raja Hassan Nawaz Khan (544-H-3 Johar Town Lahore.)	Raja Hassan Nawaz Khan (38201-0984198-3)	Raja Rab Nawaz Khan	1,823	1,818	-	3,641	-	-	1,128	-	1,128
54	Tahir Abbas (Village Wahgray Tehsil Ferozewala District Sheikhupura)	Tahir Abbas (35401-6049777-1)	Muhammad Hanif	410	622	-	1,032	-	-	622	-	622
55	Safdar Ali (Chak # 12/1 R Okara)	Safdar Ali (35302-1820559-7)	Yar Muhammad	585	1,098	-	1,683	-	-	1,157	-	1,157
56	Hassan Saeed (Dahroor Muslim P.O. Siri Rampura Tehsil Ferozwala)	Hassan Saeed (35401-9369028-9)	Liaqat Ali	438	815	-	1,253	-	-	815	-	815
57	Mehar Din (Mouza Manga Hathar, P.O. Sundar Tehsil & District Lahore)	Mehar Din (35202-5409958-9)	Muhammad Anwer	394	662	-	1,056	-	-	661	-	661
58	Rana Sana Ullah & Rana Aman Ullah (137-B/2R Mohallah Eid Gah Haveli Lakkah)	Rana Sana Ullah & Rana Aman Ullah (35301-1910732-9) (35301-1910734-3)	Rana Mohammad Hanif	2,146	3,813	-	5,959	-	-	4,099	-	4,099
59	Muhammad Ismail (Jamsher Chak # 24 Pattoki)	Muhammad Ismail (35103-6556067-9)	Nawaz Khan	499	851	-	1,350	-	-	902	-	902
60	Muhammad Ismail (Jamsher Chak # 24 Pattoki)	Muhammad Ismail (35103-6556067-9)	Nawaz Khan	358	560	-	918	-	-	560	-	560
61	Ali Raza (Mir Pur Bhattian P.O Kot Hussain Tehsil Nankana Sahib)	Ali Raza (35402-7780936-3)	Rai Ghazanfar Ali Khan	-	567	-	567	-	-	567	-	567
62	Muhammad Azam Nawaz (Near Ghala Godam House No. 44 Mohalla Willayatabad No. 02 Multan)	Muhammad Azam Nawaz (36302-5418877-5)	Haji Malik Rizwan	1,525	341	-	1,866	-	-	280	390	670
63	Muhammad Mansoor Sadiq (H. No. 525 Block A Lateef Chowk GM Abad)	Muhammad Mansoor Sadiq (33100-4505165-1)	Sheikh Abdul Sadiq	1,797	336	-	2,133	-	-	313	312	625
64	Nemat Ullah (Ward No.10 Hassan Shah Colony Jampur District Rajanpur)	Nemat Ullah (32402-1449847-9)	Mohammad Ramzan	1,445	721	-	2,166	-	-	1,600	-	1,600
65	Muhammad Adil Khan (H # 130 G-3 Wapda Town Lahore)	Muhammad Adil Khan (35404-6952483-3)	Fazal Ur Rehman Khan	2,227	313	-	2,540	-	-	393	329	722

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
66	Muhammad Afzal Ch (Shop No. 2 Nayyar Plaza Gulraz Rawalpindi)	Muhammad Afzal Ch (35303-2111594-1)	Chaudhary Muhammad Ali	-	421	-	421	-	-	421	389	810
67	Musawar Hussain (P.O. Phalia Rugh Tehsil Phalia District Mandi Bahauddin)	Musawar Hussain (34403-2742416-5)	Munawar Hussain	2,196	417	-	2,613	-	-	344	451	795
68	Muhammad Hasnain (Chah Talib Wala P/O Khas Gogran Tehsil And District Lodhran)	Muhammad Hasnain (36203-3374128-1)	Muhammad Rafeeq	1,346	201	-	1,547	-	-	281	238	519
69	Riaz Ahmad (P.O. Khas Pahrianwali Tehsil Phalia District Mandi Bahauddin)	Riaz Ahmad (34403-8439667-3)	Noor Muahmmad	2,026	470	-	2,496	-	-	554	586	1,140
70	Ali Raza (P.O. Khas Pahrianwali Tehsil Phalia District Mandi Bahauddin)	Ali Raza (34403-6684947-7)	Muhammad Mansha	1,540	231	-	1,771	-	-	328	391	719
71	Haq Carriage Contractor (Mohallah Saeed Abad Ahmad Pur Sial)	Muhammad Farooq Nawaz (33204-0405399-1)	Zulafiqar Ali	5,447	759	-	6,206	-	-	1,014	1,422	2,436
72	Abdul Waheed Wajid (12-13-A Willayat Abad # 2 Vehari Road P.O. Timber Market Multan)	Abdul Waheed Wajid (36302-0464372-1)	Ch Abdul Majeed Rahi	2,653	1,559	-	4,212	-	-	1,106	-	1,106
73	Bashir Ahmad Chishti (Basti Peer Muhammad Yar P/O Chak Nadar Shah Khaibodla Tehsil Bahawalnagar)	Bashir Ahmad Chishti (31101-7757984-7)	Nazir Ahmad Chishti	2,528	425	-	2,953	-	-	423	311	734
74	Shah Zaib Khan (House # P-526 Mohallah Saidpur Angat Pura Rawalpindi)	Shah Zaib Khan (37405-5821289-3)	Shah Nawaz Khan	1,588	282	-	1,870	-	-	285	251	536
75	Imran Khan (Manchar Road Gali No.3 Mohalla Islamabad Ali Pur Chattha District Gujranwala)	Imran Khan (34104-2013298-7)	Zafar Ullah Khan Chattha	1,656	188	-	1,844	-	-	227	560	787
76	Hoorain Goods Transport Company (Street No. 08 Mohalla Tipu Sultan Shaheed Sadiqabad District Rahim Yar Khan)	Rana Mohsin Jameel (31304-8265853-3)	Muhammad Jameel	4,907	816	-	5,723	-	-	1,226	1,246	2,472
77	Muhammad Aslam (Head Rcad, Khanewal Road Multan)	Muhammad Aslam (36302-8595119-5)	Ameer Ud Din	3,777	1,788	-	5,565	-	-	2,024	-	2,024
78	Rukhsana Imdad (House No.62-J, Canal Burg Multan Road Lahore)	Rukhsana Imdad (35202-7417349-8)	D/O Imdad Ali	2,228	397	-	2,625	-	-	433	781	1,214

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
79	Babar Ameer (Thakkar Key Banda P/O Jamal Ko Depalpur Okara Haveli Lakha)	Babar Ameer (35301-4728408-5)	Muhammad Ameer	1,117	146	-	1,263	-	-	259	262	521
80	Deewan Goods Transport Co (Circular Road Near Akbar Masjid Rahim Yar Khan District Rahim Yar Khan)	Usama Raiz (31303-3674461-3)	Muhammad Riaz	4,642	852	-	5,494	-	-	1,216	1,747	2,963
81	Ali Ijaz (Sharif Pura P.O. Awan Muslim Tehsil Muridkey District Shiekhupura)	Ali Ijaz (35405-0558679-5)	Abbas Ali	2,506	147	-	2,653	-	-	416	490	906
82	Al-Riaz Traders (Jowana Bangla Chak # 4/4 R P/O Rang Pur Tehsil & District Muzaffargarh)	Riaz Hussain (32304-1563123-9)	Abdul Rehman	5,405	856	-	6,261	-	-	769	788	1,557
83	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,545	2,413
84	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,540	2,408
85	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,550	2,418
86	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,346	1,234	-	6,580	-	-	883	1,653	2,536
87	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	871	1,551	2,422
88	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,547	2,415
89	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,550	2,418
90	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,545	2,413

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
91	Akhtar Hussain (BOP Main Branch Rawalpindi (Staff).	Akhtar Hussain (37201-1563861-5)	Haji Safdar Hussain	1,254	270	-	1,524	-	-	338	411	749
92	Global Infrastructure (Private) Limited (10-Q, Gulberg II, Lahore)	Asad Nawaz Khan (61101-6412215-1) Mehmood Amir Saeed (35202-1368012-5) Kamal Nasir Khan (56503-5034439-7)	Ch. Muhammad Nazwaz Khan Mian Muhammad Saeed Abaidullah Khan	12,500	146,094	-	158,594	-	-	39,391	1,048	40,439
93	KNK Infrastructure (Pvt) Ltd. (11-A-III, Gulberg- III, Lahore)	Kamal Nasir Khan (56503-5034439-7) Abaid Ullah Khan (54400-8534874-7) Shuja Ul Mulk Khan (35202-2926820-5) Abbas Khan (56503-1843659-3) Asad Nawaz Khan (61101-6412215-1) Mehmood Amir Saeed (35202-1368012-5)	Abaidullah Khan Sheikh Merak Khan Abaidullah Khan Abaidullah Khan Ch. Muhammad Nazwaz Khan Mian Muhammad Saeed	-	130,655	-	130,655	-	-	46,163	2,136	48,299
94	Wood Master International (Pvt) Ltd. (Office # G 1, Craze Plaza, Near DHA, Main Boulevard, Lahore)	Muhammad Younas (34101-8746080-1) Muhammad Afzal (33100-0771376-1) Imran Hassan (34101-9984652-7)	Hassan Din Amir Muhammad Hassan Din	188	72,272	-	72,460	-	-	45,952	-	45,952
95	Zafar Developers And Builders (Jamal Town Opp.Sufi Soap, 12-Km Lhr/Skp. Road Kot Abdul Malik, Lahore)	Muhammad Anjum Ch. (35202-2203235-3)	Ch. Faqir Muhammad.	-	6,036	-	6,036	-	-	5,603	-	5,603
96	Dr.Pervaiz Imtiaz Khan (681 Shadman Colony Lahore)	Dr. Pervaiz Imtiaz Khan (35202-1182931-9)	Imtiaz Ali Khan.	-	13,154	-	13,154	-	-	4,675	-	4,675
97	Bashir Cotton Mills (Pvt) Ltd. (97-B, Gulberg-II, Lahore)	Tariq Rafi (42301-0838522-7) Arif Rafi (35202-1504108-3) Anjum Rafl (35202-2434949-9) Abdullah Rafl (3520014165767)	Muhammad Rafi	165,469	204,691	-	370,160	-	-	196,412	-	196,412

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1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
98	Gulistan Power Generation Ltd. (2nd Floor Finlay House, I.I Chundrigarh Road, Karachi)	Abdul Shakoor (42201-0350226-5) Tanveer Ahmed (42201-0350138-5) Naseer Ahmed (42201-0632509-5) Sohail Maqsood (35201-4740143-5) Muhammad Akhtar Mirza (3520196760423) Iftikhar Ali (35401-2034238-7)	Jamal Din Abdul Shakoor Abdul Shakoor Maqsood Ilahi Karam Dad Khan Zulfiqar Ali	51,132	30,614	-	81,746	-	-	31,206	-	31,206
99	Crescent Jute Products Ltd. (1st Floor, 65-XX, Khayaban-e-Iqbal Road, Sector XX DHA Phase 3, Lahore)	Humayun Mazhar (35201-2124933-9) Khurram Mazhar Karim (35201-1471781-3) Shehryar Mazhar (35201-0706577-7) Shameel Mazhar (35201-8645147-9) Shahjahan Mazhar Karim (35201-3671625-7) Rijah Khurram Mazhar (35201-0464730-6)	Mazhar Karim Mazhar Karim Humayun Mazhar Humayun Mazhar Khurram Mazhar Karim Khurram Mazhar Karim	112,992	95,590	-	208,582	-	-	108,357	5,055	113,412
100	Maqbool Engineering Associates (Pvt) Ltd. (255, Panorama Center, Fatima Jinnah Road Saddar Karachi)	Syed Mahmood Hussain (42301-0883262-5) Nafisa Mahmood (42301-0827600-4) Syed Nabeel Hussain Shah (42301-1080033-3)	Syed Maqbool Hussain Syed Mahmood Hussain Syed Mehmood Hussain	1,589	6,980	-	8,569	-	-	6,488	-	6,488
101	Zemindar Flour Mills (Pvt) Ltd. (33-KM G.T Road, Khorey Muridke)	Mian Fazal-e-Haque (35201-7529542-1) Mian Fazal-Ur-Rehman (35201-1396058-1).	Muhammad Yousaf	53,714	93,541	-	147,255	-	-	53,946	-	53,946
102	Yaqoob & Sons (Makkah Rice Mill Pindi Bhattian Road. Jalalpur Bhattian District Hafizabad)	Mumtaz Ahmed (34301-1729295-3)	Muhammad Yaqoob	49,538	103,428	-	152,966	-	-	47,784	-	47,784

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
103	Haseeb Waqas Sugar Mills Ltd. (6-F Model Town, Lahore)	Mian Haseeb Illyas (35202-7459668-5) Shahzadi Ilyas (35202-2476849-8) Zainab Waqas (35202-4366644-4) Mian Waqas Riaz (35202-2562237-9) Mian Illyas Mehraj (35202-7301494-9) Mian Ijaz Mehraj (35202-7102873-1) Mrs. Yasmin Riaz (35202-9509247-2) Zakia Ilyas (35202-4771354-0) Muhammad Akram Khan (35201-6808852-3) Raza Mustafa (33100-7254107-1) Hafiz Muhammad Irfan Hussain (35301-9994693-9)	Mian Illyas Mehraj Mian M. Illyas Mian Waqas Riaz Mian Riaz Mehraj Mian Mehraj Din Mian Mehraj Din Mian Riaz Mehraj Mian Illyas Mehraj Ch. Niaz Ahmed Shoukat Ali Haji M. Ali Butt	288,487	90,316	-	378,803	-	-	98,413	-	98,413
104	Oriental Fruits (Pvt) Ltd. (6-F Model Town, Lahore)	Ilyas Mehraj (35202-7301494-9) Mian Waqas Riaz (35202-2562237-9) Mian Haseeb Ilyas (35202-7459668-5) Mian Ijaz Mehraj (35202-7102873-1) Mrs. Yasmin Riaz (35202-9509247-2)	Mian Mehraj Din Mian Riaz Mehraj Mian Illyas Mehraj Mian Mehraj Din Mian Riaz Mehraj	109,187	66,057	-	175,244	-	-	41,612	-	41,612
105	Sialkot Transport Co. Pvt. Limited (Near General Bus Stand, Opposite Noor LPG Center Sialkot)	Operators / Directors are representing Sialkot Chamber of Commerce	-	17,743	7,045	-	24,788	-	-	4,183	6,422	10,605

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
106	Dar es Salaam Textile Mills Ltd. (176-N, Scotch Corner, Upper Mall, Lahore)	Faisal Mukhtar (35200-1561125-1) Abida Mukhtar (35202-1492705-4) Nilofar Mukhtar (61101-1836202-0) Mahwesh Faisal Mukhtar (35201-1523109-0) Sheikh Parvez Ashraf (35202-6738230-7) Zulfiqar Ahmed (35202-4941853-1) M. Ejaz Akbar Khan (35202-2732679-9) Ch Ahmed Mukhtar (34201-0402286-7) (Deceased) Irfan Nasr (35201-5531354-9)	Ch. Ahmed Mukhtar Ch. Ahmed Mukhtar Ch. Ahmed Mukhtar Faisal Mukhtar Sheikh Muhammad Ashraf Nazar Mohammad Muhammad Akber Khan Ch. Mohammad Husain Raja Nasrullah Khan	12,862	10,520	-	23,382	-	-	6,269	-	6,269
107	Hygiene Industries (Plot # 21-A, Industrial Estate, Multan)	Mr. Muhammad Athar (42101-4593499-1) Mst. Nuzhat Athar (42101-8646171-8)	Sharif Ahmad. Muhammad Athar.	37,791	44,541	-	82,332	-	-	24,149	-	24,149
108	Pak Pansy (Pvt) Ltd. (Plot # 04, Ahmed Town, Survey # 212, Block # 02, Azizabad, Commercial Area Karachi)	Mr. Muhammad Athar (42101-4593499-1) Mst. Nuzhat Athar (42101-8646171-8)	Sharif Ahmad. Muhammad Athar.	32,356	32,786	-	65,142	-	-	20,756	-	20,756
109	Universal Corporation (Plot # 4, 2nd Floor, Ahmed Town, Survey No. F.B. Area, Block-2, Karachi)	Mr. Muhammad Athar (42101-4593499-1) Mst. Nuzhat Athar (42101-8646171-8)	Sharif Ahmad. Muhammad Athar.	38,892	38,833	-	77,725	-	-	24,489	-	24,489

Annexure I

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
110	Paramount Spinning Mills Ltd. (2nd Floor Finlay House, I.I Chundrigarh Road, Karachi)	Abdul Shakoor (42201-0350226-5) Tanveer Ahmed (42201-0350138-5) Naseer Ahmed (42201-0632509-5) Sohail Maqsood (35201-4740143-5) Muhammad Asif Akram (35404-2976207-1) Muhammad Akhtar Mirza (3520196760423) Abid Sattar (35202-2306906-3) Muhammad Arif (35201-1641317-5) Muhammad Ashraf Khan (35201-1346603-5) Muhammad Junaid (35202-6261910-0)	Jamal Din Abdul Shakoor Abdul Shakoor Maqsood Ilahi Muhammad Akram Karam Dad Khan Abdul Sattar Zahid Abdul Hameed Anwar Muhammad Dilshad Khan Abdul Rasheed	619,184	1,132,669	-	1,751,853	-	-	361,263	-	361,263
111	Khurshid Traders (R/O Bismillah Colony Jatoi Muzaffargarh)	Khursheed Ahmed Rao (32302-1702838-1)	Muhammad Yousaf	-	12,181	-	12,181	-	-	4,837	-	4,837
112	Rana Khalid Hussain (House 281-B/5 Babawala Chowk Sahiwal)	Rana Khalid Hussain (36502-8420142-3)	Khadim Hussain	-	776	-	776	-	-	529	-	529
113	Ghulam Yasin (Kotla Band Ali P/O Jhuggi Wala Tehsil Jatoi, District. Muzaffargarh)	Ghulam Yasin (32302-9083889-1)	Sher Muhammad	-	1,598	-	1,598	-	-	745	-	745
114	Shabbir Trading Company (Pakpattan Road Depalpur, District.Okara)	Ch. Shabbir Ahmed (35301-7661077-3)	Sher Muhammad	-	41,967	-	41,967	-	-	23,588	-	23,588
115	Khawaja Fareed Telecom (College Road, Layyah Tehsil & District Layyah)	Asif Iqbal (32203-1000221-9)	Khuda Bakhsh	-	3,292	-	3,292	-	-	1,120	-	1,120
116	New Modern Cotton Ginner Grain Mark (Shop # 45 A Grain Market Hasilpur)	Ghulam Haider (31203-1716367-5) Ghulam Hussain (31203-1716323-5)	Ghulam Ali	2,805	6,811	-	9,616	-	-	4,253	-	4,253

Annexure I

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
117	Azeem Exports (Pvt.) Ltd (Chak - 202 R.B. Ghona Road Ghatti, Faisalabad)	Abrar Ahmed (33100-0310806-9) Ijaz Ahmed (33100-2102921-7) Yasmeen Ibrar (33100-0336460-2) Suraya Bano (33100-6007043-8) Naeem Akhter (33100-9148895-4)	Muhammad Akram Sh.	7,652	45,358	-	53,010	-	-	17,961	-	17,961
118	Ali Rizwan Bhatti (Chah Pucca P.O. Kot Hussain Khan Nankana Sahib)	Ali Rizwan Bhatti (35202-1933765-7)	Muhammad Sakhi Bhatti	-	21,652	-	21,652	-	-	10,502	-	10,502
119	Fiaz Rice Corporation (Mananwala Narang Manddi Road Narang Mandi)	Iqbal Ahmad (35401-2559531-3) Muhammad Fayyaz (35201-2256395-3)	Abdul Aziz	2,898	11,341	-	14,239	-	-	6,366	-	6,366
120	Azam Majid / Co. (Tatley Road Kamoke)	Rana Anwar Ali Khan (34102-0452452-5) Rana Muhammad Azam Khan (34102-0452451-5) Muhammad Majid Khan (34102-0451127-9)	Ghulam Mahiudin Khan Ghulam Muhammad Ghulam Muhammad	97	3,463	-	3,560	-	-	1,510	-	1,510
121	Khawaja Naseer Ud Din Mehmood (Rajanpur Kalan Rahim Yar Khan)	Haji Abdul Sattar (31303-23400569-9) Muhammad Hanif (358-89-056551) Muhammad Yaqoob (358-78-764496) Shahid Hanif (358-80-792560)	Abdul Aziz Amir Ud Din Muhammad Hanif	2,944	7,542	-	10,486	-	-	5,084	-	5,084
122	Hamid Associates (H. No.7 Sultan Ahmad Road Lahore)	Hamid Almas (35202-7635686-7)	Muhammad Saeed	174	1,762	-	1,936	-	-	553	-	553
123	Liaqat Ali Khan (Raupur Road Joti P.O. Jatoi District M. Gahr Ali Pur)	Liaqat Ali Khan (32302-1736439-1)	Atta Ullah khan	5,086	17,052	-	22,138	-	-	5,501	-	5,501

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
124	Chaudary Brothers Farming Servi (2-Kilometer By Pass Khanqah Sharif Ganwar Shah Road Baahwalpur)	Nasir Mehmood (37405-4371036-9) Khalid Mehmood (35202-3725540-9) Muhammad Adeel (35202-7290958-3)	Abdul Karim	4,564	21,843	-	26,407	-	-	11,151	-	11,151
125	Malik Zari Service Prop: Bashir (Chah Wakeel Wala Khakhi Gharbi P.O. Khas DG Khan)	Bashir Ahmad (32102-7360864-7)	Khushi Muhammad	1,042	1,921	-	2,963	-	-	1,071	-	1,071
126	Sheheryar Bilal Ice/Cold Storage (Tehsil Chowk Chiniot)	Muhammad Bilal Ahmed (33201-3032058-5)	Khushi Muhammad	2,126	2,669	-	4,795	-	-	1,064	-	1,064
127	Woodsy Furniture Chiniot (6-Malik Centre Tehsil Chowk Chiniot)	Muhammad Bilal (33201-3032058-5)	Khushi Muhammad	6,148	7,627	-	13,775	-	-	3,368	-	3,368
128	Hero Center (Tehkal Payan University Road Peshawar)	Imran Khan Khatak (17301-5827250-5)	Nasud Khan	3,398	1,035	-	4,433	-	1,131	-	-	1,131
129	Sagro Seed Corporation (Old Grain Market Khan Pur)	Saeed Ahmad (31301-2207099-5)	Allah Ditta	-	2,690	-	2,690	-	-	1,216	-	1,216
130	Al Madina Filling Station (Opposite Children Hospital Abdali Road Multan)	Rao Ahmad Ali Qamar (32302-1690084-3)	Liaqat Ali	-	2,658	-	2,658	-	-	1,192	-	1,192
131	Azeem Tyres (LMQ Road Nawan Shehr Multan)	Muhammad Azeem (36101-2904883-5)	Chirag Din	4,093	1,770	-	5,863	-	-	706	-	706
132	Alpha Industrial Establishment (19-Birdwood Road, Lahore)	Rana Zaheer Ahmad (35202-2760066-3) Dr. Muhammad Rafi (35201-2783986-9)	Rana Muhammad Tufail Chaudhry Muhammad Shafi Zafar	20,707	32,595	-	53,302	-	-	6,584	-	6,584
133	K.M.Furniture (Mohalla. Karam Abad Chiniot)	Saddat Yar (33201-7802200-1)	Khushi Muhammad	4,566	5,696	-	10,262	-	-	2,920	-	2,920
134	Ausaf Rice Factory (17-Kassi Basti Masoom Shah Vehari Road Multan)	Syed Muhammad Hussain Zaidi (36302-2248004-9)	Syed Waqar Hussain	16,163	4,900	-	21,063	-	-	2,513	-	2,513
135	Zaynoon Traders (A-8,School Road, Nishtarabad Peshawar)	Mohd. Nadeem Gul (17301-1301410-5) Zia Rustam (13101-4102829-3)	Toor Gull Rustam Khan	3,775	10,809	-	14,584	-	-	5,094	-	5,094

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
136	Ahmad Ashraf Cotton Industries (Cotton Lundi Pitafi Road Jatoi District Muzaffargarh)	Rao Ahmad Ali Qamar (32302-1690084-3) Muhammad Ashraf (32302-8203286-5) Muhammad Nasir (36302-0339562-1)	Liaqat Ali, Muhammad Jammil Muhammad Rafique	2,676	8,279	-	10,955	-	-	2,799	-	2,799
137	Gopang Oil Mills Prop:Khalid Mehmood (Khan Oil Mills Wong Tehsil & District Rajan Pur Kot Mithan)	Khalid Mehmood (32403-1633928-9)	Pir Buksh Khan	3,005	6,698	-	9,703	-	-	2,535	-	2,535
138	Giltwood Interiors (Malik Centre Tehsil Chowk Chiniot)	Saddat Yar (33201-7802200-1)	Khushi Muhammad	6,671	8,162	-	14,833	-	-	2,920	-	2,920
139	Bismillah Paper Traders (22 Madina Market, Ganpat Road Lahore)	Tanveer Akram Khan (35202-8211669-1)	Muhammad Akram Khan	861	1,834	-	2,695	-	-	712	-	712
140	Jholay Lal Petrolium Service (Chak-14/1L G.T. Road Renala Khurd Okara)	Muhammad Amin Shah (Deceased) (35303-4337954-5) Shahid Abbas (35303-6412064-5)	Mukhtar Ali Ghulam Abbas	202	4,993	-	5,195	-	-	2,409	-	2,409
141	Noshahi Enterprises (Sabzi Mandi Kamoke, Kamoke)	M. Ashique Hussain (34102-8105347-5) M. Saddique (34102-5659931-1) Hafiz Amir Shahzad (34102-8200347-5) Muhammaed Asif (34102-8985522-7)	Muhammad Latif Urf Bhola Pehlwan Muhammad Ashiq Hussain Muhammad Latif	6,821	6,669	-	13,490	-	-	3,124	-	3,124
142	Appolo Builders Associates (301, Windsong Place, 7-8, K.U. C.H.S. Shaheed-E-Millat Road, Karachi)	Muhammad Amin (42201-4010470-3) Mrs. Nargis Amin (42000-7104159-0)	Ch Jamal Din Ch Shamsul Haq	6,479	14,392	-	20,871	-	-	4,253	-	4,253
143	Al-Ghazi Alamgir Flour Mill (Dau Wala Guddu Road Mureed Shakh Ghotki)	Abdul Manan (33100-0549069-5) Akhtar Ali (61101-4703724-3)	Abdul Rehman Sabir Ali	8,017	30,249	-	38,266	-	-	10,643	-	10,643
144	Noor ud Din (Bhong Tehsil Sadiq Abad)	Noor ud Din (31304-2026365-5)	Faqeer Buksh	3,955	9,942	-	13,897	-	-	3,248	-	3,248
145	Rias Muneer Ahmed (House No. 3 Street No. 29 Sector F61 Islamabad)	Raees Munir Ahmed (42301-6386978-5)	Rais Shabbir Ahmed	9,917	37,018	-	46,935	-	-	13,021	-	13,021

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
146	Uzma Zeeshan / Muhammad Mouzzam Razi (House # 39/B New Muslim Town Lahore)	Uzma Zeshan (31303-0194929-6) Mohd. Moazam Razi (35202-8128599-3)	Fasih	3,961	9,807	-	13,768	-	-	2,991	-	2,991
147	Asim Niazi And Co (Ali Pur Road Piracha Petrol Pump Muzaffer Garh)	Muhammad Asgher Khan (32304-1587455-5) Muhammad Asim Khan (32304-1587456-5) Shugufta Yasmeen (32102-2743069-4) Munawar Sultana (32604-1534186-4)	Muhammad Khan Niazi W/O Muhammad Ayub Niazi W/O Muhammad Asghar Khan	769	1,867	-	2,636	-	-	604	-	604
148	Hafsa Embroidery (House # 2549 Samanabad Faisalabad)	Shahid Iqbal (33102-7560678-5)	Muhammad Ashraf	2,068	1,102	-	3,170	-	-	608	-	608
149	Al-Wahab Filling Station (H. No.50-C Johar Town Lahore)	Syed Ashfaq Hussain Shah (36401-6178476-7)	Syed Safdar Hussain Shah	4,322	4,001	-	8,323	-	-	2,134	-	2,134
150	Adnan Mustafa Tractor Showroom (Chah Wakeel Wala Khaki Gharbi D.G Khan)	Ghulam Mustafa (32102-1117540-3)	Sher Muhammad	1,301	2,475	-	3,776	-	-	1,291	-	1,291
151	Ahmed Nasir Corporation (5-Umer Road Model Town A Bahawalpur)	Muhammad Bukash (-) Khalid Pervaiz (-)	Muhammad Ramzan Ch Sanaullah	3,704	11,565	-	15,269	-	-	5,028	-	5,028
152	Al Meezan Metal Industries Pvt Ltd (Suit # 409 4TH Floor Anum Trade Centre Ghani Chowrangi Site Karachi)	Shah Zaki ur Rehman (42301-1381245-3) Munawar Ahmed (42301-6880736-9)	Shah Aziz Ur Rehman Muhammad Shamsul Tauheed	42,414	8,952	-	51,366	-	4,582	2,784	-	7,366
153	Four Star Garments (197-B Gulgasht Colony Multan)	Zahid Akhter Kanwar (36302-5910466-5)	Kanwar Akhtar Ali	4,574	6,381	-	10,955	-	250	2,574	-	2,824
154	Azam Spray Center (Ghosia Chock Abdul Hakim Tehsil Kabirwala District Khanewal)	Allah Ditta (36101-1911871-9)	Muhammad Azam	720	629	-	1,349	-	-	616	-	616
155	Ali Doubling (Haji Ali Muhammad Wali Street Road Kot Kasur)	Mehboob Ahmed (35102-1364036-9) Rauf Ahmed (35102-1804161-9)	Ali Muhammad	2,845	4,789	-	7,634	-	-	2,316	-	2,316
156	Lasani Poultary Farm (College Road Pattoki Tehsil Pattoki District Okara)	Javid Iqbal (35101-2465787-1)	Muhammad Ashique	411	1,133	-	1,544	-	-	546	-	546
157	Malik Traders (Faisalabad Road Opposite Govt. Islamia College Chiniot)	Sheheryar Hassan (33201-1833497-9)	Khushi Muhammad	2,083	2,575	-	4,658	-	124	1,198	-	1,322

Annexure I

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
158	Kentax Sirgroh (Pvt) Ltd (Industrial Area Katar Band Road Thokar Niaz Baig Multan Road Lahore)	Hammad Khalid (35202-9980349-9) Haseeb Khalid (35202-7237512-3) Amna Khalid (35202-0107764-2)	Khalid Sharif Hammad Khalid	12,285	16,942	-	29,227	-	-	1,600	-	1,600
159	Vicky Trading Company (40 Deewan Street Nishtar Road Lahore)	Tariq Majeed (35201-1850928-3)	Sheikh Abdul Majeed	13,861	18,276	-	32,137	-	348	18,970	-	19,318
160	Ahmad Carporation (Railway Road Pakpattan)	Mukhtar Ahmad (36402-9121053-1)	Haji Muhammad	89	1,137	-	1,226	-	-	714	-	714
161	Al-Madina Furniture (Malik Center Tehsil Chiniot)	Sheheryar Hassan (33201-1833497-9)	Khushi Muhammad	5,161	6,504	-	11,665	-	-	2,926	-	2,926
162	Excel Distributors (02, White House Lane-02 Sunderdas Road Lahore)	Syed Hassan Ilyas (35201-3778403-3)	Syed Ilyas Ali	2,225	3,601	-	5,826	-	-	1,570	-	1,570
163	Haji Manzoor Qadir (Sandhu Furniture House, Kutchery Road, Gujrat)	Manzoor Qadir (34201-8976433-7)	Muhammad Ismail	161	3,135	-	3,296	-	-	1,197	-	1,197
164	Punjab Group Of Colleges Jehanian (H # 453 Near Masjid Quados Mohallah Jinnah Colony-B Jahanian)	Tawakkal Hussain (36101-2904883-5)	Malik Sikandar Khan	14,000	6,748	-	20,748	-	1,625	2,485	-	4,110
165	Ahmed Rice Mills (Ahmed Nagar, Tehsil Wazirabad District Gujranwala)	Ghulam Nabi Butt (34104-0865481-7) M. Jehangir Chatha (34104-2261706-5) Allah Rakha (34104-2239145-9) Ghulam Rasool (34104-2221302-9) Zonaira Maryam (34101-6114870-6)	Muhammad Ismail Ch.Maqsood Ali Chattha Muhammad Ibrahim Allah Ditta W/O Abdul Rashid	13,648	20,182	-	33,830	-	-	16,413	-	16,413
166	Badar Majeed (164-Aurangzeb Block, Garden Town Lahore)	Badar Majeed (35202-4970220-7)	Sheikh Abdul Majeed	552	911	-	1,463	-	103	700	-	803
167	Saanco Enterprises (25 Street # 43/S Pak Colony Near Timber Market Ravi Road Lahore)	Malik Muhammad Amin (35102-6153918-1)	Malik Ghulam Muhammad	8,471	10,175	-	18,646	-	-	5,104	-	5,104

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
168	Ittefaq Bricks Company (2-KM, Bucheki Road, Near Haseeb Waqas Sugar Mills, Nankana Sahib, Bucheki Road Nankana Sahib)	Rai Saleem-ur-Rehman Bhatti (35202-5365019-7)	Ahmad Din	1,065	1,648	-	2,713	-	-	860	-	860
169	Champion Traders (Abaseen Complex, Ground Floor, 8-Davis Road, Lahore)	Ghulam Sarwar (35202-6541229-7)	Ahmad Din	2,200	1,853	-	4,053	-	-	851	-	851
				2,056,361	2,981,735	-	5,038,096	-	8,163	1,522,072	40,898	1,571,133

Annexure II

ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the December 31, 2021, the Bank is operating 114 Islamic banking branches (2020: 102 Islamic banking branches and 02 sub Islamic banking branches) and 25 Islamic banking windows (2020: Nil).

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	2021	2020
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		7,527,608	5,351,954
Balances with other banks		6,059,934	307,986
Due from financial institutions	1	4,500,000	8,632,000
Investments - net	2	16,590,093	16,996,603
Islamic financing and related assets - net	3	49,033,044	33,201,187
Fixed assets		2,052,740	1,670,801
Intangible assets		9,439	6,626
Due from head office		442,430	951,270
Other assets		1,399,506	2,003,185
Total assets		87,614,794	69,121,612
LIABILITIES			
Bills payable		388,599	212,448
Due to financial institutions		911,409	607,842
Deposits and other accounts	4	79,206,096	61,539,589
Due to head office		-	-
Subordinated debt		-	-
Other liabilities		2,556,072	2,647,285
		83,062,176	65,007,164
NET ASSETS		4,552,618	4,114,448
REPRESENTED BY			
Islamic banking fund		2,000,000	1,500,000
Reserves		5,505	735
Deficit on revaluation of assets		(3,019)	(97,165)
Unappropriated profit	5	2,550,132	2,710,878
		4,552,618	4,114,448
CONTINGENCIES AND COMMITMENTS	6		

Annexure II

ISLAMIC BANKING BUSINESS PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
Profit / return earned	7	4,621,515	5,057,562
Profit / return expensed	8	2,208,303	2,558,654
Net profit / return		2,413,212	2,498,908
Fee and commission income		179,284	108,798
Dividend income		-	-
Foreign exchange (loss) / income		(5,175)	4,915
Income / (loss) from derivatives		-	-
Gain on securities		2,194	-
Other income		1,271	4,278
		177,574	117,991
Total income		2,590,786	2,616,899
Other expenses			
Operating expenses		1,981,180	1,646,171
Workers welfare fund		-	-
Other charges		294	150
		1,981,474	1,646,321
Profit before provisions		609,312	970,578
Provisions and write offs - net		770,058	414,325
(Loss) / profit before taxation		(160,746)	556,253
Taxation	9	-	-
(Loss) / profit after taxation		(160,746)	556,253

Annexure II

ISLAMIC BANKING BUSINESS CASH FLOWS STATEMENT

For the year ended December 31, 2021

	2021	2020
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(160,746)	556,253
Less: dividend income	-	-
	(160,746)	556,253
Adjustments for:		
Depreciation on fixed assets	127,910	126,823
Amortization on intangible assets	1,446	1,353
Depreciation on ijarah assets under IFAS - 2	118,973	162,883
Depreciation right-of-use assets	177,486	158,935
Markup on lease liability against right-of-use assets	195,434	181,732
Amortization of premium on debt securities - net	63,923	43,739
Gain on termination of lease liability against right-of-use assets	679	17
Gain on sale of property and equipment - net	(34)	(2,135)
Provision and write-offs - net	770,058	414,325
	1,455,875	1,087,672
	1,295,129	1,643,925
(Increase) / decrease in operating assets:		
Lendings to financial institutions	4,132,000	(5,237,000)
Advances	(16,721,924)	(6,507,423)
Others assets	1,113,555	1,847,493
	(11,476,369)	(9,896,930)
Increase / (decrease) in operating liabilities:		
Bills payable	176,151	(37,765)
Due to financial institutions	303,567	607,842
Deposits and other accounts	17,666,507	15,450,580
Other liabilities	(504,559)	(582,550)
	17,641,666	15,438,107
Net cash flow from operating activities	7,460,426	7,185,102
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	436,733	(8,269,009)
Investments in fixed assets	(192,119)	(120,718)
Investment in intangible assets	(2,813)	(2,198)
Net cash flow from / (used in) investing activities	241,801	(8,391,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Islamic banking fund	500,000	-
Payment of lease liability against right-of-use assets	(274,625)	(231,034)
Net cash flow from / (used in) financing activities	225,375	(231,034)
Net increase / (decrease) in cash and cash equivalents	7,927,602	(1,437,857)
Cash and cash equivalents at beginning of the year	5,659,940	7,097,797
Cash and cash equivalents at end of the year	13,587,542	5,659,940

Annexure II

1. DUE FROM FINANCIAL INSTITUTIONS

	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Unsecured	4,500,000	-	4,500,000	8,632,000	-	8,632,000

2. INVESTMENTS BY SEGMENTS

	2021				2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
Federal government securities:								
- Ijarah sukuks	4,502,908	-	(1,154)	4,501,754	2,249,072	-	1,078	2,250,150
- Naya Pakistan Certificates	88,600	-	-	88,600	-	-	-	-
- Sukuk - bai muajjal with Government of Pakistan	-	-	-	-	2,756,196	-	-	2,756,196
	4,591,508	-	(1,154)	4,590,354	5,005,268	-	1,078	5,006,346
Non government debt securities								
- Listed	8,457,812	-	(75,312)	8,382,500	8,521,689		(171,690)	8,349,999
-Unlisted	3,617,239	-	-	3,617,239	3,640,258	-	-	3,640,258
Total investments	16,666,559	-	(76,466)	16,590,093	17,167,215	-	(170,612)	16,996,603

	Note	2021	2020
		Rupees in '000'	
3. ISLAMIC FINANCING AND RELATED ASSETS			
Ijarah	3.1	2,075,758	1,988,841
Murabaha	3.2	2,115,237	220,091
Musharaka		21,482,411	9,347,782
Diminishing musharaka		20,579,778	18,353,796
Istisna		4,154,436	3,894,158
Payment against documents		55,304	55,304
Gross islamic financing and related assets		50,462,924	33,859,972
Less: provision against islamic financings			
- Specific		1,429,880	658,785
- General		-	-
		1,429,880	658,785
Islamic financing and related assets - net of provision		49,033,044	33,201,187

3.1 Ijarah

	2021								
	Cost				Depreciation				Book value
	As at Jan 01, 2021	Additions	Deletion / adjustment	As at Dec 31, 2021	As at Jan 01, 2021	Deletion / adjustment	Charge for the year	As at Dec 31, 2021	as at Dec 31, 2021
	Rupees in '000'								
Plant and machinery	96,262	-	(49,442)	46,820	38,170	(36,339)	12,930	14,761	32,059
Vehicles	537,678	241,247	(38,061)	740,864	278,634	(16,304)	78,935	341,265	399,599
Equipment	196,223	-	(73,139)	123,084	148,925	(72,642)	27,108	103,391	19,693
Service Ijarah	1,624,407	-	-	1,624,407	-	-	-	-	1,624,407
Total	2,454,570	241,247	(160,642)	2,535,175	465,729	(125,285)	118,973	459,417	2,075,758

Annexure II

	2020								
	Cost				Depreciation				Book value
	As at Jan 01, 2020	Additions	Deletion / adjustment	As at Dec 31, 2020	As at Jan 01, 2020	Deletion / adjustment	Charge for the year	As at Dec 31, 2020	as at Dec 31, 2020
	Rupees in '000'								
Plant and machinery	125,415	-	(29,153)	96,262	48,493	(31,144)	20,821	38,170	58,092
Vehicles	521,933	31,188	(15,443)	537,678	212,044	(11,434)	78,024	278,634	259,044
Equipment	214,523	-	(18,300)	196,223	99,424	(14,537)	64,038	148,925	47,298
Service Ijarah	1,235,518	388,889	-	1,624,407	-	-	-	-	1,624,407
Total	2,097,389	420,077	(62,896)	2,454,570	359,961	(57,115)	162,883	465,729	1,988,841

3.1.1 Future ijarah payments receivable

	2021				2020			
	Not later than 1 year	Later than 1 & less than 5 years	Over five years	Total	Not later than 1 year	Later than one & less than 5 years	Over five years	Total
	Rupees in '000'				Rupees in '000'			
Ijarah rental receivables	460,402	1,197,537	417,819	2,075,758	425,493	1,145,529	417,819	1,988,841

	Note	2021	2020
		Rupees in '000'	
3.2 Murabaha			
Murabaha financing	3.2.1	2,056,987	197,566
Advances for murabaha		58,250	22,525
		2,115,237	220,091
3.2.1 Murabaha receivable - gross	3.2.2	2,137,662	242,516
Less: deferred murabaha income	3.2.4	43,890	344
Profit receivable shown in other assets		36,785	44,606
Murabaha financings		2,056,987	197,566
3.2.2 The movement in murabaha financing during the year is as follows:			
Opening balance		242,516	1,046,741
Sales during the year		3,122,725	859,021
Adjusted during the year		1,227,579	1,663,246
Closing balance		2,137,662	242,516
3.2.3 Murabaha sale price		2,187,623	203,970
Murabaha purchase price		2,056,987	6,404
		130,636	197,566
3.2.4 Deferred murabaha income			
Opening balance		344	29,784
Arised during the year		89,814	32,506
Less: recognized during the year		46,268	61,946
Closing balance		43,890	344

3.3 Islamic financing and related assets include Rs. 3,265,869 thousand (2020: Rs. 2,876,933 thousand) which have been placed under non-performing status.

Annexure II

4. DEPOSITS AND OTHER ACCOUNTS

	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers						
Current deposits	14,637,500	413,124	15,050,624	11,129,196	361,767	11,490,963
Savings deposits	44,910,744	223,869	45,134,613	46,122,394	65,342	46,187,736
Term deposits	7,693,035	-	7,693,035	1,967,176	-	1,967,176
Others	1,545,903	-	1,545,903	1,581,404	-	1,581,404
	68,787,182	636,993	69,424,175	60,800,170	427,109	61,227,279
Financial institutions						
Current deposits	221,033	41,503	262,536	216,155	-	216,155
Savings deposits	69,119	185	69,304	90,864	5,291	96,155
Term deposits	9,450,000	-	9,450,000	-	-	-
Others	81	-	81	-	-	-
	9,740,233	41,688	9,781,921	307,019	5,291	312,310
	78,527,415	678,681	79,206,096	61,107,189	432,400	61,539,589

	2021	2020
	Rupees in '000'	
4.1 Composition of deposits		
- Individuals	15,034,600	13,391,543
- Government	22,981,647	24,840,912
- Public sector entities	1,244,608	430,596
- Banking companies	259,390	269,062
- Non-banking financial institutions	9,522,531	43,248
- Private sector	30,163,320	22,564,228
	79,206,096	61,539,589

4.2 This includes deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 39,930,973 thousand (2020: Rs 30,735,192 thousand).

	2021	2020
	Rupees in '000'	
5. ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	2,710,878	2,154,625
Add: Islamic banking (loss) / profit for the year	(160,746)	556,253
Closing balance	2,550,132	2,710,878
6. CONTINGENCIES AND COMMITMENTS		
- Guarantees	1,662,941	1,683,665
- Commitments	5,785,076	1,586,274
	7,448,017	3,269,939

Annexure II

	2021	2020
	Rupees in '000'	
6.1 Guarantees:		
Financial guarantees	68,200	78,900
Performance guarantees	851,135	765,088
Other guarantees	743,606	839,677
	1,662,941	1,683,665
6.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	4,684,070	1,078,068
Commitments in respect of:		
- forward lending	1,101,006	508,206
	5,785,076	1,586,274
6.2.2 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitments to lend	1,101,006	508,206

6.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2021	2020
	Rupees in '000'	
Claims against the Bank not acknowledged as debts	65,639	-

The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2021	2020
	Rupees in '000'	
7. PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	2,705,740	3,209,835
Investments	1,530,172	1,543,985
Placements	351,056	291,047
Deposits with financial institutions	34,547	12,695
	4,621,515	5,057,562

Annexure II

	2021	2020
	Rupees in '000'	
8. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	1,944,056	2,317,614
Markup on lease liability against right-of-use assets	195,434	181,732
Markup on borrowings from SBP	2,860	49
Profit on deposits from conventional HO	65,953	59,259
	2,208,303	2,558,654

9. The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax credit for Islamic Banking is expected to be Rs. 52,114 thousand (2020: notional net tax charge of Rs. 234,071 thousand).

	2021	2020
	Rupees in '000'	
10. CHARITY FUND		
Opening balance	4,162	40,263
Additions during the year :		
Received from customers on account of delayed payment	833	11,259
Profit on charity saving account	131	982
	964	12,241
Payments / utilization during the year :		
Health	5,126	48,342
Closing balance	-	4,162

11. POOL MANAGEMENT

11.1 BOP TAQWA islamic banking division is maintaining following pools for profit declaration and distribution.

i) General pool
ii) Special pool-I (Equity)
iii) Special pool-II
iv) Special pool-IV
v) Special pool-VII (PER)
vi) Special pool-IX
vii) Special pool-XIII
viii) Special pool-XIV
ix) Special pool-XV
x) Special pool-XVI
xi) Special pool-XVII
xii) Special pool-XVIII
xiii) Special pool-XIX
xiv) Special pool-XX
xv) Special pool-XXI
xvi) Special pool-XXII

xvii) Special pool-XXIII
xviii) Special pool-XXIV
xix) Special pool-XXV
xx) Special pool-XXVI
xxi) Special pool-XXVII (IERS Pool)
xxii) Special pool-XXVIII
xxiii) Special pool-XXIX
xxiv) Special pool-XXX
xxv) Special pool-XXXI
xxvi) Taqwa Foreign Currency USD Pool
xxvii) Taqwa Foreign Currency GBP Pool
xxviii) Taqwa Foreign Currency EURO Pool
xxix) USD special pool-I

11.2 General pool

The general pool comprises of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as fund manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pool is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of period concerned.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

a) Weightages for distribution of profit in general pool

Profit is calculated on the basis of daily product balance in Mudaraba based depositors' accounts and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

- Contracted period, nature and type of deposit/ fund
- Payment cycle of profit on such deposit/ fund, i.e. monthly, quarterly or on maturity
- Magnitude of risk

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, Islamic Banking Institutions and Shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

Annexure II

11.3 Special pools

The special pools comprise of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as Fund Manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pools is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of concerned period.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-TAQWA as Mudarib.

a) Weightages for distribution of profit in special pools

Profit is calculated on daily product basis and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

- Contracted period, nature and type of deposit/ fund.
- Payment cycle of profit on such deposit/ fund, i.e. monthly, quarterly or on maturity
- Magnitude of risk

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

Annexure II

11.4 Avenues / sectors of economy / business where mudaraba based deposits have been deployed:

	2021	2020
	Rupees in '000'	
Federal and provincial governments	20,567,121	9,602,269
Due from GOP - bai muajjal	-	2,756,196
Placement with Financial Institutions	4,500,000	8,632,000
Ijara sukuk	4,502,908	2,249,071
Transport, storage, logistics and communication	157,013	186,055
Manufacturing and trading of food items	1,092,893	842,840
Manufacture of pesticides and other agro-chemical product	-	68,137
Power generation	18,464,149	18,131,692
Manufacture of paper, paperboard and products thereof	507,914	614,086
Consumer car Ijarah	184,559	16,225
Consumer Housing / LCH	269,977	-
Textile composite / other	3,198,893	4,328,821
Cement & allied	3,920,171	3,138,939
Iron & steel industry	1,439,874	856,890
Rubber / plastic products etc.	1,340,342	198,648
Others	17,017,696	8,054,170
	77,163,510	59,676,039

11.5 Charging expenses

The direct expenses are being charged to the pool, while indirect expenses including the establishment cost is being borne by BOP IBD as Mudarib. The direct expenses to be charged to the pool may include cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee or documentation charges, brokerage fee for purchase of securities/commodities etc.

	2021	2020
	Rupees in '000'	
Provisions		
Murabaha	79,995	50,009
Istisna	10,000	10,000
Ijarah	195,320	186,380
Diminishing Musharika	1,144,565	412,396
	1,429,880	658,785

11.6 Mudarib share (in amount and percentage of distributable income):

	2021		2020	
	Rupees in '000'	Percentage %	Rupees in '000'	Percentage %
	Rupees in '000'			
Rabbul mal	2,058,478	58.14%	2,250,493	56.74%
Mudarib	1,482,331	41.86%	1,715,683	43.26%
Distributable income	3,540,809	100.00%	3,966,176	100.00%

Annexure II

11.7 Amount & percentage of mudarib share transferred to depositors through Hiba:

	2021	2020
	Rupees in '000'	
Mudarib share	1,482,331	1,715,683
Hiba	82,175	173,347
Hiba percentage of mudarib share	5.54%	10.10%

This is not a special hiba as such. This hiba has been distributed across the board to all the investment account holders.

Profit rate earned vs. profit rate distributed to the depositors during the year:

Profit rate earned	7.49%	9.53%
Profit rates distributed to depositors	3.57%	4.83%

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

(The Bank of Punjab and Its Subsidiaries)

Building a better
working world

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INDEPENDENT AUDITOR'S REPORT

To the members of The Bank of Punjab
Report on the Audit of the Consolidated Financial Statements
For the year ended 31 December 2021

Opinion

We have audited the annexed consolidated financial statements of The Bank of Punjab and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit and loss account and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Provision against non-performing advances	
The Group's credit portfolios include advances, debt securities and non-funded credit facilities. The portfolio is spread across various domestic branches and include corporate financing to several public sector entities and large to small size businesses operating in the private sector, as well as consumer financing to individuals. As per the Group's accounting policy (refer note 5.4 to the consolidated financial statements), the Group determines provisions against non-performing financings exposures in accordance with the requirements of Prudential Regulations of State Bank of Pakistan (SBP) and also maintains general provision as required by PRs. The PRs require specific provisioning for loan losses on the basis of an age-based criteria which should be supplemented by a subjective evaluation of Group's credit portfolio. The determination of loan loss provision, therefore, involve use of management judgment, on a case-to-case basis, considering factors such as the borrower's economic, financial, and business conditions, borrowers repayment behaviors and realizability of collateral held by the Group. The Group's advances to the customers represent 40.5% of its total assets as at 31 December 2021 and are stated at Rs. 485,576 million which is net of provision of Rs. 50,014 million at the year end. In view of the significance of this area in terms of its impact on the consolidated financial statements and the level of involvement of management's judgment, we identified adequacy and completeness of provision against financings as a significant area of audit judgment and a key audit matter. The accounting policy and disclosures relating to provisioning against non- performing financings are included in note 5.4 and 10 respectively to the consolidated financial statements.	We applied a range of audit procedures including the following: - We reviewed the Group's process for identification and classification of non-performing financings. As part of such review we performed an analysis of the changes within the different categories of classified non-performing accounts from last year to the current reporting date. This analysis was used to gather audit evidence regarding downgrading of impaired financings and declassification of accounts from non-performing to regular and vice versa, as the case may be. - We performed independent checks on test basis for the computations of provisions to assess that the same is in line with the requirements of the applicable Prudential Regulations. - In addition, we selected a representative sample of borrowers from the financings portfolios including individually significant credit facilities and performed tests and procedures such as review of credit documentation, repayment history and past due status, financial condition as depicted by the borrowers' financial statements, nature of collateral held by the Group and status of litigation, if any, with the borrower; - In respect of the level of general provision maintained by the Group, we discussed the approach and policy followed by the Group with the management. We also assessed adequacy of disclosures as included in note 10 to the consolidated financial statements regarding the non-performing financings and provisions made for the same in the consolidated financial statements in accordance with the requirements of the applicable financial reporting framework.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ahsan Shahzad.

E Y Ford Rhodes
Chartered Accountants

Place: Lahore
Date: 07 March 2022
UDIN: AR202110079jMTdbLPpB

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	2021	2020
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	6	71,319,238	69,272,177
Balances with other banks	7	8,858,356	2,507,010
Lendings to financial institutions	8	29,580,388	15,086,867
Investments - net	9	531,697,948	567,803,516
Advances - net	10	485,576,503	391,889,808
Fixed assets	11	19,836,430	14,817,059
Intangible assets	12	1,108,152	695,648
Deferred tax assets - net	13	13,760,437	7,838,663
Other assets - net	14	35,534,757	25,937,481
		1,197,272,209	1,095,848,229
LIABILITIES			
Bills payable	16	10,109,459	4,168,641
Borrowings	17	71,323,488	154,841,415
Deposits and other accounts	18	1,002,918,281	835,070,362
Liabilities against assets subject to finance lease		-	-
Subordinated debts	19	7,788,980	6,791,700
Deferred tax liabilities		-	-
Other liabilities	20	50,221,597	42,593,336
		1,142,361,805	1,043,465,454
NET ASSETS		54,910,404	52,382,775
REPRESENTED BY			
Share capital - net	21	26,173,766	26,173,766
Reserves		10,602,583	8,113,976
Non Controlling Interest		587,579	506,993
(Deficit) / surplus on revaluation of assets - net of tax	22	(1,368,710)	5,955,359
Unappropriated profit		18,915,186	11,632,681
		54,910,404	52,382,775
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 47 and annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
Mark-up / return / interest earned	24	81,804,413	86,120,415
Mark-up / return / interest expensed	25	51,776,184	62,696,412
Net mark-up / interest income		30,028,229	23,424,003
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	5,143,597	3,757,167
Dividend income		377,403	136,987
Foreign exchange income		576,914	328,303
Income / (loss) from derivatives		-	-
Gain on securities - net	27	1,785,790	8,466,492
Other income - net	28	60,357	387,191
Total non-markup / interest income		7,944,061	13,076,140
Total income		37,972,290	36,500,143
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	20,835,578	17,064,740
Workers welfare fund		363,315	334,882
Other charges	30	13,408	304,279
Total non-markup / interest expenses		21,212,301	17,703,901
Profit before provisions		16,759,989	18,796,242
(Reversal) / provisions and write offs - net	31	(1,611,018)	6,869,929
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		18,371,007	11,926,313
Taxation - net	32	5,974,608	5,045,784
PROFIT AFTER TAXATION		12,396,399	6,880,529
PROFIT ATTRIBUTABLE TO:			
Equity holders of the parent		12,315,813	6,818,867
Non Controlling Interest		80,586	61,662
		12,396,399	6,880,529
Basic earnings per share	33	4.66	2.58
Diluted earnings per share	34	4.66	2.58

The annexed notes 1 to 47 and annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
Profit after taxation for the year		12,396,399	6,880,529
Other comprehensive income:			
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurement loss on defined benefit obligation	37.1.7.2	(747)	(87,285)
Movement in surplus on revaluation of fixed assets - net of tax	22.1	1,946,307	-
Movement in surplus on revaluation of non-banking assets - net of tax	22.2	201,167	(6,978)
		2,146,727	(94,263)
		14,543,126	6,786,266
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus on revaluation of investments - net of tax	22	(9,380,427)	707,349
Total comprehensive income		5,162,699	7,493,615
Total comprehensive income attributable to:			
Equity holders of the parent		5,082,113	7,431,953
Non Controlling Interest		80,586	61,662
		5,162,699	7,493,615

The annexed notes 1 to 47 and annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of Investments	Surplus / (Deficit) - net of tax on revaluation of Fixed / non banking assets	Unappropriated profit	Non-Controlling Interest	Total
	Rupees in '000'									
Balance as on January 01, 2020	26,436,924	(263,158)	26,173,766	2,215,040	4,510,188	2,226,914	3,144,293	8,151,276	445,331	46,866,808
Profit after taxation for the year	-	-	-	-	-	-	-	6,818,867	61,662	6,880,529
Other comprehensive income / (loss)	-	-	-	-	-	707,349	(6,978)	(87,285)	-	613,086
Total comprehensive income / (loss) for the year ended December 31, 2020	-	-	-	-	-	707,349	(6,978)	6,731,582	61,662	7,493,615
Transfer to statutory reserve	-	-	-	-	1,388,748	-	-	(1,388,748)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(66,510)	66,510	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(9,424)	9,424	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal- net of tax	-	-	-	-	-	-	(12,140)	14,963	-	2,823
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(28,145)	30,443	-	2,298
Transactions with owners, recognized directly in equity:										
Final cash dividend - December 31, 2019 declared subsequent to year end at 7.5%	-	-	-	-	-	-	-	(1,982,769)	-	(1,982,769)
	-	-	-	-	-	-	-	(1,982,769)	-	(1,982,769)
Balance as on December 31, 2020	26,436,924	(263,158)	26,173,766	2,215,040	5,898,936	2,934,263	3,021,096	11,632,681	506,993	52,382,775
Profit after taxation for the year	-	-	-	-	-	-	-	12,315,813	80,586	12,396,399
Other comprehensive (loss) / income	-	-	-	-	-	(9,380,427)	2,147,474	(747)	-	(7,233,700)
Total comprehensive income / (loss) for the year ended December 31, 2021	-	-	-	-	-	(9,380,427)	2,147,474	12,315,066	80,586	5,162,699
Transfer to statutory reserve	-	-	-	-	2,488,607	-	-	(2,488,607)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(59,455)	59,455	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(9,164)	9,164	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(22,497)	31,119	-	8,622
Transactions with owners recognized directly in equity :										
Final cash dividend - December 31, 2020 declared subsequent to year end at 10%	-	-	-	-	-	-	-	(2,643,692)	-	(2,643,692)
	-	-	-	-	-	-	-	(2,643,692)	-	(2,643,692)
Balance as on December 31, 2021	26,436,924	(263,158)	26,173,766	2,215,040	8,387,543	(6,446,164)	5,077,454	18,915,186	587,579	54,910,404

The annexed notes 1 to 47 and annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer | President | Chairman | Director | Director

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		18,371,007	11,926,313
Less: Dividend income		(377,403)	(136,987)
		17,993,604	11,789,326
Adjustments:			
Depreciation on property and equipment	11.3	1,236,473	1,181,997
Depreciation on non banking assets acquired in satisfaction of claims	14.1.1	48,666	58,923
Depreciation on ijarah assets under IFAS - 2	29	240,683	287,075
Depreciation on right-of-use assets	29	990,749	891,145
Amortization on intangible assets	12.1	208,010	197,899
Amortization of discount on debt securities - net		(1,483,712)	(3,042,435)
Markup on lease liability against right-of-use assets	25	1,047,705	937,275
Unrealized gain on revaluation of investments classified as held for trading	9.1	(21,039)	(1,630)
(Reversal) / provision and write-offs - net	31	(1,611,018)	6,869,929
(Gain) / loss on termination of lease liability against right-of-use assets	28	(3,156)	2,635
Loss / (gain) on sale of property and equipment - net	28	980	(101,461)
Gain on sale of non banking assets - net	28	(42,207)	(225,129)
Realized gain on sale of securities - net	27.1	(1,764,751)	(8,464,862)
Provision for employees compensated absences	29.1	12,040	13,982
Gratuity expense	29.1	273,147	187,775
		(867,430)	(1,206,882)
		17,126,174	10,582,444
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		(14,493,521)	(11,127,096)
Held for trading securities		(14,356,519)	(9,188,822)
Advances		(92,117,313)	(14,114,064)
Others assets		(9,662,535)	4,660,063
		(130,629,888)	(29,769,919)
Increase / (Decrease) in operating liabilities:			
Bills Payable		5,940,818	747,558
Borrowings from financial institutions		(83,515,791)	77,619,855
Deposits and other accounts		167,847,919	144,054,503
Other liabilities		4,673,047	(222,984)
		94,945,993	222,198,932
Payment made to gratuity fund		(267,524)	(278,213)
Income tax paid		(6,196,821)	(4,854,867)
		(6,464,345)	(5,133,080)
Net cash (used in) / flow from operating activities		(25,022,066)	197,878,377

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available for sale securities		38,338,339	(185,058,541)
Dividends received		378,140	134,790
Investment in fixed assets		(1,842,527)	(1,069,119)
Investment in intangible assets		(620,514)	(93,122)
Proceeds from sale of property and equipment		3,345	651,797
Proceeds from sale of non banking assets		293,024	842,089
Net cash flow from / (used in) investing activities		36,549,807	(184,592,106)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,720)	(2,002,720)
Dividend paid		(2,643,692)	(1,982,769)
Payment of lease liability against right-of-use assets		(1,480,786)	(1,173,559)
Advance subscription money - subordinated perpetual term finance certificates	19.3	1,000,000	-
Net cash used in financing activities		(3,127,198)	(5,159,048)
Effects of exchange rate changes on cash and cash equivalents		-	-
Increase in cash and cash equivalents		8,400,543	8,127,223
Cash and cash equivalents at beginning of the year		71,777,051	63,649,828
Cash and cash equivalents at end of the year	35	80,177,594	71,777,051

The annexed notes 1 to 47 and annexures I and II form an integral part of these consolidated financial statements.

Chief Financial Officer	President	Chairman	Director	Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. STATUS AND NATURE OF BUSINESS

1.1 The Bank of Punjab Group ("the Group") comprises of The Bank of Punjab ("the Bank") ("BOP") ("the Parent"), Punjab Modaraba Service (Private) Limited ("PMSL") (the Management Company), First Punjab Modaraba ("FPM") ("the Modaraba"), Punjab Capital Securities (Private) Limited ("PCSL") (100% owned by First Punjab Modaraba). For the purpose of these financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

The Group consists of:

Parent

The Bank of Punjab

	% age of holding 2021	% age of holding 2020
	Rupees in '000'	
Subsidiaries		
Punjab Modaraba Service (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	39.16%

The subsidiary company of the Group, Punjab Modaraba Service (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. Further, Punjab Capital Securities (Private) Limited is a 100% subsidiary of FPM. The Group has consolidated the financial statements of the modaraba and PCSL as the ultimate parent. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, etc. Brief profile of the Bank and subsidiaries is as follows:

The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 662 branches including 16 sub branches and 114 Islamic banking branches (2020: 636 branches including 18 sub branches and 104 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

Punjab Modaraba Service (Private) Limited

Punjab Modaraba Services (Private) Limited was incorporated in Pakistan on October 19, 1991 under the Companies Ordinance, 1984 as a private limited company. It is wholly owned by The Bank of Punjab and is primarily engaged in the business of floating and managing Modarabas.

It has accumulated losses as at December 31, 2021. Further, the Company's current liabilities exceeded its current assets. These losses are mainly due to drying up of revenue streams. The management fee and dividend from First Punjab Modaraba (the Managed Modaraba) are the main sources of revenue of the Company. The financial statements of PMSL, however, have been prepared under the going concern assumption due to the reason that with continued support of the Bank of Punjab (the Holding Company), the Modaraba is expected to show better performance going forward yielding returns for the Bank.

First Punjab Modaraba

First Punjab Modaraba was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab).The registered office of the Modaraba is situated at Office No 100, 3rd floor, National Tower 28-Edgerton Road, Lahore. The Modaraba commenced its operations on 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

During the period ended 31 December 2021, the Modaraba has made operating profit, however the accumulated losses of First Punjab Modaraba, net of capital reserve, as at 31 December 2021 exceeds more than fifty percent of the total amount subscribed by the holders of the Modaraba Certificates. Further the current liabilities of the Modaraba exceed its current liabilities as at December 31, 2021. The losses attributed mainly to the increased finance costs in the recent financial years.

In order to address going concern issue in terms of section 23 of the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 (the Modaraba Ordinance), The Bank of Punjab (BOP) being the parent company of the Modaraba's Management Company' is providing enduring support and it shall continue to provide financial support to the Modaraba in order to mitigate liquidity risk. The Modaraba has obtained approval from the Securities & Exchange Commission of Pakistan dated 13 January 2021 to undertake Building, Construction and Real Estate activities. Accordingly, financial benefits shall be accrued in books of Modaraba in due course of time. Further, the Modaraba has made significant progress in term of recovery from certain classified borrower resulting in improvement of net equity in term of compliance of section 23 of the Modaraba Ordinance.

On the basis of support and the arrangements as outlined above and the business plan prepared by the management of the Modaraba, the management of the Bank is of the view that no material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern and the Modaraba shall be able to operate on going concern basis in the foreseeable future. Consequently, these condensed interim financial statements have been prepared reflecting these assumptions

Punjab Capital Securities (Private) Limited

Punjab Capital Securities (Private) Limited is registered under the Companies Ordinance, 1984 as company limited by shares from the 29th day of November 2016. PCSL is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the company is situated at Room No 319, 3rd Floor, LSE Building, Lahore. The Company is wholly-owned subsidiary of First Punjab Modaraba.

1.2 Basis of Consolidation

Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent controls another entity. The Bank also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Bank's voting rights relative to the size and dispersion of holdings of other shareholders give the Bank the power to govern the financial and operating policies, etc.

The Group financial statements include the financial statements of the Bank and its subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases. The financial statements of subsidiaries have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The Financial Statements of the Bank and its subsidiaries are prepared upto the same reporting date using consistent accounting policies.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income statement. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Bank had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2. BASIS OF PRESENTATION

These financial statements are the consolidated financial statements of the Group in which investments in subsidiaries is accounted for on the basis of acquisitions method. Standalone financial statements of the Bank and its subsidiaries are prepared separately.

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of Islamic Banking business have been consolidated in these consolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in Annexure-II to these consolidated financial statements.

2.1 Statement of Compliance

2.1.1 These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP).
- Requirements of The Bank of Punjab Act, 1989;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017.

Wherever the requirements of the directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP), The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of these IFRS or IFAS, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these Standards have not been considered in the preparation of these consolidated financial statements.

2.1.3 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard - 3 for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated December 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in these consolidated financial statements of the Bank.

2.1.4 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2021

During the year, certain amendments to standards, interpretations and improvement to accounting standards became effective; however, the standards, amendments, interpretations and improvements did not have any material effect on these consolidated financial statements of the Group.

New accounting standards and IFRS interpretations that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. The Group considers that the

following standards and interpretations are either not relevant or will not have any material impact on its consolidated financial statements in the period of initial application other than IFRS 9.

The SBP vide BPRD Circular No. 04 dated October 23, 2019 has notified the effective date of IFRS 9, 'Financial Instruments' as January 01, 2021. However, the initial application date has been extended to January 01, 2022 by SBP vide BPRD Circular Letter No. 24 dated July 05, 2021. IFRS 9, 'Financial Instruments' has replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk. Presently, in terms of SBP instructions, The Bank calculates impact of adoption of IFRS 9 on the financial statements on parallel run basis based on existing guidelines. Further, final IFRS-9 application instructions has not been issued by the SBP.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IFRS 9	Financial instruments	1 January 2022
IFRS 3	Reference to conceptual framework - Amendments	1 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use -Amendments	1 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract - Amendments	1 January 2022
AIP	Annual improvements to IFRS Standards 2018 - 2020	1 January 2022
IAS 8	Amended Definition of accounting estimates	1 January 2023
IAS 1	Classification of liabilities as current or non-current - Amendments	1 January 2023

3. BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, right-of-use assets, lease liabilities and certain staff retirement benefits at present value.

3.2 These consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experiences, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in the application of accounting policies are as follows:

4.1 Classification of investments

In classifying investments as "held for trading" the Group has determined securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days.

In classifying investments as "held to maturity" the Group follows the guidance provided in SBP circulars on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as held for trading or held to maturity are classified as available for sale.

4.2 Provision against non-performing advances and debt securities classified as investments

Apart from the provision determined on the basis of time-based criteria given in Prudential Regulations issued by the SBP, the management also applies the subjective criteria of classification and, accordingly, the classification of advances and debt securities is downgraded on the basis of credit worthiness of the borrower, its cash flows, operations in account and adequacy of security in order to ensure accurate measurement of the provision.

4.3 Impairment of available for sale investments

The Group considers that available for sale equity investments are impaired when there has been a significant and prolonged decline in the fair value below its cost. Other factors will also need to be considered before deciding the permanent impairment of investment. This determination of what is significant and prolonged requires judgment. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance. As of the statement of financial position date, the management has determined an impairment loss on available for sale securities, held to maturity securities and subsidiary companies as disclosed in Note 9.3 to these consolidated financial statements.

4.4 Depreciation, amortization and revaluation of fixed assets

Estimates of useful life of fixed assets are based on management's best estimate. In making estimates of the depreciation / amortization method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Group. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern. Further, the Group estimates the revalued amount of freehold land and buildings on freehold land on a regular basis. The estimates are based on valuations carried out by an independent valuation expert under the market conditions.

4.5 Income taxes

In making estimates for income taxes currently payable by the Group, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Group's view differs with the view taken by the income tax authorities and such amounts are shown as a contingent liability.

4.6 Staff retirement benefits

The amount of provision for gratuity and compensated absences is determined using actuarial valuation. The valuation involves making use of assumptions about discount rates, mortality, expected rate of salary increases, retirement rates, and average leave utilization per year. Due to the degree of subjectivity involved and long-term nature of these plans, such estimates are subject to significant uncertainty.

4.7 Non banking assets acquired in satisfaction of claims

The Group estimates the revalued amounts of non banking assets acquired in satisfaction of claims on a regular basis. The estimates are based on expected legal enforceability, ease of realization and valuations carried out by an independent valuation expert under the market conditions.

4.8 Lease liability on right-of-use assets

In making estimates, the Group uses following practical expedients and significant judgments, as permitted by the standard:

- Use of a single discount rate for leases with similar characteristics; and

- Lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of previous financial year. Significant accounting policies are enumerated as follows:

5.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks, balances with other banks and call money lendings less over drawn nostro accounts and other overdrawn Group accounts.

5.2 Lendings / borrowings from financial institutions

The Group enters into transactions of repo and reverse repo at contracted rates for a specified period of time. These are recorded as under:

5.2.1 Sale under repurchase obligations

Securities sold subject to a repurchase agreement (repo) are retained in the consolidated financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and repurchase price is accrued using effective yield method and recorded as interest expense over the term of the related repo agreement.

5.2.2 Purchase under resale obligations

Securities purchased under agreement to resell (reverse repo) are not recognized in the consolidated financial statements as investments and the amount extended to the counter party is included in lendings to financial institutions. The differential between the contracted price and resale price is amortized over the period of the contract and recorded as interest income.

5.3 Investments

Investments other than those categorized as held for trading are initially recognized at fair value which includes transaction costs associated with the investments. Investments classified at held for trading are initially recognized at fair value and transaction costs are expensed in the profit and loss account.

All regular way purchase / sale of investment are recognized on the trade date, i.e., the date the Group commits to purchase / sell the investments. Regular way purchase or sale of investment requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Investment in subsidiary is stated at cost less provision for impairment (if any). Other investments are classified as follows:

Held for trading

These are securities which are acquired with the intention to trade by taking advantage of short-term market/interest rate movements. These are carried at market value, with the related surplus / (deficit) on revaluation being taken to profit and loss account.

Held to maturity

These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortized cost.

Available for sale

These are investments, other than those in subsidiaries and associates, which do not fall under the held for trading or held to maturity categories. These are carried at market value with the surplus / (deficit) on revaluation taken to 'Surplus / (deficit) on revaluation of assets' shown in equity, except available for sale investments in unquoted shares, debentures, bonds, participation term certificates, term finance certificates, federal, provincial and foreign government securities (except for Treasury Bills and Pakistan Investment Bonds) which are stated at cost less provision for diminution in value of investments, if any.

Provision for diminution in the value of investments is made after considering impairment, if any, in their value and charged to profit and loss account. Provision for diminution in value of investments in respect of unquoted shares is calculated with reference to break-up value. Provision for diminution in value of investments for unquoted debt securities is calculated with reference to the time-based criteria as per the SBP's Prudential Regulations.

Premium or discount on debt securities classified as available for sale and held to maturity securities are amortized using the effective yield method.

On de-recognition or impairment in quoted available for sale securities the cumulative gain or loss previously reported as "Surplus / (Deficit) on revaluation of assets" in equity is included in the profit and loss account for the year.

Gain and loss on disposal of investments are dealt with through the profit and loss account in the year in which they arise.

5.4 Advances including net investment in finance lease

Advances and net investments in finance lease are stated net of provision for doubtful debts. Provision for doubtful debts is made in accordance with the Prudential Regulations prescribed by the SBP and charged to profit and loss account.

Leases where risks and rewards incidental to ownership are substantially transferred to lessee are classified as finance lease. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value.

The rentals received / receivable on Ijarahs are recorded as income / revenue. Depreciation on Ijarah assets is charged to profit and loss account by applying the straight line method whereby the depreciable value of Ijarah assets is written off over the Ijarah period. The Group charges depreciation from the date of the delivery of respective assets to Mustajir upto the date of maturity / termination of Ijarah agreement.

5.5 Fixed assets and depreciation

5.5.1 Property and equipment

Property and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at revalued amount.

Depreciation on property and equipment is charged to income using the diminishing balance method so as to write off the historical cost / revalued amount of the asset over its estimated useful life, except motor vehicles, leasehold improvements and computer equipment on which depreciation is charged using the straight line basis. The rates at which the depreciation is charged are given in note 11.3 to these consolidated financial statements. Impairment loss or its reversal, if any, is charged to income. When an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Surplus arising on revaluation of freehold land and buildings on freehold land is credited to the "Surplus on Revaluation of Assets" in equity and any deficit arising on revaluation is taken to profit and loss account directly. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of buildings (net of deferred taxation) is transferred directly to un-appropriated profit / accumulated loss.

Gains and losses on sale of fixed assets are included in profit and loss account currently.

Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

Capital work-in-progress is stated at cost less accumulated impairment losses (if any). These are transferred to specific assets as and when assets are available for use.

5.5.2 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are subsequently depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are to be reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability. Right-of-use assets are recognized using cost model.

5.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses (if any). The cost of intangible assets is amortized over their useful lives, using the straight line method as per the rates given in note 12.1 to these consolidated financial statements. Amortization on additions is charged from the month the assets are available for use while no amortization is charged in the month in which the assets are disposed.

Intangible-in-progress is stated at cost less accumulated impairment losses (if any). These are transferred to specific assets as and when assets are available for use.

5.7 Borrowings / deposits

Borrowings / deposits are recorded at the proceeds received. The cost of borrowings / deposits is recognized as an expense in the period in which this is incurred.

5.8 Subordinated debts

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up accrued on subordinated loans is recognized separately as part of other liabilities and is charged to the profit and loss account over the period on an accrual basis.

5.9 Employee retirement and other benefits

Defined contribution plan – Provident fund

The Group operates an approved provident fund scheme, covering all permanent employees. Contributions are made monthly by the Group and the employees at the rate of 8.33% of basic salary. Contributions by the Group are charged to profit and loss account.

Defined benefit plan - Gratuity scheme

The Group operates an approved funded gratuity scheme for all its permanent employees. Contributions are made to cover the obligations under the scheme on the basis of actuarial valuation and are charged to income. Actuarial gains and losses are charged or credited to other comprehensive income in the year in which they occur.

Defined benefit plan - Employees' compensated absences

The Group makes annual provision in the financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. Actuarial gains and losses are charged to income in the year in which they occur.

5.10 Assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation except land which is carried at revalued amount. Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of non banking assets is credited to the 'surplus on revaluation of assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and not capitalized.

5.11 Foreign currencies

Transactions in foreign currency are translated to Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities and commitments for letters of credit and acceptances in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date except assets and liabilities for which there are forward contracts which are translated at the contracted rates. Forward exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

All exchange differences are charged to profit and loss account.

5.12 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognized:

Mark-up / return / interest income

Mark-up / return / interest on advances and return on investments are recognized in profit and loss account on an accrual basis, except mark-up on non-performing advances which is recognized when received.

Dividend income

Dividend income is recognized when the Group's right to receive the dividend is established.

Lease finance income

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease periods so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealized lease income is suspended, where necessary, in accordance with the requirements of the SBP. Gain/ loss on termination of lease contracts, documentation charges and other lease income are recognized as income when these are realized.

Fees and commission income

Fee commission is recognized at amount that reflects consideration to which the Group expects to be entitled in exchange for providing the services. The Group recognizes fees earned on transaction based arrangements at point in time, when the Group has provided the services to customer. where the contract requires services to be provided over time, income is recognized on systematic basis over the period of arrangement.

5.13 Lease liabilities against right-of-use assets

The lease liability is initially measured at present value of lease payments to be made over lease term, discounted using Bank's incremental weighted average borrowing rate. The lease liability shall be subsequently measured at amortized cost using the effective interest rate method i.e. increase by interest cost on lease liability and decrease by lease payments made.

5.13.1 Short-term leases and leases of low-value asset

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

5.14 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Prior years

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments / changes in laws and changes in estimates made during the current year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in income statement, except in the case of items credited or charged to equity in which case it is included in equity.

The Group also recognizes deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and available for sale securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS)12, 'Income Taxes'.

5.15 Impairment

The carrying amounts of assets (other than deferred tax assets) are reviewed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.16 Provisions

Provisions are recorded when the Group has a present obligation as a result of a past event when it is probable that it will result in an outflow of economic benefits and a reliable estimate can be made of the amount of the obligation.

5.17 Provision for off balance sheet obligations

Provision for guarantees, claims and other off balance sheet obligations are made when the Group has legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of amount can be made. Charge to profit and loss account is stated net of expected recoveries.

5.18 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the equity.

5.19 Acceptances

Acceptances comprise undertaking by the Group to pay bills of exchange drawn on customer. The Group expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on balance sheet transactions.

5.20 Financial instruments

5.20.1 Financial assets and liabilities

Financial instruments carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain receivables, borrowing from financial

institutions, deposits and other payables. The particular recognition criteria adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

5.20.2 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off and the Group intends either to settle on a net basis, or to realize the assets and settle the liabilities, simultaneously.

5.21 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

5.21.1 Business segments

Corporate and investment banking
This includes, loans, project finance, real estate finance, export finance, trade finance, investment banking, and other banking activities with corporate and public sector customers.

Consumer and digital banking
It includes deposits and banking services including digital baking services to customers of the Group.

Retail and priority sector lending
It includes loans of individuals, agriculture customers, SME and lending under government initiatives. Products offered to customers include transport finance, house finance, livestock finance, dairy finance etc.

Treasury
It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos and brokerage debt.

Islamic
The segment pertains to full scale Islamic banking operations of the Group.

Others
This includes head office related activities, and all other activities not tagged to the segments above.

5.21.2 Geographical segments

The Group operates only in Pakistan.

5.22 Dividend distribution and appropriations

Dividend distributions and appropriation to reserves are recognized as a liability in the consolidated financial statements in the period in which these are approved. Transfer to statutory reserve and any of the mandatory appropriations as may be required by law are recognized in the period to which they relate.

5.23 Earnings per share

The Group presents earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

	Note	2021	2020
		Rupees in '000'	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		13,800,719	17,921,945
Foreign currencies		4,359,944	4,182,816
		18,160,663	22,104,761
With SBP in:			
Local currency current account	6.1	40,887,037	33,648,622
Foreign currency current account	6.2	900,219	484,298
Foreign currency deposit account	6.3	2,109,501	956,624
		43,896,757	35,089,544
With National Bank of Pakistan in:			
Local currency current account		9,174,433	11,200,818
Prize bonds		87,385	877,054
		71,319,238	69,272,177

6.1 This represents current account maintained with the SBP under the requirements of section 22 "Cash Reserve Requirement" of the Banking Companies Ordinance, 1962.

6.2 This represents mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

6.3 This carries mark-up at the rate of Nil (2020: 0.00% to 0.76% per annum) as announced by SBP on monthly basis.

	Note	2021	2020
		Rupees in '000'	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		296,993	504,317
Deposit accounts	7.1	5,638,770	10,592
		5,935,763	514,909
Outside Pakistan:			
Current accounts		1,339,397	229,657
Deposit accounts	7.2	1,583,196	1,762,444
		2,922,593	1,992,101
		8,858,356	2,507,010

7.1 These carry mark-up at rates ranging from 2.56% to 11.30% per annum (2020: 2.84% to 6.02% per annum).

7.2 These carry mark-up at rates ranging from 0.00% to 0.01% per annum (2020: 0.03% to 1.34% per annum).

	Note	2021	2020
		Rupees in '000'	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		100,000	-
Repurchase agreement lendings (Reverse Repo)	8.2	26,380,388	7,454,867
Placements	8.3	3,100,000	7,632,000
		29,580,388	15,086,867
8.1 Particulars of lending			
In local currency		29,580,388	15,086,867
In foreign currencies		-	-
		29,580,388	15,086,867

8.2 Securities held as collateral against lendings to financial institutions

	2021			2020		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000'					
Market treasury bills	21,088,298	-	21,088,298	4,154,867	-	4,154,867
Pakistan investment bonds	5,292,090	-	5,292,090	3,300,000	-	3,300,000
Total	26,380,388	-	26,380,388	7,454,867	-	7,454,867

Market value of securities held as collateral as at December 31, 2021 amounted to Rs. 26,391,416 thousand (2020: Rs. 6,651,750 thousand). These carry mark-up at rate ranging from 10.50% to 10.75% per annum (2020: 6.00% to 7.30% per annum) with maturities upto January 07, 2022.

8.3 These carry profit at rate ranging from 7.25% to 10.90% per annum (2020: 6.40% to 7.00% per annum) with maturities upto April 01, 2022.

9. INVESTMENTS - NET

	Note	2021				2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
9.1 Investments by type:									
Held for trading securities									
Federal government securities	9.1.1	33,472,511	-	26,429	33,498,940	19,146,767	-	1,630	19,148,397
Ordinary shares		34,331	-	(5,390)	28,941	-	-	-	-
		33,506,842	-	21,039	33,527,881	19,146,767	-	1,630	19,148,397
Available for sale securities									
Federal government securities	9.1.1 & 9.2.1	425,181,105	-	(9,766,167)	415,414,938	465,221,303	-	4,453,720	469,675,023
Shares		9,106,342	(1,420,029)	(840,977)	6,845,336	4,830,566	(1,378,194)	199,777	3,652,149
Non government debt securities		17,084,566	(2,525,563)	39,662	14,598,665	17,516,016	(2,536,232)	(139,247)	14,840,537
Foreign securities		11,957	-	-	11,957	4,019	-	-	4,019
		451,383,970	(3,945,592)	(10,567,482)	436,870,896	487,571,904	(3,914,426)	4,514,250	488,171,728
Held to maturity securities									
Federal government securities	9.1.1 & 9.6.1	61,299,171	-	-	61,299,171	60,483,391	-	-	60,483,391
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		61,299,571	(400)	-	61,299,171	60,483,791	(400)	-	60,483,391
Total investments		546,190,383	(3,945,992)	(10,546,443)	531,697,948	567,202,462	(3,914,826)	4,515,880	567,803,516

9.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

9.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

		2021				2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Note	Rupees in '000'							
9.2 Investments by segments:									
Federal government securities:									
Market treasury bills	9.2.1	125,305,799	-	(107,427)	125,198,372	329,361,613	-	149,632	329,511,245
Pakistan investment bonds	9.2.1	389,308,027	-	(9,631,157)	379,676,870	210,484,580	-	4,304,640	214,789,220
Ijarah sukuks		4,502,908	-	(1,154)	4,501,754	2,249,072	-	1,078	2,250,150
Naya Pakistan Certificates		836,053	-	-	836,053	-	-	-	-
Sukuk - bai muajjal with Government of Pakistan		-	-	-	-	2,756,196	-	-	2,756,196
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		519,953,187	(400)	(9,739,738)	510,213,049	544,851,861	(400)	4,455,350	549,306,811
Shares:									
Listed companies		9,019,423	(1,332,637)	(846,367)	6,840,419	4,709,316	(1,287,418)	199,777	3,621,675
Unlisted companies		121,250	(87,392)	-	33,858	121,250	(90,776)	-	30,474
		9,140,673	(1,420,029)	(846,367)	6,874,277	4,830,566	(1,378,194)	199,777	3,652,149
Non government debt securities:									
Listed		10,082,285	(15,321)	39,662	10,106,626	10,294,933	(15,850)	(139,247)	10,139,836
Unlisted		7,002,281	(2,510,242)	-	4,492,039	7,221,083	(2,520,382)	-	4,700,701
		17,084,566	(2,525,563)	39,662	14,598,665	17,516,016	(2,536,232)	(139,247)	14,840,537
Foreign securities:									
Equity securities	9.5	11,957	-	-	11,957	4,019	-	-	4,019
Total investments		546,190,383	(3,945,992)	(10,546,443)	531,697,948	567,202,462	(3,914,826)	4,515,880	567,803,516

		2021	2020
		Rupees in '000'	
9.2.1 Investments given as collateral - at cost / amortized cost			
Market treasury bills		-	66,472,184
Pakistan investment bonds		1,768,381	35,514,708
		1,768,381	101,986,892
9.3 Provision for diminution in value of investments			
9.3.1 Opening balance		3,914,826	3,531,109
Charge / reversals :			
Charge for the year		322,188	516,324
Reversals for the year		(10,669)	(7,500)
	31	311,519	508,824
Reversal on disposals		(280,353)	(125,107)
Closing balance		3,945,992	3,914,826

9.3.2 Particulars of provision against debt securities

Category of classification	2021 NPI	2021 Provision	2020 NPI	2020 Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,525,963	2,525,963	2,536,632	2,536,632
Total	2,525,963	2,525,963	2,536,632	2,536,632

The Group has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing investments as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing investments by Rs. Nil (2020: Nil). The FSV benefit availed is not available for cash or stock dividend.

9.4 Quality of available for sale securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

	2021	2020
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Market treasury bills	93,138,541	310,457,363
Pakistan investment bonds	326,703,603	149,758,672
Naya Pakistan Certificates	836,053	-
Ijarah sukuks	4,502,908	2,249,072
Sukuk bai-muajjal with Government of Pakistan	-	2,756,196
	425,181,105	465,221,303
Shares		
Cement	1,542,575	197,516
Fertilizer	1,332,054	1,040,336
Power generation & distribution	1,035,804	622,608
Textile composite	678,328	264,381
Oil & gas marketing companies	751,764	285,265
Technology & telecommunication	560,225	211,367
Oil & gas exploration companies	414,920	164,466
Chemicals	445,179	384,453
Pharmaceuticals	423,489	73,660
Automobile	355,231	29,952
Engineering	323,895	81,113
Cable & electrical goods	301,051	317,908
Glass & ceramics	284,031	43
Food & personal care products	218,049	93,724
Sugar & allied industries	84,629	89,448
Paper & board	62,780	85
Insurance	37,761	27,081
Commercial banks	25,000	882,759
Leasing companies	17,936	15,566
Textile spinning	2,067	2,067
Others	209,574	46,768
	9,106,342	4,830,566

Unlisted Companies	2021 Cost	2021 Breakup value	2020 Cost	2020 Breakup value
	Rupees in '000'			
Al - Baraka Bank Pakistan Limited	25,000	18,966	25,000	15,582
Al - Arabia Sugar Mills Limited	81,358	-	81,358	-
LSE Financial Services Limited	14,892	20,534	14,892	19,606
	121,250	39,500	121,250	35,188

	2021	2020
	Cost	
	Rupees in '000'	
Non government debt securities		
Listed		
- AAA	104,167	145,833
- AA+, AA, AA-	1,500,000	1,606,575
- CCC and below	4,985	-
- Unrated	8,473,133	8,542,525
	10,082,285	10,294,933
Unlisted		
- AAA	2,750,000	2,792,857
- A+, A, A-	1,492,240	1,565,258
- BBB+, BBB, BBB-	249,800	249,850
- Unrated	2,510,241	2,613,118
	7,002,281	7,221,083
9.5 Foreign equity securities		
SWIFT shares	11,957	4,019

This represents 13 shares (2020: 06 shares) of SWIFT purchased by the Group as per mandatory requirement of the SWIFT by-laws requiring its members to purchase shares allocated on the basis of financial contributions payable to SWIFT.

9.6 Particulars relating to held to maturity securities are as follows:

	2021	2020
	Cost / Amortized cost	
	Rupees in '000'	
Federal government securities - government guaranteed		
Pakistan investment bonds	61,299,171	60,483,391
WAPDA bonds	400	400
	61,299,571	60,483,791

9.6.1 Market value of held to maturity investments amounted to Rs. 63,715,206 thousand (2020: Rs. 69,082,534 thousand).

10. ADVANCES - NET

	Note	Performing 2021	Performing 2020	Non Performing 2021	Non Performing 2020	Total 2021	Total 2020
		Rupees in '000'					
Loans, cash credits, running finances, etc.	10.1	419,870,754	341,611,646	48,995,887	54,569,660	468,866,641	396,181,306
Net book value of assets in ijarah under IFAS 2 - In Pakistan		1,860,758	1,773,841	215,000	215,000	2,075,758	1,988,841
Islamic financing and related assets		45,336,297	29,209,198	3,050,869	2,661,933	48,387,166	31,871,131
Bills discounted and purchased		16,234,159	13,643,227	27,521	30,521	16,261,680	13,673,748
Advances - gross		483,301,968	386,237,912	52,289,277	57,477,114	535,591,245	443,715,026
Provision against advances:							
- Specific		-	-	(46,959,797)	(48,076,725)	(46,959,797)	(48,076,725)
- General		(3,054,945)	(3,748,493)	-	-	(3,054,945)	(3,748,493)
		(3,054,945)	(3,748,493)	(46,959,797)	(48,076,725)	(50,014,742)	(51,825,218)
Advances - net of provision		480,247,023	382,489,419	5,329,480	9,400,389	485,576,503	391,889,808

10.1 Includes net investment in finance lease as disclosed below:

	2021 Not later than one year	2021 Later than one and less than five years	2021 Over five years	2021 Total	2020 Not later than one year	2020 Later than one and less than five years	2020 Over five years	2020 Total
	Rupees in '000'							
Lease rentals receivable	1,967,194	25,440,343	1,887,543	29,295,080	2,398,732	20,012,262	459,238	22,870,232
Residual value	1,426,904	10,046,320	518,653	11,991,877	4,506,914	7,414,848	104,100	12,025,862
Minimum lease payments	3,394,098	35,486,663	2,406,196	41,286,957	6,905,646	27,427,110	563,338	34,896,094
Financial charges for future periods	545,180	3,483,391	51,390	4,079,961	556,073	2,839,503	17,170	3,412,746
Present value of minimum lease payments	2,848,918	32,003,272	2,354,806	37,206,996	6,349,573	24,587,607	546,168	31,483,348

10.2 Particulars of advances (gross)

	2021	2020
	Rupees in '000'	
In local currency	535,501,661	443,535,313
In foreign currencies	89,584	179,713
	535,591,245	443,715,026

10.3 Advances include Rs. 52,289,277 thousand (2020: Rs. 57,477,114 thousand) which have been placed under non-performing status as detailed below:

Category of classification	2021 Non performing loans	2021 Provision	2020 Non performing loans	2020 Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	156,255	3,946	190,528	3,495
Substandard	3,173,639	517,367	6,286,206	1,234,491
Doubtful	6,432,920	5,571,388	8,086,336	6,149,532
Loss	42,526,463	40,867,096	42,914,044	40,689,207
Total	52,289,277	46,959,797	57,477,114	48,076,725

10.4 Particulars of provision against advances

	Note	2021 Specific	2021 General	2021 Total	2020 Specific	2020 General	2020 Total
		Rupees in '000'					
Opening balance		48,076,725	3,748,493	51,825,218	45,338,255	412,641	45,750,896
Charge for the year		4,004,162	-	4,004,162	4,825,954	3,335,852	8,161,806
Reversals for the year		(5,120,979)	(693,548)	(5,814,527)	(2,087,484)	-	(2,087,484)
	31	(1,116,817)	(693,548)	(1,810,365)	2,738,470	3,335,852	6,074,322
Amounts written off	10.5.1	(111)	-	(111)	-	-	-
Closing balance		46,959,797	3,054,945	50,014,742	48,076,725	3,748,493	51,825,218

10.4.1 Particulars of provision against advances with respect to currencies

In local currency	46,959,797	3,054,945	50,014,742	48,011,924	3,748,493	51,760,417
In foreign currencies	-	-	-	64,801	-	64,801
	46,959,797	3,054,945	50,014,742	48,076,725	3,748,493	51,825,218

10.4.2 General provision includes a provision against consumer financing portfolio as required by Prudential Regulations issued by the SBP and recognized / reversed during the year as explained in note 44.1 of these consolidated financial statements and provision.

10.4.3 The Group has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,975,509 thousand (2020: Rs. 2,996,620 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	2021	2020
		Rupees in '000'	
10.5 Particulars of write offs:			
10.5.1 Against provisions	10.4	111	-
Directly charged to profit and loss account	31	300	-
		411	-
10.5.2 Domestic			
Write offs of Rs. 500,000 and above	10.6	-	-
Write offs of below Rs. 500,000		411	-
		411	-

10.6 Details of loan write off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2021 is given in Annexure-I.

	Note	2021	2020
		Rupees in '000'	
11. FIXED ASSETS			
Capital work-in-progress	11.1	191,433	98,500
Right-of-use assets	11.2	7,891,934	6,265,106
Property and equipment	11.3	11,753,063	8,453,453
		19,836,430	14,817,059

		Note	2021	2020
			Rupees in '000'	
11.1	**Capital work-in-progress**			
	Civil works		191,433	98,500
11.2	**Right-of-use assets**			
	At January 1:			
	Cost		7,987,437	7,191,638
	Impact of IFRS-16		-	-
	Accumulated depreciation		(1,722,331)	(849,471)
	Net book value		6,265,106	6,342,167
	Opening net book value		6,265,106	6,342,167
	For the year ended December 31:			
	Additions		2,781,817	900,920
	Terminations - at cost		(218,638)	(105,121)
	Depreciation on terminations		54,398	18,285
	Terminations - at book value		(164,240)	(86,836)
	Depreciation charge	11.2.1	(990,749)	(891,145)
	Closing net book value		7,891,934	6,265,106
	At December 31:			
	Cost		10,550,616	7,987,437
	Accumulated depreciation		(2,658,682)	(1,722,331)
	Net book value		7,891,934	6,265,106

11.2.1 Right-of-use assets are depreciated over their respective lease term.

11.3 Property and equipment

	2021							
	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
	Rupees in '000'							
At January 1, 2021:								
Cost / Revalued amount	1,538,879	4,154,599	789,278	3,162,450	2,060,308	2,124,304	463,718	14,293,536
Accumulated depreciation	-	(195,713)	(352,691)	(2,662,692)	(1,166,090)	(1,160,085)	(302,812)	(5,840,083)
Net book value	1,538,879	3,958,886	436,587	499,758	894,218	964,219	160,906	8,453,453
Opening net book value	1,538,879	3,958,886	436,587	499,758	894,218	964,219	160,906	8,453,453
For the year ended December 31, 2021:								
Additions	-	677,709	90,865	266,651	285,554	233,429	195,386	1,749,594
Revaluation surplus	1,052,313	1,143,451	-	-	-	-	-	2,195,764
Impairment loss recognized in the profit and loss account - net								-
Disposals - at cost	-	-	(5,200)	-	(46,128)	(6,946)	(1,732)	(60,006)
Depreciation on disposal	-	-	4,054	-	43,126	6,769	1,732	55,681
Disposals - at book value	-	-	(1,146)	-	(3,002)	(177)	-	(4,325)
Depreciation charge	-	(201,805)	(47,897)	(321,269)	(215,070)	(347,872)	(102,560)	(1,236,473)
Depreciation adjustment on revaluation surplus	-	449,690	-	-	-	-	-	449,690
Transfers / adjustments - at cost / revalued amount	27,832	169,700	899	(75)	685	(1,502)	410	197,949
Depreciation on transfers / adjustments	-	(52,172)	(899)	75	(685)	1,502	(410)	(52,589)
	27,832	117,528	-	-	-	-	-	145,360
Closing net book value	2,619,024	6,145,459	478,409	445,140	961,700	849,599	253,732	11,753,063
At December 31, 2021:								
Cost / Revalued amount	2,619,024	6,145,459	875,842	3,429,026	2,300,419	2,349,285	657,782	18,376,837
Accumulated depreciation	-	-	(397,433)	(2,983,886)	(1,338,719)	(1,499,686)	(404,050)	(6,623,774)
Net book value	2,619,024	6,145,459	478,409	445,140	961,700	849,599	253,732	11,753,063
Rate of depreciation (percentage)	-	5%	10%	33.33%	20%	20%	33.33%	

	2020							
	Freehold land	Building on freehold land	Furniture and fixtures	Lease hold improvements	Electrical and office equipments	Computer equipments	Vehicles	Total
	Rupees in '000'							
At January 1, 2020:								
Cost / Revalued amount	1,660,054	4,246,656	765,026	2,816,022	1,895,925	1,729,874	373,417	13,486,974
Accumulated depreciation	-	-	(320,189)	(2,283,622)	(1,012,812)	(903,273)	(277,914)	(4,797,810)
Net book value	1,660,054	4,246,656	444,837	532,400	883,113	826,601	95,503	8,689,164
Opening net book value	1,660,054	4,246,656	444,837	532,400	883,113	826,601	95,503	8,689,164
For the year ended December 31, 2020:								
Additions	2,036	-	44,853	346,428	208,982	424,315	136,275	1,162,889
Revaluation surplus	-	-	-	-	-	-	-	-
Disposals - at cost / revalued amount	(440,860)	(111,335)	(17,517)	-	(44,023)	(33,545)	(45,974)	(693,254)
Depreciation on disposal	-	17,475	11,395	-	37,667	32,092	44,289	142,918
Disposals - at book value	(440,860)	(93,860)	(6,122)	-	(6,356)	(1,453)	(1,685)	(550,336)
Depreciation charge	-	(209,994)	(46,924)	(379,070)	(191,574)	(285,248)	(69,187)	(1,181,997)
Depreciation adjustment on revaluation surplus	-	-	-	-	-	-	-	-
Transfers / adjustments - at cost / revalued amount	317,649	19,278	(3,084)	-	(576)	3,660	-	336,927
Depreciation on transfers / adjustments	-	(3,194)	3,027	-	629	(3,656)	-	(3,194)
	317,649	16,084	(57)	-	53	4	-	333,733
Closing net book value	1,538,879	3,958,886	436,587	499,758	894,218	964,219	160,906	8,453,453
At December 31, 2020:								
Cost / Revalued amount	1,538,879	4,154,599	789,278	3,162,450	2,060,308	2,124,304	463,718	14,293,536
Accumulated depreciation	-	(195,713)	(352,691)	(2,662,692)	(1,166,090)	(1,160,085)	(302,812)	(5,840,083)
Net book value	1,538,879	3,958,886	436,587	499,758	894,218	964,219	160,906	8,453,453
Rate of depreciation (percentage)	-	5%	10%	33.33%	20%	20%	33.33%	

11.3.1 Freehold land and buildings on freehold land were revalued on December 31, 2021 by PBA approved independent valuer, on the basis of fair market value. The valuation resulted in surplus of Rs. 1,052,313 thousand and Rs. 1,593,141 thousand in respect of freehold land and buildings on freehold land respectively. Detailed particulars as on December 31, 2021 are as follows:

	Revalued amount Rupees in '000'
Freehold land	2,619,024
Buildings on freehold land	6,145,459

11.3.2 Had the freehold land and buildings on freehold land not been revalued, their carrying amounts would have been as follows:

	2021	2020
	Rupees in '000'	
Freehold land	934,308	906,842
Buildings on freehold land	2,692,785	2,013,342

11.3.3 The gross carrying amount (cost) of fully depreciated assets that are still in use is Rs. 1,470,521 thousand (2020: Rs. 1,403,061 thousand).

11.3.4 During the year, no fixed assets were sold to related parties.

	Note	2021	2020
		Rupees in '000'	
12. INTANGIBLE ASSETS			
Intangible in progress		523,686	67,644
Softwares	12.1	584,466	628,004
		1,108,152	695,648
12.1 Softwares			
At January 01			
Cost		1,167,177	1,015,278
Accumulated amortization		(539,173)	(341,274)
Net book value		628,004	674,004
Year ended December 31			
Opening net book value		628,004	674,004
Capitalized during the year		164,472	151,899
Amortization charge	29	(208,010)	(197,899)
Closing net book value		584,466	628,004
At December 31			
Cost		1,331,649	1,167,177
Accumulated amortization		(747,183)	(539,173)
Net book value		584,466	628,004
Rate of amortization (percentage)		10-33.33%	10-33.33%

12.1.1 The gross carrying amount (cost) of fully amortized intangible assets that are still in use is Rs. 428,845 thousand (2020: Rs. 113,502 thousand).

13. DEFERRED TAX ASSETS - NET

	2021			
	At January 01	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'			
Deductible temporary differences on:				
- Deficit on revaluation of investments	-	-	4,121,318	4,121,318
- Right-of-use assets	361,644	257,590	-	619,234
- Provision against advances	10,051,802	647,820	-	10,699,622
- Business losses in subsidiary	64,399	-	-	64,399
	10,477,845	905,410	4,121,318	15,504,573
Taxable temporary differences on:				
- Surplus on revaluation of fixed assets	(680,942)	38,010	(703,613)	(1,346,545)
- Surplus on revaluation of investments	(1,579,987)	-	1,579,987	-
- Accelerated tax depreciation	(266,486)	36,217	-	(230,269)
- Surplus on revaluation of non banking assets	(111,767)	5,860	(61,415)	(167,322)
	(2,639,182)	80,087	814,959	(1,744,136)
	7,838,663	985,497	4,936,277	13,760,437

	2020			
	At January 01	Recognized in P&L	Recognized in OCI	At December 31
	Rupees in '000'			
Deductible temporary differences on:				
- Deficit on revaluation of investments	-	-	-	-
- Right-of-use assets	129,797	231,847	-	361,644
- Provision against advances	8,763,726	1,288,076	-	10,051,802
- Business losses in subsidiary	64,399	-	-	64,399
	8,957,922	1,519,923	-	10,477,845
Taxable temporary differences on:				
- Surplus on revaluation of fixed assets	(717,498)	35,813	743	(680,942)
- Surplus on revaluation of investments	(1,199,107)	-	(380,880)	(1,579,987)
- Accelerated tax depreciation	(306,240)	39,754	-	(266,486)
- Surplus on revaluation of non banking assets	(102,895)	5,075	(13,947)	(111,767)
	(2,325,740)	80,642	(394,084)	(2,639,182)
	6,632,182	1,600,565	(394,084)	7,838,663

	Note	2021	2020
		Rupees in '000'	
14. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		18,969,201	15,558,654
Income / mark-up accrued in foreign currencies		1,013	4,526
Profit paid in advance on pehlay munafa scheme		-	539
Advances, deposits, advance rent and other prepayments		1,016,018	637,991
Advance taxation (payments less provisions)		-	7,819
Non-banking assets acquired in satisfaction of claims	14.1	5,479,598	5,866,478
Acceptances		8,337,508	2,821,232
Branch adjustment account		-	8,751
Mark to market gain on forward foreign exchange contracts		150,612	20,250
Stock of stationery		90,478	129,902
Suspense account		11,807	7,413
Zakat recoverable from National Investment Trust Limited (NITL)	14.2	36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		41,665	41,129
Receivable against fraud and forgeries		445,033	462,656
Unearned income on sale of sukuk on bai-muajjal basis		-	336,351
Auto Teller Machine and point of sale receivable		740,953	-
Others		674,624	797,996
		35,995,300	26,738,477
Less: Provision held against other assets	14.3	(1,914,474)	(2,037,220)
Other assets (net of provision)		34,080,826	24,701,257
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22.2	1,453,931	1,236,224
Other assets - total		35,534,757	25,937,481
14.1 Market value of non-banking assets acquired in satisfaction of claims - net of provision		5,848,593	5,904,147

The carrying and revalued amounts have been determined based on prudence, expected legal enforceability, ease of realization and current market conditions etc. These include assets which are in the process of sale and are stated at their respective sale prices. Latest full scope valuations are carried out by PBA approved independent valuer as on December 31, 2021.

	Note	2021	2020
		Rupees in '000'	
14.1.1 Non-banking assets acquired in satisfaction of claims			
Opening balance		5,904,147	7,392,801
Surplus on revaluation during the year		275,670	45,122
Disposals during the year - net book value	14.1.2	(250,817)	(616,960)
Transfer to fixed assets - net book value		(145,360)	(333,733)
Reversal on account of restoration of loan		-	(524,160)
Depreciation charged during the year	29	(48,666)	(58,923)
Impairment reversed during the year		113,619	-
Closing balance		5,848,593	5,904,147

	Note	2021	2020
		Rupees in '000'	
14.1.2 Gain on disposal of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		293,024	842,089
Less:			
- Cost / revalued amount		286,955	636,019
- Depreciation		(36,138)	(19,059)
		250,817	616,960
Gain on sale recognized during the year		42,207	225,129

14.2 This represents zakat deducted on dividends by NITL. The Group has filed suit against NITL for recovery of the amount. The case was decided in favour of the Group in 1993 and intra court appeal was filed by the Zakat and Ushr Department against the decision which is still pending. As a matter of prudence, though without prejudice to the Group's claim against NITL at the court of law, the claim amount has been fully provided for.

	Note	2021	2020
		Rupees in '000'	
14.3 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		35,723	35,723
Non banking assets acquired in satisfaction of claims		1,084,936	1,198,555
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	14.3.2	446,760	459,093
Others		310,265	307,059
		1,914,474	2,037,220
14.3.1 Movement in provision held against other assets			
Opening balance		2,037,220	1,767,448
Charge for the year		35,367	292,072
Reversals during the year		(147,839)	(5,308)
	31	(112,472)	286,764
Amount written off		(10,274)	(16,992)
Closing balance		1,914,474	2,037,220

14.3.2 This includes provision amounted to Rs. 3,118 thousand (2020: Nil) maintained against certain closed cases as per approval of the management.

	2021	2020
	Rupees in '000'	
15. CONTINGENT ASSETS		
Contingent assets	Nil	Nil
16. BILLS PAYABLE		
In Pakistan	10,109,459	4,168,641
Outside Pakistan	-	-
	10,109,459	4,168,641

		2021	2020
		Rupees in '000'	
17. BORROWINGS			
Secured			
Borrowings from SBP under:			
Export refinance scheme (ERF)	17.1	28,221,440	22,609,115
Long term financing facility (LTFF)	17.2	13,499,088	11,250,709
Finance facility for storage of agricultural produce (FFSAP)	17.3	185,799	69,523
Finance facility for renewable energy performance platform (REPP)	17.4	5,347,359	1,859,306
Refinancing facility for payment of salaries and wages	17.5	9,132,079	16,242,813
Combating COVID-19	17.6	1,089,182	123,005
Refinancing facility for modernization of small and medium enterprises	17.7	155,628	119,299
Finance facility for working capital of small and medium enterprises	17.8	3,000	-
Finance facility for temporary relief refinance scheme (TERF)	17.9	11,881,311	-
Finance Facility for women entrepreneurs	17.10	3,589	-
		69,518,475	52,273,770
Repurchase agreement borrowings	17.11	-	37,430,967
Call borrowings	17.12	-	64,672,133
Borrowings from Pakistan Mortgage Refinance Company Limited	17.13	1,805,013	462,409
Total secured		71,323,488	154,839,279
Unsecured			
Overdrawn nostro accounts		-	2,136
		71,323,488	154,841,415

17.1 These are secured against the Group's cash and security balances held with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 2.00% per annum (2020: 1.00% to 2.00% per annum) with maturities upto June 27, 2022.

17.2 This amount has been obtained for providing long term finance to customers. The Group has granted the SBP right to recover outstanding amount from the group at date of maturity of finance by directly debiting current account maintained by the Group with the SBP. Mark-up on these borrowings is payable quarterly at rates ranging from 1.00% to 6.00% per annum (2020: 1.00% to 6.00% per annum) with maturities upto December 13, 2031.

17.3 These represent borrowings under scheme of financing facility for storage of agricultural produce. Mark-up on these borrowings is payable quarterly at rates ranging from 2.00% to 3.50% per annum (2020: 2.00% to 3.50% per annum) with maturities upto June 29, 2028.

17.4 These represent borrowings under scheme of financing facility for renewable energy performance platform. Mark-up on these borrowings is payable quarterly at rate of 1.00% to 3.00% per annum (2020: 2.00% to 3.00% per annum) with maturities upto November 02, 2033.

17.5 These represent borrowings under scheme of financing facility for payment of salaries and wages. Mark-up on these borrowings is payable quarterly at rate of Nil (2020: Nil) with maturities upto April 01, 2023.

17.6 These represent borrowings under scheme of financing facility for combating COVID-19. Mark-up on these borrowings is payable quarterly at rate of Nil (2020: Nil) with maturities upto November 17, 2026.

17.7 These represent borrowings under scheme of financing facility for modernization of small and medium enterprises (SMES). Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2020: 2.00% per annum) with maturities upto November 11, 2030.

17.8 These represent borrowings under scheme of financing facility for working capital financing of small and medium enterprises. Mark-up on these borrowings is payable quarterly at rate of 2.00% per annum (2020: Nil) with maturities upto January 06, 2022.

17.9 These represent borrowings under scheme of temporary relief refinance facility (TERF). Mark-up on these borrowings is payable quarterly at rate of 1.00% to 3.00% per annum (2020: Nil) with maturities upto December 13, 2031.

17.10 These represent borrowings under scheme of financing women entrepreneurs. Mark-up on these borrowings is payable quarterly at rate of Nil (2020: Nil) with maturities upto January 01, 2026.

17.11 These are secured against market treasury bills, carrying mark-up at rate of Nil (2020: 6.25% to 7.05% per annum). The carrying value of market treasury bills given as collateral against these borrowings is Nil (2020: Rs. 37,448,377 thousand).

17.12 These are secured against Pakistan investment bonds (PIBs) and Market treasury bills (MTBs), carrying markup at rate of Nil (2020: 6.25% to 7.15% per annum). The carrying value of PIBs and MTBs given as collateral against these borrowings is Nil (2020: PIBs and MTBs Rs. 35,233,653 thousand and Rs.29,023,807 thousand respectively).

17.13 These are secured against Pakistan investment bonds (PIBs) and hypothecation charge over mortgage loan portfolio, carrying markup at rates ranging from 6.50% to 8.03% per annum (2020: 7.00% to 7.85% per annum) maturing on June 30, 2031. The carrying value of PIBs given as collateral against these borrowings is Rs. 1,768,381 thousand (2020: Rs. 281,055 thousand).

	2021	2020
	Rupees in '000'	
17.14 Particulars of borrowings with respect to currencies		
In local currency	71,323,488	154,839,279
In foreign currencies	-	2,136
	71,323,488	154,841,415

18. DEPOSITS AND OTHER ACCOUNTS

	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	169,522,753	3,649,150	173,171,903	144,971,825	3,099,131	148,070,956
Savings deposits	459,784,249	3,340,461	463,124,710	388,946,529	2,635,237	391,581,766
Term deposits	320,956,024	7,419,447	328,375,471	265,567,945	3,594,396	269,162,341
Others	16,885,516	-	16,885,516	19,012,007	-	19,012,007
	967,148,542	14,409,058	981,557,600	818,498,306	9,328,764	827,827,070
Financial institutions:						
Current deposits	1,797,032	874,512	2,671,544	2,679,477	821,999	3,501,476
Savings deposits	4,870,165	3,585	4,873,750	2,746,932	7,427	2,754,359
Term deposits	10,841,125	2,446,653	13,287,778	889,875	-	889,875
Others	527,609	-	527,609	97,582	-	97,582
	18,035,931	3,324,750	21,360,681	6,413,866	829,426	7,243,292
	985,184,473	17,733,808	1,002,918,281	824,912,172	10,158,190	835,070,362

	2021	2020
	Rupees in '000'	
18.1 Composition of deposits:		
- Individuals	153,435,431	157,876,351
- Private sector	227,188,625	168,479,218
- Government (federal and provincial)	496,982,326	409,081,183
- Public sector entities	103,951,218	92,393,088
- Banking companies	2,897,620	3,121,762
- Non-banking financial institutions	18,463,061	4,118,760
	1,002,918,281	835,070,362

18.2 Deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 318,300,730 thousand (2020: Rs. 276,891,867 thousand).

	Note	2021	2020
		Rupees in '000'	
19. SUBORDINATED DEBTS			
Privately placed term finance certificates - I	19.1	2,495,000	2,496,000
Privately placed term finance certificates - II	19.2	4,293,980	4,295,700
Advance subscription money - subordinated perpetual term finance certificates	19.3	1,000,000	-
		7,788,980	6,791,700

19.1 Privately placed term finance certificates - I

The Bank has issued rated, unsecured and subordinated term finance certificates under section 120 of the Companies Ordinance, 1984, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date; and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013; with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rupees 2,500,000 thousand
Issue date:	December 23, 2016
Maturity date:	December 22, 2026
Rating:	AA-
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 100 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining

	issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

19.2 Privately placed term finance certificates - II

The Bank has issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rupees 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	AA-
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

19.3 Advance subscription money - subordinated perpetual term finance certificates

Prior to close of year ended December 31, 2021, the Group received Rs. 1,000,000 thousand under formal investor agreement from potential investors as advance subscription money against unsecured, subordinated, perpetual and non cumulative term finance certificates in the nature of Additional Tier -I capital. Subordinated to all other debts of the Group including deposits but superior to equity. The Group has applied to SBP for grant of formal approval for issue of Additional Tier - I capital for Capital Adequacy requirement as per guidelines set by SBP. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 200 bps per annum.

	Note	2021	2020
		Rupees in '000'	
20. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		14,306,594	15,775,450
Mark-up / return / interest payable in foreign currency		52,107	63,615
Lease key money		11,991,877	12,025,862
Provision for taxation (provisions less payments)		755,465	-
Sundry creditors and accrued expenses		1,410,802	1,680,865
Acceptances		8,337,508	2,821,232
Mark-up payable on subordinated debts		90,505	75,781
Unclaimed dividends		2,586	2,588
Branch adjustment account		290,150	-
Payable to gratuity fund	37.1.3	268,144	261,774
Gratuity payable to key management personnel		5,750	-
Payable to charity fund		8	-
Provision against off-balance sheet obligations	20.1	62,183	62,183
Provision for employees compensated absences	37.2.3	133,629	123,506
Taxes / zakat / import fee payable		689,636	526,978
Deferred income on sale of sukuk on bai - muajjal basis		-	336,351
Lease liability against right-of-use assets	20.2	9,479,713	7,298,374
Workers welfare fund		983,158	619,843
Inter bank fund transfer payable		544,489	298,024
Others		817,293	620,910
		50,221,597	42,593,336

20.1 The above provision has been made against letters of guarantee issued by the Bank.

20.2 Lease liability against right-of-use assets

	2021	2020
Not later than one year	107,808	47,926
Later than one year and less than five years	1,077,877	1,215,565
Over five years	8,294,028	6,034,883
	9,479,713	7,298,374

21. SHARE CAPITAL - NET

21.1 Authorized Capital

2021	2020		2021	2020
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each.

21.2 Issued, subscribed and paid up capital

2021	2020		2021	2020
Number of shares			Rupees in '000'	
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
509,464,036	509,464,036	Issued as bonus shares	5,094,641	5,094,641
2,643,692,380	2,643,692,380		26,436,924	26,436,924
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
2,643,692,380	2,643,692,380		26,173,766	26,173,766

GoPb held 57.47% shares in the Bank as at December 31, 2021 (December 31, 2020: 57.47%).

	Note	2021	2020
		Rupees in '000'	
22. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
(Deficit) / surplus on revaluation of:			
- Available for sale securities	9.1	(10,567,482)	4,514,250
- Property and equipment	22.1	5,137,390	2,577,581
- Non-banking assets acquired in satisfaction of claims	22.2	1,453,931	1,236,224
		(3,976,161)	8,328,055
Deferred tax on deficit / (surplus) on revaluation of:			
- Available for sale securities		4,121,318	(1,579,987)
- Property and equipment	22.1	(1,346,545)	(680,942)
- Non-banking assets acquired in satisfaction of claims	22.2	(167,322)	(111,767)
		2,607,451	(2,372,696)
		(1,368,710)	5,955,359

22.1 Surplus on revaluation of property and equipment - net of tax

At January 01	2,577,581	2,630,999
Surplus recognized during the year	2,645,454	-
Surplus on land and building transferred from non banking assets during the year	11,820	63,868
Surplus realized on disposal during the year	-	(14,963)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(59,455)	(66,510)
Related deferred tax liability on incremental depreciation charged during the year	(38,010)	(35,813)
At December 31	5,137,390	2,577,581
Less: related deferred tax liability on:		
- revaluation as at January 01	(680,942)	(717,498)
- revaluation recognized during the year	(621,325)	-
- effect of change in deferred tax due to rate change	(77,822)	-
- surplus transferred from non banking asset during the year	(4,466)	(2,080)
- surplus realized on disposal during the year	-	2,823
- incremental depreciation charged during the year	38,010	35,813
13	(1,346,545)	(680,942)
	3,790,845	1,896,639

	Note	2021	2020
		Rupees in '000'	
22.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net of tax			
At January 01		1,236,224	1,333,687
Surplus recognized during the year		275,670	45,122
Surplus realized on disposal during the year		(31,119)	(30,443)
Surplus reversed on account of restoration of loan		-	(33,775)
Surplus on land and building transferred to fixed assets during the year		(11,820)	(63,868)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(9,164)	(9,424)
Related deferred tax liability on incremental depreciation charged during the year		(5,860)	(5,075)
At December 31		1,453,931	1,236,224
Less: related deferred tax liability on:			
- revaluation as at January 01		(111,767)	(102,895)
- revaluation recognized during the year		(61,729)	(18,325)
- effect of change in deferred tax due to rate change		(12,774)	-
- surplus transferred to fixed assets during the year		4,466	2,080
- surplus realized on disposal during the year		8,622	2,298
- incremental depreciation charged during the year		5,860	5,075
	13	(167,322)	(111,767)
		1,286,609	1,124,457
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	80,791,490	64,847,674
Commitments	23.2	388,223,744	148,893,256
Other contingent liabilities	23.3	8,975	8,975
		469,024,209	213,749,905
23.1 Guarantees:			
Financial guarantees		18,341,471	18,515,042
Performance guarantees		18,710,766	18,139,861
Other guarantees		43,739,253	28,192,771
		80,791,490	64,847,674
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		136,560,464	78,976,971
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	205,641,893	48,807,235
- forward lending	23.2.2	45,923,548	20,393,865
Commitments for acquisition of:			
- fixed assets		13,052	689,875
- intangible assets		84,787	25,310
		388,223,744	148,893,256

	Note	2021	2020
		Rupees in '000'	
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		105,824,202	24,708,677
Sale		99,817,691	24,098,558
		205,641,893	48,807,235
23.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	45,923,548	20,393,865

23.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2021	2020
	Rupees in '000'	
23.3 Other contingent liabilities	8,975	8,975

For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. Now, the Bank has filed appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.

	Note	2021	2020
		Rupees in '000'	
23.4 Claims against the Bank not acknowledged as debts	23.4.1	54,809,134	54,765,641

23.4.1 The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2021	2020
	Rupees in '000'	
24. MARK-UP / RETURN / INTEREST EARNED		
a) On loans and advances	35,287,869	38,959,973
b) On investments:		
Available for sale securities	35,872,000	37,345,707
Held for trading securities	1,367,238	1,018,716
Held to maturity securities	7,477,551	7,389,212
c) On lendings to financial institutions:		
Securities purchased under resale agreements	993,245	1,065,581
Call lending	182,285	94
Letters of placement	587,000	298,978
d) On balances with banks	37,225	42,154
	81,804,413	86,120,415

	Note	2021	2020
		Rupees in '000'	
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		43,955,934	52,483,499
Borrowings:			
Securities sold under repurchase agreements		744,020	2,654,161
Call borrowings		4,465,203	5,109,314
SBP borrowings		875,124	640,537
Borrowing from Pakistan Mortgage Refinance Company Limited		83,887	9,262
Mark-up on subordinated loan from GoPb		-	106,644
Mark-up on advance subscription money - subordinated perpetual term finance certificate		738	-
Mark-up on privately placed term finance certificates		603,573	755,720
Markup on lease liability against right-of-use assets		1,047,705	937,275
		51,776,184	62,696,412
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		585,810	487,905
Consumer finance related fees		359,111	268,034
Card related fees		811,107	618,720
Credit related fees		802,328	642,252
Branchless banking fees		124,342	100,857
Commission on trade		778,411	584,589
Commission on guarantees		421,062	264,015
Commission on cash management		156,165	144,141
Commission on remittances including home remittances		437,494	363,128
Commission on bancassurance		110,158	38,452
Commission on wheat financing		214,120	-
SMS banking income		343,489	245,074
		5,143,597	3,757,167
27. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	27.1	1,764,751	8,464,862
Unrealized gain - held for trading	9.1	21,039	1,630
		1,785,790	8,466,492
27.1 Realized gain on sale of securities - net:			
Federal government		1,213,864	8,069,228
Shares / units		550,887	394,634
Term finance certificates		-	1,000
		1,764,751	8,464,862
28. OTHER INCOME - NET			
Rent on property		-	43,529
Gain / (loss) on termination of lease liability against right-of-use assets		3,156	(2,635)
(Loss) / gain on sale of property and equipment - net		(980)	101,461
Gain on sale of non banking assets - net	14.1.2	42,207	225,129
Notice pay on resignations		15,974	19,707
		60,357	387,191

	Note	2021	2020
		Rupees in '000'	
29. OPERATING EXPENSES			
Total compensation expense	29.1	10,687,383	8,782,278
Property expense:			
Rent and taxes		22,635	39,039
Insurance		16,979	18,359
Utilities cost		798,543	664,833
Security		1,148	1,483
Repair and maintenance including janitorial charges		49,021	43,592
Depreciation		523,074	589,064
Depreciation on right-of-use assets	11.2	990,749	891,145
Others		-	397
		2,402,149	2,247,912
Information technology expenses:			
Software maintenance		512,905	473,022
Hardware maintenance		54,879	82,092
Depreciation		347,872	285,960
Amortization	12.1	208,010	197,899
Network charges		424,900	354,881
		1,548,566	1,393,854
Other operating expenses:			
Directors' fees and allowances	38.2	41,685	35,200
Fees and allowances to shariah board	38.3	5,925	3,660
Legal and professional charges		223,230	114,445
Subscription charges		38,366	32,258
Outsourced staff services costs	36.1	437,730	367,095
Travelling and conveyance		836,936	560,890
NIFT clearing charges		67,957	69,078
Depreciation		365,527	306,973
Depreciation on non banking assets	14.1.1	48,666	58,923
Depreciation on ijarah assets		240,683	287,075
Training and development		66,608	26,047
Postage and courier charges		159,300	221,169
Stationery and printing		409,987	265,579
Marketing, advertisement and publicity		651,895	356,682
Donations	29.2	-	10,000
Auditors remuneration	29.3	12,358	11,068
Insurance		248,352	145,328
Deposit protection fee		443,027	351,964
Repair and maintenance		296,572	180,907
Entertainment expenses		151,659	112,151
Fuel for generator		100,036	85,646
Commission and brokerage		274,174	242,593
Bank charges		36,362	41,931
SMS banking charges		40,608	48,491
ATM charges including ATM maintenance charges		273,571	174,061
Cash remittance charges		269,805	200,336
Branch license fee		27,701	16,507
CNIC verification / ECIB charges		203,713	71,311
COVID - 19 related expenses		38,493	45,725
Miscellaneous expenses		186,554	197,603
		6,197,480	4,640,696
		20,835,578	17,064,740

Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 1,187,522 thousand (2020: Rs. 558,412 thousand). This expense represents payments made to companies incorporated in Pakistan.

	Note	2021	2020
		Rupees in '000'	
29.1 Total compensation expense			
Managerial remuneration:			
Fixed		8,760,186	7,611,938
Variable cash bonus / awards etc.		981,871	465,342
Provision for gratuity	37.1.7.1	267,397	174,489
Provision for compensated absences	37.2.4	12,040	13,982
Gratuity expense of key management personnel	42.4	5,750	13,286
Contribution to defined contribution plans		299,283	246,497
Rent & house maintenance		-	-
Utilities		343	106
Medical		271,411	206,795
Conveyance		47,844	26,142
Liveries		33,090	17,641
Scholarship		8,168	6,060
Grand Total		10,687,383	8,782,278

29.2 This represents donation paid during the year (2020: Akhuwat Corona Imdad Fund Rs. 10,000 thousand).

	Note	2021	2020
		Rupees in '000'	
29.3 Auditors remuneration			
Audit fee		4,435	3,350
Fee for half year review and other statutory certifications		5,172	5,178
Special certifications		1,391	1,540
Out of pocket expenses		1,100	1,000
		12,098	11,068
30. OTHER CHARGES			
Penalties imposed by SBP		13,408	304,279
31. PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments	9.3.1	311,519	508,824
(Reversal) / provision against advances - net	10.4	(1,810,365)	6,074,322
(Reversal) / provision against other assets - net	14.3.1	(112,472)	286,764
Bad debts written off directly	10.5.1	300	-
Other assets written off directly		-	19
		(1,611,018)	6,869,929

	Note	2021	2020
		Rupees in '000'	
32. TAXATION			
Current	32.1	7,068,259	6,633,884
Prior years		(108,154)	12,463
Deferred		(985,497)	(1,600,563)
		5,974,608	5,045,784

32.1 This includes provision for super tax of Bank for the year in accordance with Income Tax Ordinance, 2001.

The Government vide Finance Act 2022, has changed the effective tax rate for banking industry from 35% to 39% by enacting super tax at the rate of 4% for indefinite period of time. Accordingly, the effect of change in tax rate has been recognized in these consolidated financial statements.

	2021	2020
	Rupees in '000'	
32.2 Relationship between tax expense and accounting profit		
Accounting profit before tax for the year	18,371,007	11,926,313
Tax on income @ 35% (2020: 35%)	6,429,852	4,174,210
Super tax @ 4% (2020: 4%)	726,630	669,764
Effective tax rate @ 39% (2020: 39%)	7,156,482	4,843,974
Tax effect of permanent differences	4,693	106,498
Tax effect of prior year	(108,154)	-
Cumulative tax effect of change in tax rate	(1,120,866)	-
Others	42,453	95,312
Tax charge for the year	5,974,608	5,045,784

	2021	2020
33. BASIC EARNINGS PER SHARE		
Profit after tax for the year (Rs in '000')	12,315,813	6,818,867
Weighted average number of ordinary shares (No.)	2,643,692,380	2,643,692,380
Basic earnings per share (Rs)	4.66	2.58

34. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

		2021	2020
		Rupees in '000'	
35. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	71,319,238	69,272,177
Balance with other banks	7	8,858,356	2,507,010
Overdrawn nostro accounts	17	-	(2,136)
		80,177,594	71,777,051

35.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

is includes provision for super tax for the year in accordance with Income Tax Ordinance, 2001.

	2021				2020			
	Liabilities		Equity	Total	Liabilities		Equity	Total
	Sub-ordinated debts	Other liabilities	Un-appropriated profit		Sub-ordinated debts	Other liabilities	Un-appropriated profit	
	Rupees in '000'							
Balance as at January 01,	6,791,700	42,593,336	11,632,681	61,017,717	8,794,420	42,225,055	8,151,276	59,170,751
Changes from financing cash flows								
Redemption of Subordinated debts	(2,720)	-	-	(2,720)	(2,002,720)	-	-	(2,002,720)
Advance subscription money - subordinated perpetual term finance certificates	1,000,000	-	-	1,000,000	-	-	-	-
Payment of lease liability against right-of-use-assets	-	(1,480,786)	-	(1,480,786)	-	(1,173,559)	-	(1,173,559)
Dividend paid	-	-	(2,643,692)	(2,643,692)	-	-	(1,982,769)	(1,982,769)
Total changes from financing cash flows	997,280	(1,480,786)	(2,643,692)	(3,127,198)	(2,002,720)	(1,173,559)	(1,982,769)	(5,159,048)
Liability related								
Changes in Other liabilities								
Cash based	-	4,405,523	-	4,405,523	-	(313,422)	-	(313,422)
Non cash based	-	4,703,524	-	4,703,524	-	1,855,262	-	1,855,262
Total liability related other changes	-	9,109,047	-	9,109,047	-	1,541,840	-	1,541,840
Total equity related other changes	-	-	9,926,197	9,926,197	-	-	5,464,174	5,464,174
Balance as at December 31	7,788,980	50,221,597	18,915,186	76,925,763	6,791,700	42,593,336	11,632,681	61,017,717

	2021	2020
	Number	
36. STAFF STRENGTH		
Permanent	9,358	7,975
On Bank contract	1,899	2,037
Bank's own staff strength at the end of the year	11,257	10,012

36.1 In addition to the above, 1,155 (2020: 1033) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

37. EMPLOYEE BENEFITS

37.1 Defined benefit plan - gratuity

The Bank operates a funded gratuity scheme for all its permanent employees. The benefits under the scheme are payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof, with effect from January 01, 2008, subject to minimum of five years of service. The Bank makes annual provision in these consolidated financial statements for its liabilities on the basis of actuarial valuation.

37.1.1 Number of employees under the scheme

The number of employees covered under the following defined benefit scheme are:

	2021	2020
	Number	
- Eligible employees under gratuity scheme	9,358	7,930

37.1.2 Principal actuarial assumptions

The most recent valuation was carried out at December 31, 2021 using the "Projected Unit Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

	2021	2020
	Per annum	
Discount rate	11.75%	9.75%
Expected rate of return on plan assets	11.75%	9.75%
Expected rate of salary increase	10.75%	8.75%
Average expected remaining working life (years)	8	8

	Note	2021	2020
		Rupees in '000'	
37.1.3 Reconciliation of payable to defined benefit plan			
Present value of obligations	37.1.4	1,918,269	1,590,008
Fair value of plan assets	37.1.5	(1,669,712)	(1,343,925)
Benefits payable		19,587	15,691
Payable to defined benefit plan		268,144	261,774

	Note	2021	2020
		Rupees in '000'	
37.1.4 Movement in present value of defined benefit obligations			
Obligations at the beginning of the year		1,590,008	1,284,100
Current service cost		256,355	164,580
Interest cost		152,231	138,435
Benefits paid during the year		(57,339)	(51,196)
Re-measurement (gain) / loss		(22,986)	54,089
Obligations at the end of the year		1,918,269	1,590,008
37.1.5 Movement in fair value of plan assets			
Fair value at the beginning of the year		1,343,925	1,088,236
Interest income on plan assets		141,189	128,526
Contribution by the Bank during the year		261,774	211,783
Benefits paid during the year		(53,443)	(51,424)
Return on plan assets excluding interest income		(23,733)	(33,196)
Fair value at the end of the year		1,669,712	1,343,925
37.1.6 Movement in payable under defined benefit scheme			
Opening balance		261,774	211,783
Charge for the year	37.1.7.1	267,397	174,489
Contribution by the Bank during the year		(261,774)	(211,783)
Re-measurement loss recognized in other comprehensive income during the year	37.1.7.2	747	87,285
Closing balance		268,144	261,774
37.1.7 Charge for defined benefit plans			
37.1.7.1 Cost recognized in profit and loss			
Current service cost		256,355	164,580
Net interest on defined benefit plan		11,042	9,909
		267,397	174,489
37.1.7.2 Re-measurements recognized in other comprehensive income during the year			
(Gain) / loss on obligation experience adjustment		(22,986)	54,089
Return on plan assets over interest income		23,733	33,196
Total re-measurement loss recognized in other comprehensive income		747	87,285
37.1.8 Components of plan assets			
Cash and cash equivalents - net		133,509	1,036,625
Government Securities		1,209,200	-
Shares / units		327,003	307,300
		1,669,712	1,343,925

These assets are mostly contained in the form of cash and cash equivalents so there is no significant risk associated with it. However, investments in shares/ units may be adversely affected by movement in equity and interest rate markets.

37.1.9 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations. The increase / (decrease) in the present value of defined benefit obligations as a result of change in discount rate and salary growth is summarized below:

	2021	2020
	Rupees in '000'	
1% increase in discount rate	1,789,226	1,472,296
1% decrease in discount rate	2,056,664	1,724,426
1 % increase in expected rate of salary increase	2,056,619	1,724,426
1 % decrease in expected rate of salary increase	1,789,204	1,470,252
37.1.10 Expected contributions to be paid to the fund in the next financial year	268,144	261,774
37.1.11 Expected charge for the next financial year	340,032	206,947
37.1.12 Maturity profile		
The weighted average duration of the obligation (in years)	7	7

37.1.13 Funding policy

There is no statutory minimum funding requirements. However, contributions to the scheme are made on the basis of actuarial valuations carried in each year.

The Bank's gratuity scheme is mainly subject to following risks:

Asset volatility	The majority of the gratuity fund assets are invested in cash or cash-equivalent. Therefore, there is insignificant investment risk to the scheme due to fluctuation in interest rate environment or changes in bond yields. Also, there is no liquidity investment risk to the scheme. However, investments in shares/ units may be adversely affected by movement in equity and interest rate markets.
Inflation risk	Higher than expected growth in inflation may result in higher than assumed salary increases which will lead to increase in liability. However, assets of the scheme may not be at significant risk due to changes in inflation rate.
Life expectancy / Withdrawal rate	Actuarial valuation assumes heavy withdrawals for younger ages but moderate withdrawal rates are used for older ages. Significant withdrawals of employees having reasonable years of service would cause large benefit payments. Consequently, deficit position of the scheme would deteriorate further. However, availability of cash for benefit payments will not be an issue due to the liquid nature of assets of the Gratuity Fund.

37.2 Defined benefit plan - compensated absences

The Bank makes annual provision in these consolidated financial statements for its liabilities towards vested compensated absences accumulated by its employees on the basis of actuarial valuation. The employees of the Bank are entitled to take leave as Leave Preparatory to Retirement (LPR) immediately before retirement. These leaves are subject to retirees' un-utilized privilege leave balance with an upper limit of 180 days. Alternatively, the retiree may receive a lump-sum cash amount equal to 180 days basic salary at the time of retirement in lieu of LPR of 180 days. Privilege leave accrues at the rate of 30 days per year. Moreover, any unutilized privilege leaves over 180 days are ignored.

37.2.1 Principal actuarial assumptions

The most recent valuation was carried out at December 31, 2021. The principal assumptions used in the valuation were as follows:

	2021	2020
	Per annum	
Discount rate (%)	11.75%	9.75%
Expected rate of eligible salary increase in future years (%)	10.75%	8.75%
Average number of leaves accumulated per annum by the employees (days)	18	18

	2021	2020
	Rupees in '000'	
37.2.2 Present value of defined benefit obligation	133,629	123,506
37.2.3 Movement in payable to defined benefit plan:		
Opening balance	123,506	111,612
Charge for the year	12,040	13,982
Benefit paid	(1,917)	(2,088)
Closing balance	133,629	123,506
37.2.4 Charge for defined benefit plan:		
Current service cost	4,116	3,888
Interest cost	11,948	12,162
Actuarial gain recognized	(4,024)	(2,068)
	12,040	13,982

37.2.5 Sensitivity analysis:

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit plan. The increase / (decrease) in the present value of defined benefit plan as a result of change in discount rate and salary growth is summarized below:

	2021	2020
	Rupees in '000'	
Increase in discount rate by 1%	122,180	111,827
Decrease in discount rate by 1%	146,146	137,205
Increase in expected future increment in salary by 1%	146,149	137,205
Decrease in expected future increment in salary by 1%	122,182	111,626

37.2.6 Reconciliation of net liability recognized for compensated absences for the five years is as follows:

	2021	2020	2019	2018	2017
	Rupees in '000'				
Opening net liability	123,506	111,612	102,294	93,523	91,181
Net charge for the year	10,123	11,894	9,318	8,771	2,342
	133,629	123,506	111,612	102,294	93,523
Actuarial gain / (loss) on obligation	4,024	2,068	(1,175)	886	1,617

37.3 Defined contribution plan

The Bank operates and approved provident fund scheme for all its permanent employees. Equal monthly contributions are made by the Bank and employees at the rate of 8.33% of basic salary.

38. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total compensation expense

	Note	2021				
		Chairman	Members shariah board	President / CEO	Key management personnel	Other material risk takers / controllers
		Rupees in '000'				
Fees and allowances etc.	38.3	-	5,925	-	-	-
Managerial remuneration						
Fixed		-	1,502	92,575	246,477	227,908
Variable cash bonus / awards		-	116	35,000	32,504	36,875
Charge for defined benefit plan		-	-	5,750	7,027	8,959
Contribution to defined contribution plan		-	-	-	8,821	7,874
Servant salary		-	-	720	2,874	3,529
Club membership		-	-	265	1,271	2,089
Fuel		-	389	-	11,791	14,999
Others		-	-	116	210	432
Total		-	7,932	134,426	310,975	302,665
Number of persons		-	6	1	17	32

	2020				
	Chairman	Members shariah board	President / CEO	Key management personnel	Other material risk takers / controllers
	Rupees in '000'				
Fees and allowances etc.	87	3,660	-	-	-
Managerial remuneration					
Fixed	-	983	76,323	187,840	180,710
Variable cash bonus / awards	-	44	19,325	11,956	16,842
Charge for defined benefit plan	-	-	13,286	3,950	6,529
Contribution to defined contribution plan	-	-	79	4,311	7,402
Servant salary	-	-	510	1,924	1,940
Furnishing allowance	-	-	750	1,500	-
Club membership	-	-	46	3,650	565
Fuel	-	307	-	6,231	10,303
Others	-	-	21	2,077	-
Total	87	4,994	110,340	223,926	224,291
Number of persons	0	3	3	25	30

38.1.1 In terms of section 10 (2) of the Bank of Punjab Act, 1989, the Chairman of the Board shall be nominated by the GoPb amongst the Directors. However, the GoPb has not concluded nomination of the Chairman of the Board of Directors during the year ended December 31, 2021 and the same is in process.

38.1.2 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver and mobile phone as per Bank's policy.

38.1.3 Total compensation paid during the year ended December 31, 2020 to President / CEO includes amount paid to Acting Presidents amounting to Rs. 49,143 thousand from January 01, 2020 to April 15, 2020.

38.1.4 Deferred cash bonus for key management personnel and other material risk takers / controllers stood at December 31, 2021 is Rs. 22,182 thousand (2020: Nil).

38.2 Remuneration paid to directors for participation in board and committee meetings

Name of Director	2021							
	Rupees in '000'							
	For Board Committees							
	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communications Committee	Risk Management, Compliance & NPL Review Committee	Monitoring Committee of the Board on Forensic Investigation of Sugar Industry NPLs	Total amount paid
Dr. Muhammad Amjad Saqib	2,044	806	-	1,744	-	1,181	-	5,775
Khawaja Farooq Saeed	2,044	431	-	2,104	806	1,181	938	7,504
Iftikhar Ali Sahoo	994	375	805	750	188	188	-	3,300
Mohammad Jehanzeb Khan	2,043	188	1,613	1,744	806	-	-	6,394
Muhammad Abdullah Khan Sumbal	375	188	-	374	188	-	-	1,125
Saeed Anwar	2,044	806	1,613	431	806	-	937	6,637
Shaharyar Ahmad	1,125	375	750	-	-	750	750	3,750
Syed Ghazanfar Abbas Jilani	2,044	431	1,613	1,744	187	1,181	-	7,200
Total	12,713	3,600	6,394	8,891	2,981	4,481	2,625	41,685

Name of Director	2020							
	Rupees in '000'							
	For Board Committees							
	Board Meetings	Strategy, Islamic & Priority Sector Finance Committee	Board Audit Committee	Human Resource, Compensation & Nomination Committee	Information Technology & Communica-tions Committee	Risk Management, Compliance & NPL Review Committee	Monitoring Committee of the Board on Forensic Investigation of Sugar Industry NPLs	Total amount paid
Dr. Pervaiz Tahir - ex chairman	87	-	-	-	-	-	-	87
Mohammad Jehanzeb Khan	2,600	-	375	1,725	750	513	-	5,963
Abdullah Khan Sumbal	2,600	375	375	1,125	188	513	-	5,176
Syed Ghazanfar Abbas Jilani	1,125	-	375	563	-	375	-	2,438
Khawaja Farooq Saeed	2,600	187	837	1,725	562	375	-	6,286
Saeed Anwar	2,600	375	1,212	-	750	513	-	5,450
Dr. Muhammad Amjad Saqib	2,600	563	-	1,725	375	700	-	5,963
Shaharyar Ahmad	2,337	375	563	-	-	562	-	3,837
Total	16,549	1,875	3,737	6,863	2,625	3,551	-	35,200

38.3 Remuneration paid to Shariah board members

	2021				2020			
	Chairman	Resident member	Non-resident member	Total amount paid	Chairman	Resident member	Non-resident member	Total amount paiod
	Rupees in '000'							
Meeting fee and allowances	2,540	-	3,385	5,925	1,890	-	1,770	3,660
Salary & festival bonus paid to resident member through Bank's payroll	-	2,007	-	2,007	-	1,334	-	1,334
Total amount	2,540	2,007	3,385	7,932	1,890	1,334	1,770	4,994
Number of persons	1	2	3		1	1	1	

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited consolidated financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

39.1 The Bank measures fair vale using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2021				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	448,913,878	-	448,913,878	-	448,913,878
Shares	6,874,277	6,834,777	-	39,500	6,874,277
Non-Government debt securities	10,106,626	-	10,106,626	-	10,106,626
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value :					
Government securities	61,299,171	-	63,715,206	-	63,715,206
Non Financial assets measured at fair value :					
Property and equipment (land & building)	8,764,483	-	8,764,483	-	8,764,483
Non banking assets acquired in satisfaction of claims	5,848,593	-	5,848,593	-	5,848,593
Financial liabilities measured at fair value :					
Payable to gratuity fund	268,144	-	268,144	-	268,144
Provision for employees compensated absences	133,629	-	133,629	-	133,629
Off balance sheet financial instruments :					
Forward purchase of foreign exchange contracts	107,277,276	-	107,277,276	-	107,277,276
Forward sale of foreign exchange contracts	101,120,153	-	101,120,153	-	101,120,153

	2020				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	488,823,420	-	488,823,420	-	488,823,420
Shares	3,652,149	3,616,961	-	35,188	3,652,149
Non-Government debt securities	10,139,836	-	10,139,836	-	10,139,836
Foreign securities	4,019	-	-	4,019	4,019
Financial assets disclosed but not measured at fair value :					
Government securities	60,483,391	-	69,082,534	-	69,082,534
Non Financial assets measured at fair value :					
Operating fixed assets (land & building)	5,497,765	-	5,497,765	-	5,497,765
Non banking assets acquired in satisfaction of claims	5,904,147	-	5,904,147	-	5,904,147
Financial liabilities measured at fair value:					
Payable to gratuity fund	261,774	-	261,774	-	261,774
Provision for employees compensated absences	123,506	-	123,506	-	123,506
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	24,343,173	-	24,343,173	-	24,343,173
Forward sale of foreign exchange contracts	23,712,804	-	23,712,804	-	23,712,804

40. SEGMENT INFORMATION

40.1 Segment details with respect to business activities

	2021						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	25,058,046	-	7,235,506	44,448,997	4,621,515	440,349	81,804,413
Inter segment revenue - net	(19,147,791)	61,725,743	(4,367,170)	(33,250,325)	(65,951)	(4,894,506)	-
Non mark-up / return / interest income	1,725,006	2,288,181	632,116	3,022,414	177,574	98,770	7,944,061
Total income	7,635,261	64,013,924	3,500,452	14,221,086	4,733,138	(4,355,387)	89,748,474
Segment total expenses	1,585,071	51,633,678	1,635,409	5,547,853	4,123,826	8,462,648	72,988,485
Profit before provisions	6,050,190	12,380,246	1,865,043	8,673,233	609,312	(12,818,035)	16,759,989
Provisions	(1,823,356)	3,577	(747,074)	311,519	770,058	(125,742)	(1,611,018)
Profit / (loss) before tax	7,873,546	12,376,669	2,612,117	8,361,714	(160,746)	(12,692,293)	18,371,007
Balance sheet							
Cash & bank balances	-	25,027,543	-	41,562,509	13,587,542	-	80,177,594
Investments - net	4,259,596	-	-	510,848,259	16,590,093	-	531,697,948
Net inter segment lending	-	922,830,034	-	-	442,430	20,229,405	943,501,869
Lendings to financial institutions	-	-	-	25,080,388	4,500,000	-	29,580,388
Advances - performing	336,786,580	-	86,053,619	-	47,197,055	10,209,769	480,247,023
Advances - non-performing - net	2,675,142	-	818,292	-	1,835,989	57	5,329,480
Others	13,996,342	4,915,621	640,698	11,157,299	3,461,685	36,068,131	70,239,776
Total assets	357,717,660	952,773,198	87,512,609	588,648,455	87,614,794	66,507,362	2,140,774,078
Borrowings	68,607,066	-	1,805,013	-	911,409	-	71,323,488
Subordinated debts	-	-	-	-	-	7,788,980	7,788,980
Deposits & other accounts	-	923,712,185	-	-	79,206,096	-	1,002,918,281
Net inter segment borrowing	280,743,709	-	74,282,001	588,476,159	-	-	943,501,869
Others	8,366,885	29,061,013	11,425,595	172,296	2,944,671	8,360,596	60,331,056
Total liabilities	357,717,660	952,773,198	87,512,609	588,648,455	83,062,176	16,149,576	2,085,863,674
Equity							54,910,404
Total equity & liabilities							2,140,774,078
Contingencies & commitments	255,411,391	-	416,094	205,641,893	7,448,017	106,814	469,024,209

	2020						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	29,246,361	-	6,346,075	45,088,416	5,057,562	382,001	86,120,415
Inter segment revenue - net	(22,931,710)	64,402,623	(3,982,350)	(34,842,275)	(59,260)	(2,587,028)	-
Non mark-up / return / interest income	629,452	1,723,574	263,241	9,964,601	117,991	377,281	13,076,140
Total income	6,944,103	66,126,197	2,626,966	20,210,742	5,116,293	(1,827,746)	99,196,555
Segment total expenses	1,159,107	58,580,536	897,820	8,104,777	4,145,715	7,512,358	80,400,313
Profit before provisions	5,784,996	7,545,661	1,729,146	12,105,965	970,578	(9,340,104)	18,796,242
Provisions	5,406,149	284,602	247,252	508,825	414,325	8,776	6,869,929
Profit / (loss) before tax	378,847	7,261,059	1,481,894	11,597,140	556,253	(9,348,880)	11,926,313
Balance sheet							
Cash & bank balances	-	43,951,026	-	22,168,221	5,659,940	-	71,779,187
Investments - net	2,320,445	-	-	548,486,468	16,996,603	-	567,803,516
Net inter segment lending	-	743,594,252	-	-	951,270	32,889,248	777,434,770
Lendings to financial institutions	-	-	-	6,454,867	8,632,000	-	15,086,867
Advances - performing	291,478,623	-	53,317,428	-	30,983,039	6,710,329	382,489,419
- non-performing - net	6,229,401	-	930,497	-	2,218,148	22,343	9,400,389
Others	8,830,835	6,015,362	746,993	7,309,414	3,680,612	22,705,635	49,288,851
Total assets	308,859,304	793,560,640	54,994,918	584,418,970	69,121,612	62,327,555	1,873,282,999
Borrowings	51,659,260	-	462,409	102,105,236	607,842	-	154,834,747
Subordinated debts	-	-	-	-	-	6,791,700	6,791,700
Deposits & other accounts	-	773,530,773	-	-	61,539,589	-	835,070,362
Net inter segment borrowing	254,087,325	-	42,481,624	480,851,764	-	-	777,420,713
Others	3,112,719	20,029,867	12,050,885	1,461,970	2,859,733	7,267,528	46,782,702
Total liabilities	308,859,304	793,560,640	54,994,918	584,418,970	65,007,164	14,059,228	1,820,900,224
Equity							52,382,775
Total equity & liabilities							1,873,282,999
Contingencies & commitments	160,308,823	-	639,748	48,807,235	3,269,939	724,160	213,749,905

41. TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, the Bank arranges and maintain government securities on behalf of its customers.

42. RELATED PARTY TRANSACTIONS

Related parties comprise subsidiary, key management personnel and entities in which key management personnel are office holders / members. The Bank in the normal course of business carries out transactions with various related parties on arm's length basis. Amounts due from and due to related parties are shown under receivables and payables. Remuneration of key management personnel, shariah board and fixed assets sold to related parties are disclosed in Note 38.1, 38.2 & Note 11.3.4 respectively. In addition key management personnel are paid terminal and short-term terminal benefits.

	2021				2020			
	Directors	Key management personnel	Employee funds	Other related parties	Directors	Key management personnel	Employee funds	Other related parties
	Rupees in '000							
Advances:								
Opening balance	-	171,147	-	595,721	-	322,244	-	-
Addition during the year	-	156,784	-	2,963,637	-	51,412	-	5,541,638
Repaid during the year	-	51,332	-	2,241,339	-	202,509	-	4,945,917
Closing balance	-	276,599	-	1,318,019	-	171,147	-	595,721
Contingencies (non fund exposure)	-	-	-	112,072	-	-	-	419,488
Other assets - advance deposits and prepayments	-	17,547	-	-	-	-	-	-
Other assets - markup receivable	-	14,709	-	14,151	-	12,316	-	14,491
Right-of-use assets	-	-	-	62,202	-	-	-	66,055
Lease liability against right-of-use assets	-	-	-	22,900	-	-	-	20,030
Deposits and other accounts:								
Opening balance	598	26,253	3,071,616	33,878	61	13,961	2,564,910	876
Received during the year	16,522	545,013	4,247,275	61,507,975	4,353	473,997	1,152,506	122,199
Withdrawn during the year	16,218	542,876	6,944,119	59,982,854	3,816	461,705	645,800	89,197
Closing balance	902	28,390	374,772	1,558,999	598	26,253	3,071,616	33,878
Other liabilities - markup payable	-	-	-	11,087	-	-	-	-
Income:								
Mark-up / return / interest earned	-	10,826	-	34,743	-	15,096	-	24,297
Non markup income	-	-	-	8,367	-	-	-	580
Expense:								
Mark-up / return / interest paid	24	585	88,308	51,689	26	1,333	245,354	314
Mark-up on lease liability against right-of-use assets	-	-	-	2,870	-	-	-	4,240
Depreciation on right-of-use assets	-	-	-	3,853	-	-	-	4,614
Non markup expense	-	-	-	-	-	-	-	-

42.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current year are not reflected as part of the closing balance. The same are accounted for through movement presented above.

42.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government- related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

As at Statement of Financial Position date the loans and advances, deposits, acceptances and contingencies relating to GoPb and its related entities amounted to Rs. 57,299,296 thousand (December 31, 2020: Rs. 37,126,458 thousand), Rs. 484,197,126 thousand (December 31, 2020: Rs. 421,019,222 thousand) Rs. 71,929 thousand (December 31, 2020: Rs. 71,929 thousand) and Rs. 26,097,691 thousand (December 31, 2020: Rs. 27,070,415 thousand) respectively. Markup / interest earned and markup receivable from these loans & advances amounted to Rs.4,142,460 thousand and 1,078,401 thousand respectively. Markup / interest expensed and markup payable on these deposits amounted to Rs.27,220,372 thousand and Rs.9,079,554 thousand respectively. Income on contingencies is Rs.101,798 thousand.

42.3 The Bank made contribution of Rs. 299,283 thousand (2020: Rs. 246,497 thousand) to defined contribution plan during the year.

42.4 During the year, the Bank has recorded Rs. 5,750 thousand as gratuity expense to president (2020: Rs 13,286 thousand to ex-Acting President / DCEO).

42.5 Advances to employees as at December 31, 2021, other than key management personnel, amounted to Rs. 11,219,294 thousand (2020: Rs. 7,375,234 thousand) with markup receivable of Rs. 678,455 thousand (2020: Rs. 519,593 thousand) and markup income of Rs.419,855 thousand (2020: Rs. 351,368 thousand).

	Note	2021	2020
		Rupees in '000'	
43. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS			
Minimum Capital Requirement (MCR):			
Paid-up capital (net of losses)		28,388,806	28,388,806
Capital Adequacy Ratio (CAR):			
Eligible Common Equity Tier 1 (CET 1) Capital		43,965,111	41,439,997
Advance subscription money - Additional Tier 1 (ADT 1) Capital	19.3	-	-
Total Eligible Tier 1 Capital		43,965,111	41,439,997
Eligible Tier 2 Capital		9,338,940	15,059,584
Total Eligible Capital (Tier 1 + Tier 2)		53,304,051	56,499,581
Risk Weighted Assets (RWAs):			
Credit Risk		353,676,099	289,587,746
Market Risk		18,222,882	6,838,846
Operational Risk		64,463,283	56,706,471
Total		436,362,264	353,133,063
Common Equity Tier 1 Capital Adequacy ratio		10.08%	11.73%
Tier 1 CAR (%)		10.08%	11.73%
Total CAR (%)		12.22%	16.00%

As explained in note 19.3, had the advance subscription money against future issuance of non-cumulative perpetual term finance certificates been accounted for as eligible capital, the capital adequacy, leverage and net stable funding ratio would have been 12.44%, 3.08% and 124.00%, respectively.

43.1 Capital adequacy framework

The Basel Framework for a capital adequacy is applicable to the Bank both at the consolidated level (including the subsidiary) and on a stand alone basis. The Bank's policy is to maintain strong capital base so as to maintain, investor, creditor and market confidence and to sustain future business developments. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the SBP. The ratio compares the amount of eligible capital with the total of risk-weighted assets. The Bank monitors and reports its capital ratios under SBP rules, which ultimately determine the regulatory capital required to be maintained by Banks and DFIs.

In addition, the SBP requires that the paid up capital of locally incorporated banks should be raised to Rs. 10 billion by December 31, 2013 in a phased manner. The paid-up capital requirement (net of losses) as at December 31, 2021 is Rs.10.0 billion.

The SBP requires that banks doing business in Pakistan should maintain regulatory capital for credit, market, and operational risks, the amount of which should at least be equal to 10% plus capital conservation buffer of 2.50% of the risk weighted assets of the Bank.

However, in order to dampen the effects of COVID - 19, SBP vide Circular No 12 of 2020 dated March 26, 2020, provided relaxation to maintain CCB of 1.5% from March, 2020 till further instructions. Accordingly, capital adequacy ratio requirement stood at 11.50% and the Banks's total capital adequacy ratio as at December 31, 2021 under Basel III stood at 12.22

The SBP's regulatory capital as managed by the Bank is analyzed into following tiers:

- Tier I capital (CET1), which comprises of highest quality capital element and include fully paid up capital, share premium, reserve for bonus shares, general reserves and accumulated losses.

- Additional Tier I capital (ADT-I), which includes instrument meeting the prescribed SBP criteria e.g. perpetual non-cumulative preference shares and its premium after all regulatory adjustments applicable on ADT-I.

The deductions from Tier 1 capital include mainly:
i) Book value of goodwill / intangibles;
ii) Shortfall in provision
iii) Deficit on revaluation of available for sale investments - AFS & fixed assets;
iv) Defined benefit pension fund asset
v) Investment in own shares
vi) Reciprocal cross holdings in equity capital instruments of other banks, financial institutions and insurance companies;
vii) Investment in mutual funds above a prescribed ceiling
viii)Threshold deductions applicable from 2014 on deferred tax assets and certain investments;
ix) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position during transition phase

- Tier II capital, which includes subordinated debt / instruments and its premium, general reserve for loan losses (up to a maximum of 1.25% of CRWA), net of tax revaluation reserves, exchange translation reserves after all regulatory adjustments applicable on Tier-II.

The deductions from Tier 2 include mainly

i) Reciprocal cross holdings in other capital instruments of other banks, financial institution and insurance companies;
ii) 10% of investments in majority capital instruments or other financial subsidiaries not consolidated in the statement of financial position, during transition phase.

The Bank calculates capital requirement as per regulatory framework, using the following approaches:

Credit risk	Standardized Approach
Market risk	Standardized Approach
Operational risk	Basic Indicator Approach

Basel-III Framework enables a more risk-sensitive regulatory capital calculation to promote long term viability of the Bank.

		2021	2020
		Rupees in '000'	
43.2	**Leverage Ratio (LR):**		
	Eligible Tier-1 Capital	43,965,111	41,439,997
	Total Exposures	1,463,063,318	1,307,692,667
	LR (%)	3.01%	3.17%
43.3	**Liquidity Coverage Ratio (LCR):**		
	Total High Quality Liquid Assets	566,498,287	538,917,589
	Total Net Cash Outflow	413,944,607	386,811,819
	LCR (%)	136.85%	139.32%
	Net Stable Funding Ratio (NSFR):		
	Total Available Stable Funding	667,827,072	600,034,473
	Total Required Stable Funding	539,376,598	471,758,220
	NSFR (%)	123.81%	127.19%

43.4 The full disclosures on the capital adequacy, leverage ratio and liquidity requirements as per SBP instructions issued from time to time are available at http://bop.com.pk.

44. RISK MANAGEMENT

The Bank has established market, credit, liquidity and operational risk appetite under the supervision of Board of Directors, where the Bank has already implemented new core business system and web based obligor risk rating system. The Bank has implemented a system of reporting risks and exceptions on various frequencies to business groups, Asset and Liabilities Committee, Investment Committee, Board Risk Management Committee and Board of Directors.

44.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligations and cause the other party to incur a financial loss. The Bank manages its exposure to credit risk by pursuing credit policy approved by the Board of Directors and undertaking all lending activities in accordance with standard practices and procedures as laid down in the Credit Policy Manual. The Bank's credit process currently entails assessment of credit worthiness of potential customers, pre-sanction evaluation of credit proposal, adequacy and quality checks over collateral and examination of charge documents before disbursements. The Bank will also continue to keep its focus on expansion through diversified exposure. Further, to strengthen the portfolio and as a matter of prudence, adequate provisions against non-performing advances are accounted for in accordance with the requirements of the Prudential Regulations issued by the SBP.

The Bank's risk management involves the identification, measurement, monitoring, mitigation and controlling of risks to ensure that following primary objectives are adhered:

a. Individuals who take or manage risks clearly understand it in the entire credit value chain.

b. The Bank's risk exposure is within the risk appetite limits duly defined by the regulator or established by Board of Directors.

c. Risk taking decisions are in line with business strategy and objectives set by the management.

d. Business decisions optimize the risk-reward trade-off.

e. Risk taking decisions are explicit and clear.

f. Sufficient capital as a buffer is available to take risk.

The risk management function of the Bank is regularly conducting assessments of Bank's credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment.

During the year 2020, the Bank further strengthened its credit review procedures in light of COVID-19 pandemic situation and a buffer was created against unforeseen loan losses in form of general provision to mitigate credit risk.

During the year 2021 following post COVID-19 economic recovery and objective classification of certain accounts, the management now considers it appropriate to maintain general provision to an extent of Rs. 2,500,000 thousand to mitigate any further adverse impact on equity, performance and regulatory compliance. Accordingly, a net reversal from general provision of Rs. 781,355 thousand has been recognized in these consolidated financial statements.

Further, assessment of following obligor risk rating factors are in place for effective risk management:

Adjusted net worth, current ratio, net profit margin, adjusted leverage, relationship with the Bank, quality of financial reporting, ownership structure, account behavior, internal quality and buyer / supplier concentration.

44.1.1 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2021	2020	2021	2020	2021	2020
	Rupees in '000'					
Public / Government	1,200,000	1,500,000	-	-	-	-
Private	28,380,388	13,586,867	-	-	-	-
	29,580,388	15,086,867	-	-	-	-

44.1.2 Investment in debt securities

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
	Rupees in '000'					
Oil & gas	104,167	145,833	-	-	-	-
Textile	571,632	582,301	571,632	582,301	571,632	582,301
Cement	20,000	20,000	20,000	20,000	20,000	20,000
Sugar	308,606	308,606	308,606	308,606	308,606	308,606
Electronics and electrical appliances	27,862	520,599	27,862	27,862	27,862	27,862
Construction	47,387	47,387	47,387	47,387	47,387	47,387
Power (electricity), gas, water, sanitary	10,708,212	11,314,946	400	400	400	400
Transport, storage and communication	5,488	5,488	5,488	5,488	5,488	5,488
Financial	521,359,479	545,408,204	26,908	26,908	26,908	26,908
Services	867,240	890,258	-	-	-	-
Chemical and pharmaceuticals	1,500,000	1,500,000	-	-	-	-
Fertilizer	1,517,680	1,624,255	1,517,680	1,517,680	1,517,680	1,517,680
	537,037,753	562,367,877	2,525,963	2,536,632	2,525,963	2,536,632

Credit risk by public / private sector

Public/ Government	519,953,187	553,416,407	400	400	400	400
Private	17,084,566	8,951,470	2,525,563	2,536,232	2,525,563	2,536,232
	537,037,753	562,367,877	2,525,963	2,536,632	2,525,963	2,536,632

44.1.3 Advances

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
	Rupees in '000'					
Agriculture, forestry, hunting and fishing	23,387,696	16,240,841	1,594,354	1,719,776	1,275,176	1,301,745
Oil & gas	2,285,094	1,465,651	118,520	176,838	99,753	151,795
Textile	91,248,417	81,536,150	22,709,709	25,302,956	21,291,041	23,504,603
Chemical and pharmaceuticals	12,051,879	10,767,746	41,988	144,509	41,988	123,426
Cement	18,836,377	16,455,668	-	93,246	-	93,246
Sugar	13,749,499	16,308,840	1,721,982	2,035,095	1,514,452	1,773,210
Footwear and leather garments	2,253,507	1,729,427	517,610	517,610	516,066	516,066
Automobile and transportation equipment	2,327,717	2,289,286	1,985,237	2,114,743	1,981,736	2,011,725
Electronics and electrical appliances	5,586,285	3,204,546	117,642	31,513	73,642	31,513
Cable, electrical & engineering	7,285,762	6,871,970	2,180,272	2,184,081	2,123,552	2,103,054
Production & transmission of energy	82,342,597	74,470,207	3,119,104	3,272,610	1,905,914	2,076,873
Construction	10,532,372	6,580,362	1,678,636	1,727,683	1,426,440	1,422,215
Trading & commerce	30,338,244	31,895,731	8,226,611	9,213,670	7,615,485	6,708,841
Food & allied	54,807,493	34,274,979	2,879,677	3,082,326	2,829,126	2,929,458
Transport, storage and communication	69,570,957	50,472,137	185,952	176,319	185,952	176,319
Financial	4,663,499	3,116,218	959,030	606,009	959,030	606,009
Fertilizer	9,159,211	11,342,978	62,266	66,879	62,266	66,879
Services	15,199,339	13,897,447	1,132,540	1,383,421	1,007,791	1,229,461
Individuals	57,839,658	43,371,867	866,504	898,549	714,558	671,745
Others	22,125,642	17,422,975	2,191,643	2,729,281	1,335,829	578,542
	535,591,245	443,715,026	52,289,277	57,477,114	46,959,797	48,076,725

Credit risk by public / private sector

Public/ Government	153,977,196	115,264,859	-	-	-	-
Private	381,614,049	328,450,167	52,289,277	57,477,114	46,959,797	48,076,725
	535,591,245	443,715,026	52,289,277	57,477,114	46,959,797	48,076,725

	2021	2020
	Rupees in '000'	
44.1.4 Contingencies and commitments		
Textile and ginning	32,510,604	14,184,990
Cement	17,696,783	2,203,095
Sugar	1,035,352	1,971,414
Financial	241,832,171	67,237,907
Construction and real estate	17,707,258	12,100,439
Oil and gas	3,537,699	6,874,235
Auto and allied	1,810,272	1,556,366
Food and allied	4,139,694	3,772,706
Chemical and pharmaceuticals	2,710,686	2,726,604
Fertilizers	2,773,187	2,998,697
Cable, electrical and engineering	4,103,574	3,273,404
Production and transmission of energy	42,816,673	42,075,870
Transport, storage and communication	8,485,191	6,519,333
Trading and commerce	3,311,218	2,927,534
Services	4,956,551	781,120
Others	79,597,296	42,546,191
	469,024,209	213,749,905
Credit risk by public / private sector		
Public/ Government	92,790,919	61,831,913
Private	376,233,290	151,917,992
	469,024,209	213,749,905

44.1.5 Concentration of advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 231,949,089 thousand (2020: Rs. 179,556,038 thousand).

	2021	2020
	Rupees in '000'	
Funded	144,289,362	121,923,500
Non funded	87,659,727	57,632,538
Total exposure	231,949,089	179,556,038

The sanctioned limits against these top 10 exposures aggregated to Rs. 382,338,498 thousand (2020: Rs. 259,445,323 thousand).

Total funded classified therein

	2021		2020	
	Amount	Provision held	Amount	Provision held
	Rupees in '000'			
OAEM	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	6,071,699	5,695,850
Loss	-	-	-	-
Total	-	-	6,071,699	5,695,850

For the purpose of this note, exposure means outstanding funded facilities and utilized non-funded facilities as at the reporting date.

44.1.6 Advances - province / region-wise disbursement and utilization

	2021						
	Disbursements	Utilization					
Province / Region		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	276,349,050	259,480,243	11,210,780	2,743,663	587,847	2,265,216	61,301
Sindh	101,536,041	4,925,298	94,752,945	565,509	162,289	1,130,000	-
KPK including FATA	1,692,248	406	-	1,691,842	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	32,050,513	949,604	-	2,346,490	-	28,754,119	300
AJK including Gilgit-Baltistan	14,535	-	-	-	-	-	14,535
Total	411,642,387	265,355,551	105,963,725	7,347,504	750,136	32,149,335	76,136

	2020						
	Disbursements	Utilization					
Province / Region		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	Rupees in '000'						
Punjab	222,408,496	214,276,763	5,082,660	336,405	503,459	2,204,243	4,966
Sindh	83,087,045	2,414,776	79,063,437	1,528,123	80,709	-	-
KPK including FATA	817,217	275	-	816,942	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	22,268,326	-	-	3,910,769	-	18,315,802	41,755
AJK including Gilgit-Baltistan	4,500	-	-	-	-	-	4,500
Total	328,585,584	216,691,814	84,146,097	6,592,239	584,168	20,520,045	51,221

44.1.7 Credit risk - general disclosures

The Bank follows the standardized approach for its credit risk exposures, which sets out fixed risk weights corresponding to external credit rating or type of exposure, whichever is applicable.

Under standardized approach, the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognized by SBP for capital adequacy purposes. Bank utilizes, wherever available, the credit ratings assigned by the SBP recognized ECAIs, viz. PACRA (Pakistan Credit Rating Agency), JCR-VIS (Japan Credit Rating Company – Vital Information Systems), Fitch Moody's and Standard & Poors . Credit rating data for advances is obtained from recognized ECAIs and then mapped to SBP's rating grades.

Type of exposures & ECAIs used

Exposures	JCR-VIS	PACRA	S&P	Moody's	Fitch
Corporate	√	√			
Banks	√	√	√	√	√
Sovereigns			√		
PSEs	√	√			
SMEs	√	√			

Mapping to SBP rating grades

For all credit exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to SBP rating grades are given below:

Long term ratings grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS	ECA Scores
1	AAA AA+ AA AA-	Aaa Aa1 Aa2 Aa3	AAA AA+ AA AA-	AAA AA+ AA AA-	AAA AA+ AA AA-	0 1
2	A+ A A-	A1 A2 A3	A+ A A-	A+ A A-	A+ A A-	2
3	BBB+ BBB BBB-	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-	BBB+ BBB BBB-	3
4	BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-	BB+ BB BB-	BB+ BB BB-	4
5	B+ B B-	B1 B2 B3	B+ B B-	B+ B B-	B+ B B-	5 6
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC+ and below	CCC+ and below	7

Short term rating grades mapping

SBP rating grade	Fitch	Moody's	S & P	PACRA	JCR-VIS
S1	F1	P-1	A-1+	A-1+	A-1+
S1	F1	P-1	A-1	A-1	A-1
S2	F2	P-2	A-2	A-2	A-2
S3	F3	P-3	A-3	A-3	A-3
S4	Others	Others	Others	Others	Others

Credit exposures subject to standardized approach

Exposures	Rating	2021 Amount outstanding	2021 Deduction CRM	2021 Net amount	2020 Amount outstanding	2020 Deduction CRM	2020 Net amount
		Rupees in '000					
Corporate	1	46,944,674	(14,316,014)	32,628,660	39,718,795	(5,783,299)	33,935,496
	2	125,600,698	(2,068,418)	123,532,280	86,220,270	(1,462,186)	84,758,084
	3,4	9,442,480	(174,751)	9,267,729	14,853,075	(206,106)	14,646,969
	5,6	-	-	-	-	-	-
	Unrated-125%	33,878,185	(2,319,837)	31,558,348	25,657,917	(660,089)	24,997,828
	Unrated-100%	57,949,417	(3,322,078)	54,627,339	50,151,850	(730,216)	49,421,634
Bank	1	38,608,792	(17,671,981)	20,936,811	26,679,647	(5,334,908)	21,344,739
	2,3	2,646,307	-	2,646,307	15,048	-	15,048
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Public sector enterprises in Pakistan	1	27,781,681	(6,595,379)	21,186,302	24,377,640	(5,556,688)	18,820,952
	2,3	-	-	-	-	-	-
	4,5	-	-	-	-	-	-
	6	-	-	-	-	-	-
	Unrated	78,618,621	(78,618,621)	-	74,755,104	(74,062,609)	692,495
Sovereigns and on Government of Pakistan or Provisional Government or SBP or Cash	0	583,710,128	(36,601,415)	547,108,713	614,195,438	(23,344,677)	590,850,761
	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4,5	30,389	-	30,389	16,448	-	16,448
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
Listed equity investments	100%	874,796		874,796	249,846	-	249,846
Un-listed equity investments	150%	18,966	-	18,966	15,582	-	15,582
Non performing loans	150%	3,081,057	-	3,081,057	4,772,618	-	4,772,618
	100%	1,708,608	-	1,708,608	3,877,256	-	3,877,256
	50%	539,818	-	539,818	750,514	-	750,514
Mortgage	35%	10,780,812	-	10,780,812	6,290,344	-	6,290,344
Low Cost Housing	25%	1,845,429	-	1,845,429	-	-	-
Retail	75%	65,925,320	(13,117,365)	52,807,955	55,186,506	(12,934,665)	42,251,841
Fixed assets	100%	19,836,431	-	19,836,431	14,817,057	-	14,817,057
Deferred tax assets	100%	-	-	-	-	-	-
Deferred tax assets	250%	5,247,777	-	5,247,777	4,479,878	-	4,479,878
Significant investments	250%	-	-	-	-	-	-
Others	100%	35,534,759	(5,300,590)	30,234,169	25,937,481	(994,789)	24,942,692
Total		1,150,605,145	(180,106,449)	970,498,696	1,073,018,314	(131,070,232)	941,948,082

44.1.8 Credit risk: Disclosures with respect to credit risk mitigation for standardized approach

The Bank has adopted comprehensive approach of credit risk mitigation for banking book. Under this approach cash, lien on deposits, government securities, and eligible securities etc. are consolidated as eligible collateral. Where the Bank's exposure to an obligor is secured by eligible collaterals, the Bank reduces its exposure for the calculation of the capital requirement by the realizable amount of the collateral, adjusted for any applicable haircuts.

44.1.8.1 Credit risk: Disclosures for portfolio subject to the standardized approach

No credit risk mitigation benefit is taken in the trading book. For each asset class, the risk weights as specified by the SBP or corresponding to the SBP rating grades are applied to the net amount for the calculation of risk weighted assets.

44.1.8.2 Equity position risk in the banking book

The Bank takes proprietary equity positions for both short term and long term trading purposes. As of December 31, 2021 the composition of equity investments, is as follows:

	Held for trading	Available for sale	Total
		Rupees in '000'	
Ordinary shares (listed) - net of impairment held	28,941	6,541,478	6,570,419
Ordinary shares (un-listed) - net of impairment held	-	45,815	45,815
Preference shares - net of impairment held	-	270,000	270,000
Total	28,941	6,857,293	6,886,234

The Bank classify its equity investment portfolio in accordance with the directives of the SBP as follows:

- Investments - Held for trading
- Investments - Available for Sale
- Investments in Subsidiaries

44.2 Market risk

Market risk is the risk that the value of 'on' or 'off' balance sheet positions will be adversely affected by movements in equity and interest rate markets, foreign exchange rates and equity position risk.

Interest rate risk is risk to the earnings or market value of a portfolio due to uncertain future interest rates. Interest rate risks can be categorized in different ways, and there is usually some overlap between categories. Interest rate risk can be categorized into the following components:

a. Repricing or maturity mismatch risk or yield curve risk
b. Basis risk
c. Options risk
d. Price risk

Equity price risk is the risk that the value of a security or portfolio of securities will decline in the future. It is risk to earnings or capital that results from adverse changes in the value of equity related portfolios of a financial institution.

Foreign exchange risk is the exposure of an institution to the potential impact of movements in foreign exchange rates. The risk is that adverse fluctuations in exchange rates may result in a loss to the institution.

Foreign exchange risk arises from two factors: currency mismatches in an institution's assets and liabilities (both on- and off-balance sheet) that are not subject to a fixed exchange rate, and currency cash flow mismatches. Such risk continues until the foreign exchange position is covered.

The Bank's market risk management structure consists of NPL & Risk Management Committee (NPL & RMC). , Assets and Liabilities Committee and independent Enterprise Risk & Governance department (ER&G). Market risk is an independent risk management function that works in close partnership with the business segments to identify and monitor market risks throughout the Bank and to define market risk policies and procedures. ER&G unit seeks to facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency in reporting the Bank's market risk profile to the senior management, the Board of Directors and the SBP.

The Bank is using following techniques for mitigation of market risk:

-Hedging the open positions i.e. taking offsetting positions
-Portfolio diversification
-Limits setting, monitoring and reporting

The Bank is using following techniques for measurement of market risk and all the reports along with suggestive strategies which are escalated to senior management for their review and corrective actions:

- Daily mark to market revaluation of equity, foreign exchange and bonds portfolio
- Estimated value at risk on equity and foreign exchange exposures.
- Interest rate gap analysis
- Duration analysis
- Stress testing of market risk exposures.
- Scenarios based analysis

44.2.1 Balance sheet split by trading and banking books

	2021			2020		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000'					
Cash and balances with treasury banks	71,319,238	-	71,319,238	69,272,177	-	69,272,177
Balances with other banks	8,858,356	-	8,858,356	2,507,010	-	2,507,010
Lendings to financial institutions	29,580,388	-	29,580,388	15,086,867	-	15,086,867
Investments - net	491,616,632	40,081,316	531,697,948	545,710,520	22,092,996	567,803,516
Advances - net	485,576,503	-	485,576,503	391,889,808	-	391,889,808
Fixed assets	19,836,430	-	19,836,430	14,817,059	-	14,817,059
Intangible assets	1,108,152	-	1,108,152	695,648	-	695,648
Deferred tax assets - net	13,760,437	-	13,760,437	7,838,663	-	7,838,663
Other assets	35,534,757	-	35,534,757	25,937,481	-	25,937,481
	1,157,190,893	40,081,316	1,197,272,209	1,073,755,233	22,092,996	1,095,848,229

44.2.2 Foreign exchange risk

The Bank's foreign exchange exposure comprises of forward contracts, purchases of foreign bills, foreign currency cash in hand, balances with banks abroad, foreign currency placements with foreign commercial banks and foreign currency deposits. The Bank manages its foreign exchange exposure by matching foreign currency assets and liabilities. Foreign exchange exposure and nostro balances are managed within the statutory limits, as fixed by SBP. Counter parties limits are also fixed to limit risk concentration. Market risk charge calculates on FEEL and forward contracts (interest rate) and credit risk charge manage by Bank on all forward contracts.

	2021				2020			
	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign currency assets	Foreign currency liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000							
United States Dollar	5,233,234	12,332,382	6,044,660	(1,054,488)	3,949,430	5,427,835	(147,258)	(1,625,664)
Great Britain Pound Sterling	1,698,989	4,034,680	2,234,694	(100,997)	1,163,850	3,418,473	2,246,898	(7,725)
Euro	2,534,033	1,365,305	(1,520,922)	(352,194)	2,578,326	1,310,425	(1,447,381)	(179,479)
Japanese Yen	74,475	1,441	(66,939)	6,095	295	2,253	4,663	2,705
Other currencies	853,067	-	(684,984)	168,083	107,670	1,340	(46,803)	59,526
	10,393,798	17,733,808	6,006,509	(1,333,501)	7,799,571	10,160,326	610,119	(1,750,637)

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	-	(12,413)	-	(2,487)
- Other comprehensive income	-	-	-	-

44.2.3 Equity position risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Bank's strategy is to invest in equity securities for increase in dividend income and capital gains through market volatility.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 5% change in equity prices on				
- Profit and loss account	-	(344,356)	-	(167,584)
- Other comprehensive income	-	-	-	-

44.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II specific

Interest rate risk is the potential that the value of the on-balance sheet and the off-balance sheet positions of the bank would be negatively affected with the change in the market interest rates. The vulnerability of the Bank towards the adverse movements of the interest rate can be gauged by using duration GAP analysis.

Interest rate risk in the banking book is the risk to interest income arising from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. The banking book activities that give rise to interest rate risk include lending activities, balance sheet funding and capital management. Interest rate risk in banking book can be measured by both, changes in net interest income and changes in market value of interest bearing AFS investments. This also refers to the non-trading market risk. To adjust the effective rate sensitivity, the Bank is using following strategies after proper analysis of the Bank's gaps and prevailing interest rate:

- Reduced asset sensitivity
- Increased asset sensitivity
- Reduced liability sensitivity
- Increased liability sensitivity

The Bank's interest rate risk management policy includes following techniques to mitigate potential risks:

a) Monitoring and management of interest rate volatility in terms of percentage change in net income through interest sensitive gaps.
b) Key consideration in investing in interest rate driven financial instruments.
c) Managing volatility in the trading on category / instrument wise basis.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000'			
Impact of 1% change in interest rates on				
- Profit and loss account	(4,812,111)	(344,989)	(4,847,855)	(191,484)
- Other comprehensive income	-	-	-	-

44.2.5 Mismatch of interest rate sensitive assets and liabilities

	2021											
	Exposed to Yield / Interest risk											
	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
	Rupees in '000											
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		71,319,238	2,109,501	-	-	-	-	-	-	-	-	69,209,737
Balances with other banks	7.25%	8,858,356	7,221,966	-	-	-	-	-	-	-	-	1,636,390
Lending to financial institutions	7.71%	29,580,388	28,280,388	1,300,000	-	-	-	-	-	-	-	-
Investments - net	8.52%	531,697,948	1,328,729	53,901,274	17,207,707	209,136,825	142,157,726	37,914,285	1,270,100	62,179,960	-	6,601,342
Advances - net	7.36%	485,576,503	49,599,548	435,772,622	-	-	-	-	-	-	-	204,333
Other assets		28,567,861	-	-	-	-	-	-	-	-	-	28,567,861
		1,155,600,294	88,540,132	490,973,896	17,207,707	209,136,825	142,157,726	37,914,285	1,270,100	62,179,960	-	106,219,663
Liabilities												
Bills payable		10,109,459	-	-	-	-	-	-	-	-	-	10,109,459
Borrowings	7.17%	71,323,488	2,318,198	24,402,473	7,705,699	4,991,766	4,467,197	1,166,837	4,268,981	19,716,582	2,285,755	-
Deposits and other accounts	5.12%	1,002,918,281	38,424,427	590,119,600	59,539,129	94,686,762	434,421	2,465,934	23,991,436	-	-	193,256,572
Subordinated debts	8.89%	7,788,980	-	-	7,788,980	-	-	-	-	-	-	-
Other liabilities		49,869,264	37,903	1,544	10,948	57,413	121,689	246,177	710,011	2,117,973	6,176,055	40,389,551
		1,142,009,472	40,780,528	614,523,617	75,044,756	99,735,941	5,023,307	3,878,948	28,970,428	21,834,555	8,461,810	243,755,582
On-balance sheet gap		13,590,822	47,759,604	(123,549,721)	(57,837,049)	109,400,884	137,134,419	34,035,337	(27,700,328)	40,345,405	(8,461,810)	(137,535,919)
Off-balance sheet financial instruments												
Documentary credits and guarantees		217,351,954	-	-	-	-	-	-	-	-	-	217,351,954
Commitments in respect of:												
- forward foreign exchange contracts - net		6,006,511	-	-	-	-	-	-	-	-	-	6,006,511
- forward lending		45,923,548	-	-	-	-	-	-	-	-	-	45,923,548
Other commitments		97,839	-	-	-	-	-	-	-	-	-	97,839
Off-balance sheet gap		269,379,852	-	-	-	-	-	-	-	-	-	269,379,852
Total yield / interest risk sensitivity gap			47,759,604	(123,549,721)	(57,837,049)	109,400,884	137,134,419	34,035,337	(27,700,328)	40,345,405	(8,461,810)	131,843,933
Cumulative yield / interest risk sensitivity gap			47,759,604	(75,790,117)	(133,627,166)	(24,226,282)	112,908,137	146,943,474	119,243,146	159,588,551	151,126,741	282,970,674

	2020											
	Exposed to Yield / Interest risk											
	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
	Rupees in '000											
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		69,272,177	956,624	-	-	-	-	-	-	-	-	68,315,553
Balances with other banks	5.50%	2,507,010	1,773,036	-	-	-	-	-	-	-	-	733,974
Lending to financial institutions	10.41%	15,086,867	13,586,867	1,500,000	-	-	-	-	-	-	-	-
Investments - net	9.81%	567,803,516	27,580,589	79,759,572	162,417,091	84,851,556	34,666,974	43,006,414	43,079,934	89,055,218	-	3,386,168
Advances - net	9.12%	391,889,808	38,794,381	353,086,257	-	-	-	-	-	-	-	9,170
Other assets		19,706,443	-	-	-	-	-	-	-	-	-	19,706,443
		1,066,265,821	82,691,497	434,345,829	162,417,091	84,851,556	34,666,974	43,006,414	43,079,934	89,055,218	-	92,151,308
Liabilities												
Bills payable		4,168,641	-	-	-	-	-	-	-	-	-	4,168,641
Borrowings	8.68%	154,841,415	62,672,147	29,419,076	5,703,591	36,353,005	4,274,982	5,906,562	3,005,488	6,840,746	663,682	2,136
Deposits and other accounts	7.04%	835,070,362	44,844,606	476,370,663	38,663,540	94,915,051	5,175,166	332,451	4,086,864	-	-	170,682,021
Subordinated debts	11.23%	6,791,700	-	-	6,791,700	-	-	-	-	-	-	-
Other liabilities		41,047,981	6,718	489	5,341	46,433	148,442	195,523	871,599	1,982,905	4,040,924	33,749,607
		1,041,920,099	107,523,471	505,790,228	51,164,172	131,314,489	9,598,590	6,434,536	7,963,951	8,823,651	4,704,606	208,602,405
On-balance sheet gap		24,345,722	(24,831,974)	(71,444,399)	111,252,919	(46,462,933)	25,068,384	36,571,878	35,115,983	80,231,567	(4,704,606)	(116,451,097)
Off-balance sheet financial instruments												
Documentary credits and guarantees		143,824,645	-	-	-	-	-	-	-	-	-	143,824,645
Commitments in respect of:												
- forward foreign exchange contracts - net		610,119	-	-	-	-	-	-	-	-	-	610,119
- forward lending		20,393,865	-	-	-	-	-	-	-	-	-	20,393,865
Other commitments		715,185	-	-	-	-	-	-	-	-	-	715,185
Off-balance sheet gap		165,543,814	-	-	-	-	-	-	-	-	-	165,543,814
Total yield / interest risk sensitivity gap			(24,831,974)	(71,444,399)	111,252,919	(46,462,933)	25,068,384	36,571,878	35,115,983	80,231,567	(4,704,606)	49,092,717
Cumulative yield / interest risk sensitivity gap			(24,831,974)	(96,276,373)	14,976,546	(31,486,387)	(6,418,003)	30,153,875	65,269,858	145,501,425	140,796,819	189,889,536

Reconciliation of financial assets and liabilities with total assets and liabilities:

	2021	2020
	Rupees in '000'	
Financial assets	1,155,543,468	1,065,688,078
Non financial assets:		
Fixed assets	19,836,430	14,817,059
Intangibles	1,108,152	695,648
Deferred tax assets - net	13,760,437	7,838,663
Other assets	6,966,896	6,231,038
	41,671,915	29,582,408
Total assets as per statement of financial position	1,197,272,209	1,095,848,229
Financial liabilities	1,142,009,472	1,041,920,099
Non financial liabilities:		
Other liabilities	352,333	1,545,355
Total liabilities as per statement of financial position	1,142,361,805	1,043,465,454

44.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. The Bank cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Bank is able to manage operational risk. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and appraisal procedures, including the use of internal audit. The Bank has established a comprehensive business continuity plan to deal with the risk of financial loss and damage to reputation arising from operational risk factors.

The Bank uses Risk Control Self Assessment and monitoring of Key Risk Indicators to mitigate operational losses. The Bank's operational risk management framework, as laid down in the operational risk policy, duly approved by Board of Directors, is flexible enough to implement in stages and permits the overall risk management approach to evolve in the light of organizational learning and the future needs of the Bank. Operational loss events are reviewed and appropriate corrective actions taken on an ongoing basis, including measures to improve control procedures with respect to design and operative effectiveness.

In accordance with the operational risk policy and framework, a database covering losses, control breaches and near misses is being maintained. Major risk events are analyzed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. quarterly updates on operational risk events are presented to senior management and the Board Risk Management Committee (BRMC).

44.3.1 Operational risk disclosures Basel-II specific

Currently, the Bank is reporting operational risk capital charge under Basic Indicator Approach (BIA). However, the Bank took a number of initiatives with respect to operational risk management. The Bank will initiate further steps for improvement in operational risk management to adopt next approach of capital charge i.e. Alternative Standardized Approach (ASA).

44.4 Liquidity risk

Liquidity risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses. The Bank's ALCO is primarily responsible to ensure adequate maintenance and monitoring of liquidity and minimization of liquidity risk. The Bank manages its liquidity risk by continuous monitoring of the maturity profiles of its assets and liabilities, strengthening of its credit recovery procedures by focusing on retail and medium-sized customers and managing open positions through effective treasury operations. Allocation of funds towards various business prepositions and pricing of assets and liabilities of the Bank are given significant importance.

The Bank is using following strategies for mitigation of liquidity risk:

- Invest key liquid deposit providers in liquid investment.
- Contingency funding plan
- Monitoring of advances to deposits ratio.
- Diversification of portfolio
- Maintaining desirable level of currency wise liquidity
- Identify situations or events that may trigger a crisis situation in terms of liquidity

44.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

	2021													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	71,319,238	71,319,238	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	8,858,356	8,858,356	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	29,580,388	-	27,080,388	-	1,000,000	1,300,000	-	200,000	-	-	-	-	-	-
Investments - net	531,697,948	(1,154)	-	-	60,495	15,159,889	31,535,998	6,150,632	85,365,096	125,007,808	142,870,278	39,898,243	14,897,997	70,752,666
Advances - net	485,576,503	30,571,654	1,929,252	3,481,741	14,058,509	25,320,508	54,221,401	33,509,543	12,160,940	33,128,281	37,595,067	27,879,365	83,765,134	127,955,108
Fixed assets	19,836,430	6,410	38,460	44,870	109,303	118,993	121,561	349,257	354,320	343,738	1,325,245	1,416,240	3,019,471	12,588,562
Intangible assets	1,108,152	994	5,964	6,958	16,885	30,780	30,801	92,389	92,396	92,396	369,563	369,026	-	-
Deferred tax assets - net	13,760,437	-	-	-	-	-	-	-	-	-	-	-	13,760,437	-
Other assets - net	35,534,757	9,136,880	800,866	1,135,939	11,160,879	3,877,590	2,325,172	908,115	188,373	6,000,943	-	-	-	-
	1,197,272,209	119,892,378	29,854,930	4,669,508	26,406,071	45,807,760	88,234,933	41,209,936	98,161,125	164,573,166	182,160,153	69,562,874	115,443,039	211,296,336
Liabilities														
Bills payable	10,109,459	10,109,459	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	71,323,488	111,853	379,262	997,738	829,345	12,377,786	10,219,674	7,705,699	151,432	4,840,334	4,467,197	1,166,837	6,073,994	22,002,337
Deposits and other accounts	1,002,918,281	662,210,272	5,196,537	10,485,748	21,786,900	38,450,521	61,334,603	63,048,512	38,290,088	60,738,630	13,916,667	3,002,022	24,457,781	-
Subordinated debts	7,788,980	-	-	-	-	-	-	1,360	-	1,360	2,720	2,720	3,495,440	4,285,380
Other liabilities	50,221,597	18,269,337	844,347	1,111,749	1,031,870	3,860,036	2,295,586	881,775	316,173	1,408,086	2,175,341	2,457,903	6,562,474	9,006,920
	1,142,361,805	690,700,921	6,420,146	12,595,235	23,648,115	54,688,343	73,849,863	71,637,346	38,757,693	66,988,410	20,561,925	6,629,482	40,589,689	35,294,637
Net assets	54,910,404	(570,808,543)	23,434,784	(7,925,727)	2,757,956	(8,880,583)	14,385,070	(30,427,410)	59,403,432	97,584,756	161,598,228	62,933,392	74,853,350	176,001,699
Share capital - net	26,173,766													
Reserves	10,602,583													
(Deficit) / surplus on revaluation of assets	(1,368,710)													
Non Controlling Interest	587,579													
Unappropriated profit	18,915,186													
	54,910,404													

	2020													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
	Rupees in '000													
Assets														
Cash and balances with treasury Banks	69,272,177	69,272,177	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other Banks	2,507,010	2,507,010	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	15,086,867	-	7,486,867	810,000	5,290,000	1,500,000	-	-	-	-	-	-	-	-
Investments - net	567,803,516	4,985	-	14,908,665	12,291,789	39,242,603	34,863,099	152,176,817	52,247,705	33,020,259	35,422,260	43,581,464	51,206,610	98,837,260
Advances - net	391,889,808	17,664,170	2,398,325	3,596,090	15,135,796	20,391,101	38,949,039	28,455,639	9,634,978	25,571,550	25,633,812	53,474,189	78,910,285	72,074,834
Fixed assets	14,817,059	3,904	23,422	33,608	66,420	80,210	80,261	236,119	235,076	248,492	986,358	1,017,578	2,431,287	9,374,324
Intangible assets	695,648	623	3,738	4,361	10,602	19,324	19,324	57,972	57,972	57,972	231,888	231,872	-	-
Deferred tax assets - net	7,838,663	-	-	-	-	-	-	-	-	-	-	-	7,838,663	-
Other assets - net	25,937,481	7,962,923	77,465	302,020	7,949,177	705,490	291,687	543,038	992,131	7,113,550	-	-	-	-
	1,095,848,229	97,415,792	9,989,817	19,654,744	40,743,784	61,938,728	74,203,410	181,469,585	63,167,862	66,011,823	62,274,318	98,305,103	140,386,845	180,286,418
Liabilities														
Bills payable	4,168,641	4,168,641	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	154,841,415	2,426,090	42,988,829	9,664,727	7,594,637	19,204,577	10,214,499	5,703,591	9,854,028	26,498,977	4,274,982	5,906,562	3,005,488	7,504,428
Deposits and other accounts	835,070,362	569,088,436	7,725,313	16,210,203	16,838,799	24,332,092	52,745,363	40,310,611	50,139,774	47,213,979	5,374,267	590,787	4,500,738	-
Subordinated debts	6,791,700	-	-	-	-	-	-	1,360	-	1,360	2,720	2,720	5,440	6,778,100
Other liabilities	42,593,336	20,473,882	691,496	547,564	748,486	1,398,788	549,745	677,790	1,379,893	1,244,108	1,455,284	2,319,759	4,978,875	6,127,666
	1,043,465,454	596,157,049	51,405,638	26,422,494	25,181,922	44,935,457	63,509,607	46,693,352	61,373,695	74,958,424	11,107,253	8,819,828	12,490,541	20,410,194
Net assets	52,382,775	(498,741,257)	(41,415,821)	(6,767,750)	15,561,862	17,003,271	10,693,803	134,776,233	1,794,167	(8,946,601)	51,167,065	89,485,275	127,896,304	159,876,224

Share capital - net	26,173,766
Reserves	8,113,976
(Deficit) / surplus on revaluation of assets	5,955,359
Non Controlling Interest	506,993
Unappropriated profit	11,632,681
	52,382,775

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

	2021									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 top 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	71,319,238	71,319,238	-	-	-	-	-	-	-	-
Balances with other banks	8,858,356	8,858,356	-	-	-	-	-	-	-	-
Lendings to financial institutions	29,580,388	28,080,388	1,300,000	200,000	-	-	-	-	-	-
Investments - net	531,697,948	59,341	46,695,887	6,150,632	210,372,904	142,870,278	39,898,243	14,897,997	70,752,666	-
Advances - net	485,576,503	50,041,156	79,541,909	33,509,543	45,289,221	37,595,067	27,879,365	83,765,134	108,040,062	19,915,046
Fixed assets	19,836,430	199,043	240,554	349,257	698,058	1,325,245	1,416,240	3,019,471	7,240,262	5,348,300
Intangible assets	1,108,152	30,801	61,581	92,389	184,792	369,563	369,026	-	-	-
Deferred tax assets - net	13,760,437	-	-	-	-	-	-	13,760,437	-	-
Other assets - net	35,534,757	22,234,564	6,202,762	908,115	6,189,316	-	-	-	-	-
	1,197,272,209	180,822,887	134,042,693	41,209,936	262,734,291	182,160,153	69,562,874	115,443,039	186,032,990	25,263,346
Liabilities										
Bills payable	10,109,459	10,109,459	-	-	-	-	-	-	-	-
Borrowings	71,323,488	2,318,198	22,597,460	7,705,699	4,991,766	4,467,197	1,166,837	6,073,994	19,716,582	2,285,755
Deposits and other accounts	1,002,918,281	152,413,831	196,361,410	127,432,704	163,412,910	78,300,859	67,386,214	88,841,973	64,384,192	64,384,188
Subordinated debts	7,788,980	-	-	1,360	1,360	2,720	2,720	3,495,440	4,285,380	-
Other liabilities	50,221,597	21,257,303	6,155,622	881,775	1,724,259	2,175,341	2,457,903	6,562,474	2,698,735	6,308,185
	1,142,361,805	186,098,791	225,114,492	136,021,538	170,130,295	84,946,117	71,013,674	104,973,881	91,084,889	72,978,128
Net assets	54,910,404	(5,275,904)	(91,071,799)	(94,811,602)	92,603,996	97,214,036	(1,450,800)	10,469,158	94,948,101	(47,714,782)
Share capital - net	26,173,766									
Reserves	10,602,583									
(Deficit) / surplus on revaluation of assets	(1,368,710)									
Non Controlling Interest	587,579									
Unappropriated profit	18,915,186									
	54,910,404									

Deposit account without contractual maturities have been classified by taking into account historical trend of their withdrawal pattern, which shows that 15% of such deposits mature in each of the first two categories mentioned above and 10% mature in each of the remaining seven categories.

	2020									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 top 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	69,272,177	69,272,177	-	-	-	-	-	-	-	-
Balances with other banks	2,507,010	2,507,010	-	-	-	-	-	-	-	-
Lendings to financial institutions	15,086,867	13,586,867	1,500,000	-	-	-	-	-	-	-
Investments - net	567,803,516	27,205,439	74,105,702	152,176,817	85,267,964	35,422,260	43,581,464	51,206,610	98,837,260	-
Advances - net	391,889,808	38,794,381	59,340,140	28,455,639	35,206,528	25,633,812	53,474,189	78,910,285	62,815,195	9,259,639
Fixed assets	14,817,059	127,354	160,471	236,119	483,568	986,358	1,017,578	2,431,287	5,640,245	3,734,079
Intangible assets	695,648	19,234	38,648	57,972	115,944	231,888	231,962	-	-	-
Deferred tax assets - net	7,838,663	-	-	-	-	-	-	7,838,663	-	-
Other assets - net	25,937,481	16,291,585	997,177	543,038	8,105,681	-	-	-	-	-
	1,095,848,229	167,804,047	136,142,138	181,469,585	129,179,685	62,274,318	98,305,193	140,386,845	167,292,700	12,993,718
Liabilities										
Bills payable	4,168,641	4,168,641	-	-	-	-	-	-	-	-
Borrowings	154,841,415	62,674,283	29,419,076	5,703,591	36,353,005	4,274,982	5,906,562	3,005,488	6,840,746	663,682
Deposits and other accounts	835,070,362	145,840,474	158,963,739	94,902,596	151,945,738	59,966,252	55,182,772	59,092,723	54,584,082	54,591,986
Subordinated debts	6,791,700	-	-	1,360	1,360	2,720	2,720	5,440	6,778,100	-
Other liabilities	42,593,336	22,461,428	1,948,533	677,790	2,624,001	1,455,284	2,319,759	4,978,875	2,086,742	4,040,924
	1,043,465,454	235,144,826	190,331,348	101,285,337	190,924,104	65,699,238	63,411,813	67,082,526	70,289,670	59,296,592
Net assets	52,382,775	(67,340,779)	(54,189,210)	80,184,248	(61,744,419)	(3,424,920)	34,893,380	73,304,319	97,003,030	(46,302,874)

Share capital - net	26,173,766
Reserves 8,113,976	
(Deficit) / surplus on revaluation of assets	5,955,359
Non Controlling Interest	506,993
Unappropriated profit	11,632,681
	52,382,775

45. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Bank in its meeting held on February 18, 2022 has proposed a stock dividend of 12.50% (2020: 10% cash dividend). These appropriations will be approved in the forthcoming Annual General Meeting. These consolidated financial statements for the year ended December 31, 2021 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2022.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on February 18, 2022 by the Board of Directors of the Bank.

47 GENERAL

47.1 Figures have been rounded off to the nearest thousand rupees.

47.2 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

Chief Financial Officer	President	Chairman	Director	Director

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED

DURING THE YEAR ENDED DECEMBER 31, 2021

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
1	Muzaffar Ali Asif Ali Nadeem Babar Sani (Kot Afzal Abad Rossa Tibba Chak # 1 Tehsil Chunian Kasur Pattoki)	Muzaffar Ali (35101-2509930-1) Asif Ali (35101-2509928-5) Nadeem Babar Sani (35101-2509932-1)	Muhammad Din	427	596	-	1,023	-	-	596	-	596
2	Zulfiqar Ali Mehdi (Ghous Pour Qureshian Tulamba Mian Channu)	Zulfiqar Ali Mehdi (36302-0455616-5)	Peer Mehdi Hussain	-	1,541	-	1,541	-	-	1,541	-	1,541
3	Nazim Ud Din (Bakar Key Mahar P.O. Basirpur)	Nazim Ud Din (35301-5047787-3)	Abdul Shakoor	-	1,610	-	1,610	-	-	1,592	-	1,592
4	Nazim Ud Din (Bakar Key Mahar P.O. Basirpur)	Nazim Ud Din (35301-5047787-3)	Abdul Shakoor	-	691	-	691	-	-	691	-	691
5	Rajco Poultry Farm (Panwana P.O Pasrur)	Muhammad Fayyaz (34602-3977816-9) Anwar Ahmed (34602-9918193-7) Imitaz Ahmed (34602-5022888-3)	M.Fiaz Imtiaz Ahmed Anwar Ahmed	-	1,635	-	1,635	-	-	1,603	-	1,603
6	Shehzad Ahmed (Chack 3/SP Gayiana P/O Havililakha Depalpur)	Shehzad Ahmed (35301-1922970-7)	Muhammad Rafique Bhatti	-	918	-	918	-	-	916	-	916
7	Ali Muhammad Mughal (Tehsil Depalpur Khalil Abad Colony Depalpur District Okara)	Ali Muhammad Mughal (35301-8220837-5)	Haji Muhammad Zafar Khan	-	2,185	-	2,185	-	-	2,164	-	2,164
8	Ahsan Raza (House # 136, Shamsabad Colony Eid Gah Road Multan)	Ahsan Raza (32203-6971287-9)	Mushtaq Ahmad Hashmi	-	2,091	-	2,091	-	-	2,077	-	2,077
9	Zulfiqar Ali (Atari Virk Sham Kot P.O. Chunian)	Zulfiqar Ali (35101-2456123-9)	Qamar Ali	-	1,387	-	1,387	-	-	1,381	-	1,381
10	Ayyaz Qamar (House No. 257, Street No. 03 Rasoolabad Colony Hasilpur)	Ayyaz Qamar (31203-3613876-1)	Rana Qamar Hussain	-	528	-	528	-	-	528	-	528
11	Zafar Hussain (P.O.Injrateh Jand District Attock)	Zafar Hussain (37104-6942265-5)	Noor Hussain	-	893	-	893	-	-	893	-	893

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
12	Haroon Javed (Qila Jawind Singh Tehsil Depalpur District Okara)	Haroon Javed (35202-0396186-5)	Javed Aslam	-	2,136	-	2,136	-	-	2,122	-	2,122
13	Muhammad Nawaz (Dilo Kala P/O Thathi Asaish Tehsil Pindi Bhattian District Hafizabad)	Muhammad Nawaz (34302-1213577-1)	Shaer Mohammad	-	748	-	748	-	-	748	-	748
14	Muhammad Nawaz (Dilo Kala P/O Thathi Asaish Tehsil Pindi Bhattian District Hafizabad)	Muhammad Nawaz (34302-1213577-1)	Shaer Mohammad	-	2,380	-	2,380	-	-	2,356	-	2,356
15	Ch Liaqat Ali (Chauhdary House Shah Jamal Road Khan Muzaffargarh)	Ch Liaqat Ali (32304-6527518-5)	Chauhdary Mehmood-Ul-Hassan	-	637	-	637	-	-	637	-	637
16	Sardar Agri Farms Prop Rizwan Ullah Khan (House No 13 Gali No 1 Mohallah Gujranwala X Peoples Colony Block Gujran)	Rizwan Ullah Khan (34101-3576703-3)	Sardar Nusrat Ullah	-	803	-	803	-	-	803	-	803
17	Sardar Agri Farms Prop Rizwan Ullah Khan (House No 13 Gali No 1 Mohallah Gujranwala X Peoples Colony Block Gujran)	Rizwan Ullah Khan (34101-3576703-3)	Sardar Nusrat Ullah	2,275	1,724	-	3,999	-	-	1,700	-	1,700
18	Altaf Ahmad Gondal (House #300-A Satellite Town Sargodha)	Altaf Ahmad Gondal (38403-4498350-3)	S/O Allah Buksh	535	898	-	1,433	-	-	909	-	909
19	Syed Nusrat Abbas Kirmani (Chak Nawab Shah Chak # 21/1 A.L P/O Akhtarabad Okara)	Syed Nusrat Abbas Kirmani (42301-0715066-7)	Sayed Imam Ali Shah	2,399	1,327	-	3,726	-	-	1,327	-	1,327
20	Shabiran Bibi (Chak # 25/2 Okara)	Shabiran Bibi (35302-8038299-2)	Muhammad Ameer	536	835	-	1,371	-	-	835	-	835
21	Rafaqat Ali (Mohallah Misken Abad Ghazi Kohli P.O. Losar Sharfo Taxila Rawalpindi)	Rafaqat Ali (37406-8523431-9)	Malik Mian Khan	2,287	2,073	-	4,360	-	-	2,073	-	2,073
22	Syed Ali Nawaz (Bhaikey Lal Chand P.O. Same Hujra Shah Muqeem)	Syed Ali Nawaz (35301-1950894-3)	Syed Shahnawaz	3,113	5,557	-	8,670	-	-	5,640	-	5,640
23	Iftikhar Ahmad (Chak.93/ District Yazman Bahawalpur)	Iftikhar Ahmad (31205-1664128-7)	Muhammad Siddique	-	1,151	-	1,151	-	-	861	-	861
24	Abdul Waheed Shad (Chak# 38 / P.O.39 / Tehsil & District Pakpattan)	Abdul Waheed Shad (36402-8796094-3)	Haji Muhammad Ali	500	1,107	-	1,607	-	-	1,144	-	1,144
25	Rub Nawaz (127 Khan Colony Faisalabad Road Okara)	Rub Nawaz (35202-7343737-5)	Mian Farzand Ali	392	1,000	-	1,392	-	-	1,024	-	1,024

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
26	Shoukat Ali (Kot Adna Abad Elha Abad P/O Khas Theng Ghatan Tehsil Chunian.)	Shoukat Ali (35101-5835094-7)	Muhammad Ashiq	1,860	213	-	2,073	-	-	287	269	556
27	Lal Khan (Chack # 31/4- L Tehsil & District Okara)	Lal Khan (35302-6155508-3)	Karam Khan	513	915	-	1,428	-	-	915	-	915
28	Muhammad Hashim (Labana Chak # 37 P/O Pattoki Tehsil Pattoki District Kasur Pattoki)	Muhammad Hashim (35103-5080494-7)	Hurmat Khan	412	690	-	1,102	-	-	682	-	682
29	Malik Riaz Hussain (9/66, Akbar Street Islampura Lahore.)	Malik Riaz Hussain (35103-8603189-9)	Malik Sardar Ali	-	510	-	510	-	-	510	-	510
30	Muhammad Irshad (Chak # 543/E District Vehari)	Muhammad Irshad (36603-7824573-7)	Muhammad Khan	739	964	-	1,703	-	-	1,020	-	1,020
31	Didar Ali (Chak Makhdoom Wala P.O. Jhanbiwahin Tehsil Kahror Pacca Lodhran)	Didar Ali (36202-4254139-3)	Sallay Khan	374	1,090	-	1,464	-	-	1,107	-	1,107
32	Pakistan Milk And Breeders (Suit # 3, Plot # 8C Sunset 2 Phase II Extension DHA Karachi)	Hassan Ahmed Farooqui (42201-2362383-7)	Ghulam Rabbani	4,796	5,761	-	10,557	-	-	5,761	-	5,761
33	Muhammad Asghar Ramzan (Kot Sorro P/O Karam Pur Tehsil Mailsi Vehari)	Muhammad Asghar Ramzan (36602-9592955-5)	Mohammad Ramzan	2,016	894	-	2,910	-	-	1,040	-	1,040
34	Ali Sajid (H. No. 1953, Mohallah Islamabad Tehsil Chunian District Kasur)	Ali Sajid (35101-0795667-3)	Riaz Hussain	412	494	-	906	-	-	513	-	513
35	Asmat Batool (Nothain P.O. Adoketeh. Pindi Bhattian District Hafizabad)	Asmat Batool (34302-4892657-8)	W/O Syed Hussain Ali Shah	2,980	5,694	-	8,674	-	-	5,883	-	5,883
36	Asmat Batool (Nothain P.O. Adoketeh. Pindi Bhattian District Hafizabad)	Asmat Batool (34302-4892657-8)	W/O Syed Hussain Ali Shah	1,740	2,563	-	4,303	-	-	2,563	-	2,563
37	Asmat Batool (Nothain P.O. Adoketeh. Pindi Bhattian District Hafizabad)	Asmat Batool (34302-4892657-8)	W/O Syed Hussain Ali Shah	370	547	-	917	-	-	547	-	547
38	Niamat Ali & Karamat Ali (Chak # 1, Rosa Tibba Tehsil Chunian Kasur)	Niamat Ali (35101-2518690-9) Karamat Ali (35101-2861425-9)	Rehmat Ali	1,167	2,246	-	3,413	-	-	2,304	-	2,304

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
39	Azeem Cold Storage (Churasta Mian Khanchurasta Mian Khan Depalpur)	Muhammad Naseem (35202-5447863-1)	Prop.Mohammad Naseem	4,859	1,192	-	6,051	-	-	1,641	-	1,641
40	Abdul Majeed (Chah Utradi Wala Mohalla Multani Wala Kahror Pacca. District Lodhran)	Abdul Majeed (36202-2263321-7)	Karim Bux	578	1,437	-	2,015	-	-	1,498	-	1,498
41	Muhammad Nawaz (Village Shamair P.O. Kamoki Tehsil Kamoki Lahore)	Muhammad Nawaz (34102-9303135-1)	Muhammad Nawaz	-	2,861	-	2,861	-	-	2,846	-	2,846
42	Kaneez Fatima (Chak #3/1-R.A Tehsil Renala Khurd District Okara)	Kaneez Fatima (35202-9678520-0)	Syed Israr Hussain	539	588	-	1,127	-	-	608	-	608
43	Conimpex Hatchery & Breeding Farm (1683-Quaid-E-Azam Market Multan Cant Multan)	Mir Tahir Shua Zaidi (36302-4974012-5) Syed Farjad Zaidi (36302-8835247-9)	Syed Ahmad Shuaa Zaidi	15,000	500	-	15,500	-	-	2,293	1,008	3,301
44	Conimpex Hatchery & Breeding Farm (1683-Quaid-E-Azam Market Multan Cant Multan)	Mir Tahir Shua Zaidi (36302-4974012-5) Syed Farjad Zaidi (36302-8835247-9)	Syed Ahmad Shuaa Zaidi	15,000	500	-	15,500	-	-	2,661	1,124	3,785
45	Muhammad Yasin (Mouza Lala Wala P/O Hujra Shahmuqeem Tehsil Depalpur)	Muhammad Yasin (35301-1972057-3)	Muhammad Hassan	-	574	-	574	-	-	574	-	574
46	Jam Muhammad Iqbal (Basti Walana P.O. Sanjarpur Sadiqabad)	Jam Muhammad Iqbal (31304-8370982-7)	Jam Allah Wasaya	20	2,687	-	2,707	-	-	2,149	-	2,149
47	Malik Mukhtar Ahmad (Kalia P.O. Aanba Sheikhupura)	Malik Mukhtar Ahmad (35404-2933083-3)	Malik Noor Muhammad	502	840	-	1,342	-	-	840	-	840
48	Nadeem Asghar (Mohallah Naukhar Qadeem Farooqabad P.O. Same Tehsil & District Sheikhupura)	Nadeem Asghar (35404-5254893-7)	Chaudhary Asghar Ali	317	754	-	1,071	-	-	721	-	721
49	Anees Hussain (Hoewky P.O. Same Tehsil & District Sheikhupura)	Anees Hussain (35404-8892905-1)	Muhammad Nawaz	366	637	-	1,003	-	-	637	-	637
50	Ajmal Khan (Chak No 104-RB Tehsil Jaranwala Faisalabad)	Ajmal Khan (33104-2143529-1)	Muhammad Sher	267	498	-	765	-	-	525	-	525
51	Muhammad Hassan (Dera Ali Sarhana Jattri Kohna P/O Same Tehsil & District Sheikhupura)	Muhammad Hassan (35404-2565653-7)	Peeran Ditta.	307	512	-	819	-	-	512	-	512

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
52	Malik Sajid Mehmood (Kachi Muhammad Khan P.O. Taranda Muhammad Pannah Tehsil Liaquatpur)	Malik Sajid Mehmood (31302-2152625-1)	Malik Jind Wadda	2,722	5,160	-	7,882	-	-	5,268	-	5,268
53	Raja Hassan Nawaz Khan (544-H-3 Johar Town Lahore.)	Raja Hassan Nawaz Khan (38201-0984198-3)	Raja Rab Nawaz Khan	1,823	1,818	-	3,641	-	-	1,128	-	1,128
54	Tahir Abbas (Village Wahgray Tehsil Ferozewala District Sheikhupura)	Tahir Abbas (35401-6049777-1)	Muhammad Hanif	410	622	-	1,032	-	-	622	-	622
55	Safdar Ali (Chak # 12/1 R Okara)	Safdar Ali (35302-1820559-7)	Yar Muhammad	585	1,098	-	1,683	-	-	1,157	-	1,157
56	Hassan Saeed (Dahroor Muslim P.O. Siri Rampura Tehsil Ferozwala)	Hassan Saeed (35401-9369028-9)	Liaqat Ali	438	815	-	1,253	-	-	815	-	815
57	Mehar Din (Mouza Manga Hathar, P.O. Sundar Tehsil & District Lahore)	Mehar Din (35202-5409958-9)	Muhammad Anwer	394	662	-	1,056	-	-	661	-	661
58	Rana Sana Ullah & Rana Aman Ullah (137-B/2R Mohallah Eid Gah Haveli Lakkah)	Rana Sana Ullah & Rana Aman Ullah (35301-1910732-9) (35301-1910734-3)	Rana Mohammad Hanif	2,146	3,813	-	5,959	-	-	4,099	-	4,099
59	Muhammad Ismail (Jamsher Chak # 24 Pattoki)	Muhammad Ismail (35103-6556067-9)	Nawaz Khan	499	851	-	1,350	-	-	902	-	902
60	Muhammad Ismail (Jamsher Chak # 24 Pattoki)	Muhammad Ismail (35103-6556067-9)	Nawaz Khan	358	560	-	918	-	-	560	-	560
61	Ali Raza (Mir Pur Bhattian P.O Kot Hussain Tehsil Nankana Sahib)	Ali Raza (35402-7780936-3)	Rai Ghazanfar Ali Khan	-	567	-	567	-	-	567	-	567
62	Muhammad Azam Nawaz (Near Ghala Godam House No. 44 Mohalla Willayatabad No. 02 Multan)	Muhammad Azam Nawaz (36302-5418877-5)	Haji Malik Rizwan	1,525	341	-	1,866	-	-	280	390	670
63	Muhammad Mansoor Sadiq (H. No. 525 Block A Lateef Chowk GM Abad)	Muhammad Mansoor Sadiq (33100-4505165-1)	Sheikh Abdul Sadiq	1,797	336	-	2,133	-	-	313	312	625
64	Nemat Ullah (Ward No.10 Hassan Shah Colony Jampur District Rajanpur)	Nemat Ullah (32402-1449847-9)	Mohammad Ramzan	1,445	721	-	2,166	-	-	1,600	-	1,600
65	Muhammad Adil Khan (H # 130 G-3 Wapda Town Lahore)	Muhammad Adil Khan (35404-6952483-3)	Fazal Ur Rehman Khan	2,227	313	-	2,540	-	-	393	329	722

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
66	Muhammad Afzal Ch (Shop No. 2 Nayyar Plaza Gulraz Rawalpindi)	Muhammad Afzal Ch (35303-2111594-1)	Chaudhary Muhammad Ali	-	421	-	421	-	-	421	389	810
67	Musawar Hussain (P.O. Phalia Rugh Tehsil Phalia District Mandi Bahauddin)	Musawar Hussain (34403-2742416-5)	Munawar Hussain	2,196	417	-	2,613	-	-	344	451	795
68	Muhammad Hasnain (Chah Talib Wala P/O Khas Gogran Tehsil And District Lodhran)	Muhammad Hasnain (36203-3374128-1)	Muhammad Rafeeq	1,346	201	-	1,547	-	-	281	238	519
69	Riaz Ahmad (P.O. Khas Pahrianwali Tehsil Phalia District Mandi Bahauddin)	Riaz Ahmad (34403-8439667-3)	Noor Muahmmad	2,026	470	-	2,496	-	-	554	586	1,140
70	Ali Raza (P.O. Khas Pahrianwali Tehsil Phalia District Mandi Bahauddin)	Ali Raza (34403-6684947-7)	Muhammad Mansha	1,540	231	-	1,771	-	-	328	391	719
71	Haq Carriage Contractor (Mohallah Saeed Abad Ahmad Pur Sial)	Muhammad Farooq Nawaz (33204-0405399-1)	Zulafiqar Ali	5,447	759	-	6,206	-	-	1,014	1,422	2,436
72	Abdul Waheed Wajid (12-13-A Willayat Abad # 2 Vehari Road P.O. Timber Market Multan)	Abdul Waheed Wajid (36302-0464372-1)	Ch Abdul Majeed Rahi	2,653	1,559	-	4,212	-	-	1,106	-	1,106
73	Bashir Ahmad Chishti (Basti Peer Muhammad Yar P/O Chak Nadar Shah Khaibodla Tehsil Bahawalnagar)	Bashir Ahmad Chishti (31101-7757984-7)	Nazir Ahmad Chishti	2,528	425	-	2,953	-	-	423	311	734
74	Shah Zaib Khan (House # P-526 Mohallah Saidpur Angat Pura Rawalpindi)	Shah Zaib Khan (37405-5821289-3)	Shah Nawaz Khan	1,588	282	-	1,870	-	-	285	251	536
75	Imran Khan (Manchar Road Gali No.3 Mohalla Islamabad Ali Pur Chattha District Gujranwala)	Imran Khan (34104-2013298-7)	Zafar Ullah Khan Chattha	1,656	188	-	1,844	-	-	227	560	787
76	Hoorain Goods Transport Company (Street No. 08 Mohalla Tipu Sultan Shaheed Sadiqabad District Rahim Yar Khan)	Rana Mohsin Jameel (31304-8265853-3)	Muhammad Jameel	4,907	816	-	5,723	-	-	1,226	1,246	2,472
77	Muhammad Aslam (Head Rcad, Khanewal Road Multan)	Muhammad Aslam (36302-8595119-5)	Ameer Ud Din	3,777	1,788	-	5,565	-	-	2,024	-	2,024
78	Rukhsana Imdad (House No.62-J, Canal Burg Multan Road Lahore)	Rukhsana Imdad (35202-7417349-8)	D/O Imdad Ali	2,228	397	-	2,625	-	-	433	781	1,214

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
79	Babar Ameer (Thakkar Key Banda P/O Jamal Ko Depalpur Okara Haveli Lakha)	Babar Ameer (35301-4728408-5)	Muhammad Ameer	1,117	146	-	1,263	-	-	259	262	521
80	Deewan Goods Transport Co (Circular Road Near Akbar Masjid Rahim Yar Khan District Rahim Yar Khan)	Usama Raiz (31303-3674461-3)	Muhammad Riaz	4,642	852	-	5,494	-	-	1,216	1,747	2,963
81	Ali Ijaz (Sharif Pura P.O. Awan Muslim Tehsil Muridkey District Shiekhupura)	Ali Ijaz (35405-0558679-5)	Abbas Ali	2,506	147	-	2,653	-	-	416	490	906
82	Al-Riaz Traders (Jowana Bangla Chak # 4/4 R P/O Rang Pur Tehsil & District Muzaffargarh)	Riaz Hussain (32304-1563123-9)	Abdul Rehman	5,405	856	-	6,261	-	-	769	788	1,557
83	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,545	2,413
84	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,540	2,408
85	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,550	2,418
86	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,346	1,234	-	6,580	-	-	883	1,653	2,536
87	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	871	1,551	2,422
88	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,547	2,415
89	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,550	2,418
90	The Melsi Karachi Goods Transport (408-A Gate # 2 Street # 2 New Truck Sand Hawksbay Road Karachi)	Shahzad Ali (42401-0474834-7)	Ghulam Ali	5,268	1,219	-	6,487	-	-	868	1,545	2,413

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
91	Akhtar Hussain (BOP Main Branch Rawalpindi (Staff).	Akhtar Hussain (37201-1563861-5)	Haji Safdar Hussain	1,254	270	-	1,524	-	-	338	411	749
92	Global Infrastructure (Private) Limited (10-Q, Gulberg II, Lahore)	Asad Nawaz Khan (61101-6412215-1) Mehmood Amir Saeed (35202-1368012-5) Kamal Nasir Khan (56503-5034439-7)	Ch. Muhammad Nazwaz Khan Mian Muhammad Saeed Abaidullah Khan	12,500	146,094	-	158,594	-	-	39,391	1,048	40,439
93	KNK Infrastructure (Pvt) Ltd. (11-A-III, Gulberg- III, Lahore)	Kamal Nasir Khan (56503-5034439-7) Abaid Ullah Khan (54400-8534874-7) Shuja Ul Mulk Khan (35202-2926820-5) Abbas Khan (56503-1843659-3) Asad Nawaz Khan (61101-6412215-1) Mehmood Amir Saeed (35202-1368012-5)	Abaidullah Khan Sheikh Merak Khan Abaidullah Khan Abaidullah Khan Ch. Muhammad Nazwaz Khan Mian Muhammad Saeed	-	130,655	-	130,655	-	-	46,163	2,136	48,299
94	Wood Master International (Pvt) Ltd. (Office # G 1, Craze Plaza, Near DHA, Main Boulevard, Lahore)	Muhammad Younas (34101-8746080-1) Muhammad Afzal (33100-0771376-1) Imran Hassan (34101-9984652-7)	Hassan Din Amir Muhammad Hassan Din	188	72,272	-	72,460	-	-	45,952	-	45,952
95	Zafar Developers And Builders (Jamal Town Opp.Sufi Soap, 12-Km Lhr/Skp. Road Kot Abdul Malik, Lahore)	Muhammad Anjum Ch. (35202-2203235-3)	Ch. Faqir Muhammad.	-	6,036	-	6,036	-	-	5,603	-	5,603
96	Dr.Pervaiz Imtiaz Khan (681 Shadman Colony Lahore)	Dr. Pervaiz Imtiaz Khan (35202-1182931-9)	Imtiaz Ali Khan.	-	13,154	-	13,154	-	-	4,675	-	4,675

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
97	Bashir Cotton Mills (Pvt) Ltd. (97-B, Gulberg-II, Lahore)	Tariq Rafi (42301-0838522-7) Arif Rafi (35202-1504108-3) Anjum Rafi (35202-2434949-9) Abdullah Rafi (3520014165767)	Muhammad Rafi	165,469	204,691	-	370,160	-	-	196,412	-	196,412
98	Gulistan Power Generation Ltd. (2nd Floor Finlay House, I.I Chundrigarh Road, Karachi)	Abdul Shakoor (42201-0350226-5) Tanveer Ahmed (42201-0350138-5) Naseer Ahmed (42201-0632509-5) Sohail Maqsood (35201-4740143-5) Muhammad Akhtar Mirza (3520196760423) Iftikhar Ali (35401-2034238-7)	Jamal Din Abdul Shakoor Abdul Shakoor Maqsood Ilahi Karam Dad Khan Zulfiqar Ali	51,132	30,614	-	81,746	-	-	31,206	-	31,206
99	Crescent Jute Products Ltd. (1st Floor, 65-XX, Khayaban-e-Iqbal Road, Sector XX DHA Phase 3, Lahore)	Humayun Mazhar (35201-2124933-9) Khurram Mazhar Karim (35201-1471781-3) Shehryar Mazhar (35201-0706577-7) Shameel Mazhar (35201-8645147-9) Shahjahan Mazhar Karim (35201-3671625-7) Rijah Khurram Mazhar (35201-0464730-6)	Mazhar Karim Mazhar Karim Humayun Mazhar Humayun Mazhar Khurram Mazhar Karim Khurram Mazhar Karim	112,992	95,590	-	208,582	-	-	108,357	5,055	113,412
100	Maqbool Engineering Associates (Pvt) Ltd. (255, Panorama Center, Fatima Jinnah Road Saddar Karachi)	Syed Mahmood Hussain (42301-0883262-5) Nafisa Mahmood (42301-0827600-4) Syed Nabeel Hussain Shah (42301-1080033-3)	Syed Maqbool Hussain Syed Mahmood Hussain Syed Mehmood Hussain	1,589	6,980	-	8,569	-	-	6,488	-	6,488
101	Zemindar Flour Mills (Pvt) Ltd. (33-KM G.T Road, Khorey Muridke)	Mian Fazal-e-Haque (35201-7529542-1) Mian Fazal-Ur-Rehman (35201-1396058-1).	Muhammad Yousaf	53,714	93,541	-	147,255	-	-	53,946	-	53,946

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
102	Yaqoob & Sons (Makkah Rice Mill Pindi Bhattian Road. Jalalpur Bhattian District Hafizabad)	Mumtaz Ahmed (34301-1729295-3)	Muhammad Yaqoob	49,538	103,428	-	152,966	-	-	47,784	-	47,784
103	Haseeb Waqas Sugar Mills Ltd. (6-F Model Town, Lahore)	Mian Haseeb Illyas (35202-7459668-5) Shahzadi Ilyas (35202-2476849-8) Zainab Waqas (35202-4366644-4) Mian Waqas Riaz (35202-2562237-9) Mian Illyas Mehraj (35202-7301494-9) Mian Ijaz Mehraj (35202-7102873-1) Mrs. Yasmin Riaz (35202-9509247-2) Zakia Ilyas (35202-4771354-0) Muhammad Akram Khan (35201-6808852-3) Raza Mustafa (33100-7254107-1) Hafiz Muhammad Irfan Hussain (35301-9994693-9)	Mian Illyas Mehraj Mian M. Illyas Mian Waqas Riaz Mian Riaz Mehraj Mian Mehraj Din Mian Mehraj Din Mian Riaz Mehraj Mian Illyas Mehraj Ch. Niaz Ahmed Shoukat Ali Haji M. Ali Butt	288,487	90,316	-	378,803	-	-	98,413	-	98,413
104	Oriental Fruits (Pvt) Ltd. (6-F Model Town, Lahore)	Ilyas Mehraj (35202-7301494-9) Mian Waqas Riaz (35202-2562237-9) Mian Haseeb Ilyas (35202-7459668-5) Mian Ijaz Mehraj (35202-7102873-1) Mrs. Yasmin Riaz (35202-9509247-2)	Mian Mehraj Din Mian Riaz Mehraj Mian Illyas Mehraj Mian Mehraj Din Mian Riaz Mehraj	109,187	66,057	-	175,244	-	-	41,612	-	41,612

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
105	Sialkot Transport Co. Pvt. Limited (Near General Bus Stand, Opposite Noor LPG Center Sialkot)	Operators / Directors are representing Sialkot Chamber of Commerce	-	17,743	7,045	-	24,788	-	-	4,183	6,422	10,605
106	Dar es Salaam Textile Mills Ltd. (176-N, Scotch Corner, Upper Mall, Lahore)	Faisal Mukhtar (35200-1561125-1) Abida Mukhtar (35202-1492705-4) Nilofar Mukhtar (61101-1836202-0) Mahwesh Faisal Mukhtar (35201-1523109-0) Sheikh Parvez Ashraf (35202-6738230-7) Zulfiqar Ahmed (35202-4941853-1) M. Ejaz Akbar Khan (35202-2732679-9) Ch Ahmed Mukhtar (34201-0402286-7) (Deceased) Irfan Nasr (35201-5531354-9)	Ch. Ahmed Mukhtar Ch. Ahmed Mukhtar Ch. Ahmed Mukhtar Faisal Mukhtar Sheikh Muhammad Ashraf Nazar Mohammad Muhammad Akber Khan Ch. Mohammad Husain Raja Nasrullah Khan	12,862	10,520	-	23,382	-	-	6,269	-	6,269
107	Hygiene Industries (Plot # 21-A, Industrial Estate, Multan)	Mr. Muhammad Athar (42101-4593499-1) Mst. Nuzhat Athar (42101-8646171-8)	Sharif Ahmad. Muhammad Athar.	37,791	44,541	-	82,332	-	-	24,149	-	24,149
108	Pak Pansy (Pvt) Ltd. (Plot # 04, Ahmed Town, Survey # 212, Block # 02, Azizabad, Commercial Area Karachi)	Mr. Muhammad Athar (42101-4593499-1) Mst. Nuzhat Athar (42101-8646171-8)	Sharif Ahmad. Muhammad Athar.	32,356	32,786	-	65,142	-	-	20,756	-	20,756
109	Universal Corporation (Plot # 4, 2nd Floor, Ahmed Town, Survey No. F.B. Area, Block-2, Karachi)	Mr. Muhammad Athar (42101-4593499-1) Mst. Nuzhat Athar (42101-8646171-8)	Sharif Ahmad. Muhammad Athar.	38,892	38,833	-	77,725	-	-	24,489	-	24,489

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
110	Paramount Spinning Mills Ltd. (2nd Floor Finlay House, I.I Chundrigarh Road, Karachi)	Abdul Shakoor (42201-0350226-5) Tanveer Ahmed (42201-0350138-5) Naseer Ahmed (42201-0632509-5) Sohail Maqsood (35201-4740143-5) Muhammad Asif Akram (35404-2976207-1) Muhammad Akhtar Mirza (3520196760423) Abid Sattar (35202-2306906-3) Muhammad Arif (35201-1641317-5) Muhammad Ashraf Khan (35201-1346603-5) Muhammad Junaid (35202-6261910-0)	Jamal Din Abdul Shakoor Abdul Shakoor Maqsood Ilahi Muhammad Akram Karam Dad Khan Abdul Sattar Zahid Abdul Hameed Anwar Muhammad Dilshad Khan Abdul Rasheed	619,184	1,132,669	-	1,751,853	-	-	361,263	-	361,263
111	Khurshid Traders (R/O Bismillah Colony Jatoi Muzaffargarh)	Khursheed Ahmed Rao (32302-1702838-1)	Muhammad Yousaf	-	12,181	-	12,181	-	-	4,837	-	4,837
112	Rana Khalid Hussain (House 281-B/5 Babawala Chowk Sahiwal)	Rana Khalid Hussain (36502-8420142-3)	Khadim Hussain	-	776	-	776	-	-	529	-	529
113	Ghulam Yasin (Kotla Band Ali P/O Jhuggi Wala Tehsil Jatoi, District. Muzaffargarh)	Ghulam Yasin (32302-9083889-1)	Sher Muhammad	-	1,598	-	1,598	-	-	745	-	745
114	Shabbir Trading Company (Pakpattan Road Depalpur, District.Okara)	Ch. Shabbir Ahmed (35301-7661077-3)	Sher Muhammad	-	41,967	-	41,967	-	-	23,588	-	23,588
115	Khawaja Fareed Telecom (College Road, Layyah Tehsil & District Layyah)	Asif Iqbal (32203-1000221-9)	Khuda Bakhsh	-	3,292	-	3,292	-	-	1,120	-	1,120
116	New Modern Cotton Ginner Grain Mark (Shop # 45 A Grain Market Hasilpur)	Ghulam Haider (31203-1716367-5) Ghulam Hussain (31203-1716323-5)	Ghulam Ali	2,805	6,811	-	9,616	-	-	4,253	-	4,253

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
117	Azeem Exports (Pvt.) Ltd (Chak - 202 R.B. Ghona Road Ghatti, Faisalabad)	Abrar Ahmed (33100-0310806-9) Ijaz Ahmed (33100-2102921-7) Yasmeen Ibrar (33100-0336460-2) Suraya Bano (33100-6007043-8) Naeem Akhter (33100-9148895-4)	Muhammad Akram Sh.	7,652	45,358	-	53,010	-	-	17,961	-	17,961
118	Ali Rizwan Bhatti (Chah Pucca P.O. Kot Hussain Khan Nankana Sahib)	Ali Rizwan Bhatti (35202-1933765-7)	Muhammad Sakhi Bhatti	-	21,652	-	21,652	-	-	10,502	-	10,502
119	Fiaz Rice Corporation (Mananwala Narang Manddi Road Narang Mandi)	Iqbal Ahmad (35401-2559531-3) Muhammad Fayyaz (35201-2256395-3)	Abdul Aziz	2,898	11,341	-	14,239	-	-	6,366	-	6,366
120	Azam Majid / Co. (Tatley Road Kamoke)	Rana Anwar Ali Khan (34102-0452452-5) Rana Muhammad Azam Khan (34102-0452451-5) Muhammad Majid Khan (34102-0451127-9)	Ghulam Mahiudin Khan Ghulam Muhammad Ghulam Muhammad	97	3,463	-	3,560	-	-	1,510	-	1,510
121	Khawaja Naseer Ud Din Mehmood (Rajanpur Kalan Rahim Yar Khan)	Haji Abdul Sattar (31303-23400569-9) Muhammad Hanif (358-89-056551) Muhammad Yaqoob (358-78-764496) Shahid Hanif (358-80-792560)	Abdul Aziz Amir Ud Din Muhammad Hanif	2,944	7,542	-	10,486	-	-	5,084	-	5,084
122	Hamid Associates (H. No.7 Sultan Ahmad Road Lahore)	Hamid Almas (35202-7635686-7)	Muhammad Saeed	174	1,762	-	1,936	-	-	553	-	553
123	Liaqat Ali Khan (Raupur Road Joti P.O. Jatoi District M. Gahr Ali Pur)	Liaqat Ali Khan (32302-1736439-1)	Atta Ullah khan	5,086	17,052	-	22,138	-	-	5,501	-	5,501

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
124	Chaudary Brothers Farming Servi (2-Kilometer By Pass Khanqah Sharif Ganwar Shah Road Baahwalpur)	Nasir Mehmood (37405-4371036-9) Khalid Mehmood (35202-3725540-9) Muhammad Adeel (35202-7290958-3)	Abdul Karim	4,564	21,843	-	26,407	-	-	11,151	-	11,151
125	Malik Zari Service Prop: Bashir (Chah Wakeel Wala Khakhi Gharbi P.O. Khas DG Khan)	Bashir Ahmad (32102-7360864-7)	Khushi Muhammad	1,042	1,921	-	2,963	-	-	1,071	-	1,071
126	Sheheryar Bilal Ice/Cold Storage (Tehsil Chowk Chiniot)	Muhammad Bilal Ahmed (33201-3032058-5)	Khushi Muhammad	2,126	2,669	-	4,795	-	-	1,064	-	1,064
127	Woodsy Furniture Chiniot (6-Malik Centre Tehsil Chowk Chiniot)	Muhammad Bilal (33201-3032058-5)	Khushi Muhammad	6,148	7,627	-	13,775	-	-	3,368	-	3,368
128	Hero Center (Tehkal Payan University Road Peshawar)	Imran Khan Khatak (17301-5827250-5)	Nasud Khan	3,398	1,035	-	4,433	-	1,131	-	-	1,131
129	Sagro Seed Corporation (Old Grain Market Khan Pur)	Saeed Ahmad (31301-2207099-5)	Allah Ditta	-	2,690	-	2,690	-	-	1,216	-	1,216
130	Al Madina Filling Station (Opposite Children Hospital Abdali Road Multan)	Rao Ahmad Ali Qamar (32302-1690084-3)	Liaqat Ali	-	2,658	-	2,658	-	-	1,192	-	1,192
131	Azeem Tyres (LMQ Road Nawan Shehr Multan)	Muhammad Azeem (36101-2904883-5)	Chirag Din	4,093	1,770	-	5,863	-	-	706	-	706
132	Alpha Industrial Establishment (19-Birdwood Road, Lahore)	Rana Zaheer Ahmad (35202-2760066-3) Dr. Muhammad Rafi (35201-2783986-9)	Rana Muhammad Tufail Chaudhry Muhammad Shafi Zafar	20,707	32,595	-	53,302	-	-	6,584	-	6,584
133	K.M.Furniture (Mohalla. Karam Abad Chiniot)	Saddat Yar (33201-7802200-1)	Khushi Muhammad	4,566	5,696	-	10,262	-	-	2,920	-	2,920
134	Ausaf Rice Factory (17-Kassi Basti Masoom Shah Vehari Road Multan)	Syed Muhammad Hussain Zaidi (36302-2248004-9)	Syed Waqar Hussain	16,163	4,900	-	21,063	-	-	2,513	-	2,513
135	Zaynoon Traders (A-8,School Road, Nishtarabad Peshawar)	Mohd. Nadeem Gul (17301-1301410-5) Zia Rustam (13101-4102829-3)	Toor Gull Rustam Khan	3,775	10,809	-	14,584	-	-	5,094	-	5,094

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
136	Ahmad Ashraf Cotton Industries (Cotton Lundi Pitafi Road Jatoi District Muzaffargarh)	Rao Ahmad Ali Qamar (32302-1690084-3) Muhammad Ashraf (32302-8203286-5) Muhammad Nasir (36302-0339562-1)	Liaqat Ali, Muhammad Jammil Muhammad Rafique	2,676	8,279	-	10,955	-	-	2,799	-	2,799
137	Gopang Oil Mills Prop:Khalid Mehmood (Khan Oil Mills Wong Tehsil & District Rajan Pur Kot Mithan)	Khalid Mehmood (32403-1633928-9)	Pir Buksh Khan	3,005	6,698	-	9,703	-	-	2,535	-	2,535
138	Giltwood Interiors (Malik Centre Tehsil Chowk Chiniot)	Saddat Yar (33201-7802200-1)	Khushi Muhammad	6,671	8,162	-	14,833	-	-	2,920	-	2,920
139	Bismillah Paper Traders (22 Madina Market, Ganpat Road Lahore)	Tanveer Akram Khan (35202-8211669-1)	Muhammad Akram Khan	861	1,834	-	2,695	-	-	712	-	712
140	Jholay Lal Petrolium Service (Chak-14/1L G.T. Road Renala Khurd Okara)	Muhammad Amin Shah (Deceased) (35303-4337954-5) Shahid Abbas (35303-6412064-5)	Mukhtar Ali Ghulam Abbas	202	4,993	-	5,195	-	-	2,409	-	2,409
141	Noshahi Enterprises (Sabzi Mandi Kamoke, Kamoke)	M. Ashique Hussain (34102-8105347-5) M. Saddique (34102-5659931-1) Hafiz Amir Shahzad (34102-8200347-5) Muhammaed Asif (34102-8985522-7)	Muhammad Latif Urf Bhola Pehlwan Muhammad Ashiq Hussain Muhammad Latif	6,821	6,669	-	13,490	-	-	3,124	-	3,124
142	Appolo Builders Associates (301, Windsong Place, 7-8, K.U. C.H.S. Shaheed-E-Millat Road, Karachi)	Muhammad Amin (42201-4010470-3) Mrs. Nargis Amin (42000-7104159-0)	Ch Jamal Din Ch Shamsul Haq	6,479	14,392	-	20,871	-	-	4,253	-	4,253
143	Al-Ghazi Alamgir Flour Mill (Dau Wala Guddu Road Mureed Shakh Ghotki)	Abdul Manan (33100-0549069-5) Akhtar Ali (61101-4703724-3)	Abdul Rehman Sabir Ali	8,017	30,249	-	38,266	-	-	10,643	-	10,643
144	Noor ud Din (Bhong Tehsil Sadiq Abad)	Noor ud Din (31304-2026365-5)	Faqeer Buksh	3,955	9,942	-	13,897	-	-	3,248	-	3,248
145	Rias Muneer Ahmed (House No. 3 Street No. 29 Sector F61 Islamabad)	Raees Munir Ahmed (42301-6386978-5)	Rais Shabbir Ahmed	9,917	37,018	-	46,935	-	-	13,021	-	13,021

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
146	Uzma Zeeshan / Muhammad Mouzzam Razi (House # 39/B New Muslim Town Lahore)	Uzma Zeshan (31303-0194929-6) Mohd. Moazam Razi (35202-8128599-3)	Fasih	3,961	9,807	-	13,768	-	-	2,991	-	2,991
147	Asim Niazi And Co (Ali Pur Road Piracha Petrol Pump Muzaffer Garh)	Muhammad Asgher Khan (32304-1587455-5) Muhammad Asim Khan (32304-1587456-5) Shugufta Yasmeen (32102-2743069-4) Munawar Sultana (32604-1534186-4)	Muhammad Khan Niazi W/O Muhammad Ayub Niazi W/O Muhammad Asghar Khan	769	1,867	-	2,636	-	-	604	-	604
148	Hafsa Embroidery (House # 2549 Samanabad Faisalabad)	Shahid Iqbal (33102-7560678-5)	Muhammad Ashraf	2,068	1,102	-	3,170	-	-	608	-	608
149	Al-Wahab Filling Station (H. No.50-C Johar Town Lahore)	Syed Ashfaq Hussain Shah (36401-6178476-7)	Syed Safdar Hussain Shah	4,322	4,001	-	8,323	-	-	2,134	-	2,134
150	Adnan Mustafa Tractor Showroom (Chah Wakeel Wala Khaki Gharbi D.G Khan)	Ghulam Mustafa (32102-1117540-3)	Sher Muhammad	1,301	2,475	-	3,776	-	-	1,291	-	1,291
151	Ahmed Nasir Corporation (5-Umer Road Model Town A Bahawalpur)	Muhammad Bukash (-) Khalid Pervaiz (-)	Muhammad Ramzan Ch Sanaullah	3,704	11,565	-	15,269	-	-	5,028	-	5,028
152	Al Meezan Metal Industries Pvt Ltd (Suit # 409 4TH Floor Anum Trade Centre Ghani Chowrangi Site Karachi)	Shah Zaki ur Rehman (42301-1381245-3) Munawar Ahmed (42301-6880736-9)	Shah Aziz Ur Rehman Muhammad Shamsul Tauheed	42,414	8,952	-	51,366	-	4,582	2,784	-	7,366
153	Four Star Garments (197-B Gulgasht Colony Multan)	Zahid Akhter Kanwar (36302-5910466-5)	Kanwar Akhtar Ali	4,574	6,381	-	10,955	-	250	2,574	-	2,824
154	Azam Spray Center (Ghosia Chock Abdul Hakim Tehsil Kabirwala District Khanewal)	Allah Ditta (36101-1911871-9)	Muhammad Azam	720	629	-	1,349	-	-	616	-	616
155	Ali Doubling (Haji Ali Muhammad Wali Street Road Kot Kasur)	Mehboob Ahmed (35102-1364036-9) Rauf Ahmed (35102-1804161-9)	Ali Muhammad	2,845	4,789	-	7,634	-	-	2,316	-	2,316
156	Lasani Poultary Farm (College Road Pattoki Tehsil Pattoki District Okara)	Javid Iqbal (35101-2465787-1)	Muhammad Ashique	411	1,133	-	1,544	-	-	546	-	546
157	Malik Traders (Faisalabad Road Opposite Govt. Islamia College Chiniot)	Sheheryar Hassan (33201-1833497-9)	Khushi Muhammad	2,083	2,575	-	4,658	-	124	1,198	-	1,322

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				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
								Rupees in '000				
158	Kentax Sirgroh (Pvt) Ltd (Industrial Area Katar Band Road Thokar Niaz Baig Multan Road Lahore)	Hammad Khalid (35202-9980349-9) Haseeb Khalid (35202-7237512-3) Amna Khalid (35202-0107764-2)	Khalid Sharif Hammad Khalid	12,285	16,942	-	29,227	-	-	1,600	-	1,600
159	Vicky Trading Company (40 Deewan Street Nishtar Road Lahore)	Tariq Majeed (35201-1850928-3)	Sheikh Abdul Majeed	13,861	18,276	-	32,137	-	348	18,970	-	19,318
160	Ahmad Carporation (Railway Road Pakpattan)	Mukhtar Ahmad (36402-9121053-1)	Haji Muhammad	89	1,137	-	1,226	-	-	714	-	714
161	Al-Madina Furniture (Malik Center Tehsil Chiniot)	Sheheryar Hassan (33201-1833497-9)	Khushi Muhammad	5,161	6,504	-	11,665	-	-	2,926	-	2,926
162	Excel Distributors (02, White House Lane-02 Sunderdas Road Lahore)	Syed Hassan Ilyas (35201-3778403-3)	Syed Ilyas Ali	2,225	3,601	-	5,826	-	-	1,570	-	1,570
163	Haji Manzoor Qadir (Sandhu Furniture House, Kutchery Road, Gujrat)	Manzoor Qadir (34201-8976433-7)	Muhammad Ismail	161	3,135	-	3,296	-	-	1,197	-	1,197
164	Punjab Group Of Colleges Jehanian (H # 453 Near Masjid Quados Mohallah Jinnah Colony-B Jahanian)	Tawakkal Hussain (36101-2904883-5)	Malik Sikandar Khan	14,000	6,748	-	20,748	-	1,625	2,485	-	4,110
165	Ahmed Rice Mills (Ahmed Nagar, Tehsil Wazirabad District Gujranwala)	Ghulam Nabi Butt (34104-0865481-7) M. Jehangir Chatha (34104-2261706-5) Allah Rakha (34104-2239145-9) Ghulam Rasool (34104-2221302-9) Zonaira Maryam (34101-6114870-6)	Muhammad Ismail Ch.Maqsood Ali Chattha Muhammad Ibrahim Allah Ditta W/O Abdul Rashid	13,648	20,182	-	33,830	-	-	16,413	-	16,413
166	Badar Majeed (164-Aurangzeb Block, Garden Town Lahore)	Badar Majeed (35202-4970220-7)	Sheikh Abdul Majeed	552	911	-	1,463	-	103	700	-	803
167	Saanco Enterprises (25 Street # 43/S Pak Colony Near Timber Market Ravi Road Lahore)	Malik Muhammad Amin (35102-6153918-1)	Malik Ghulam Muhammad	8,471	10,175	-	18,646	-	-	5,104	-	5,104

Annexure I

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off	Interest/ Mark-up waived	Other financial relief provided	Total (9+10+11+12)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total					
1	2	3	4	5	6	7	8	9	10	11	12	13
				Rupees in '000								
168	Ittefaq Bricks Company (2-KM, Bucheki Road, Near Haseeb Waqas Sugar Mills, Nankana Sahib, Bucheki Road Nankana Sahib)	Rai Saleem-ur-Rehman Bhatti (35202-5365019-7)	Ahmad Din	1,065	1,648	-	2,713	-	-	860	-	860
169	Champion Traders (Abaseen Complex, Ground Floor, 8-Davis Road, Lahore)	Ghulam Sarwar (35202-6541229-7)	Ahmad Din	2,200	1,853	-	4,053	-	-	851	-	851
				2,056,361	2,981,735	-	5,038,096	-	8,163	1,522,072	40,898	1,571,133

Annexure II

ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the December 31, 2021, the Bank is operating 114 Islamic banking branches (2020: 102 Islamic banking branches and 02 sub Islamic banking branches) and 25 Islamic banking windows (2020: Nil).

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	2021	2020
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		7,527,608	5,351,954
Balances with other banks		6,059,934	307,986
Due from financial institutions	1	4,500,000	8,632,000
Investments - net	2	16,590,093	16,996,603
Islamic financing and related assets - net	3	49,033,044	33,201,187
Fixed assets		2,052,740	1,670,801
Intangible assets		9,439	6,626
Due from head office		442,430	951,270
Other assets		1,399,506	2,003,185
Total assets		87,614,794	69,121,612
LIABILITIES			
Bills payable		388,599	212,448
Due to financial institutions		911,409	607,842
Deposits and other accounts	4	79,206,096	61,539,589
Due to head office		-	-
Subordinated debt		-	-
Other liabilities		2,556,072	2,647,285
		83,062,176	65,007,164
NET ASSETS		4,552,618	4,114,448
REPRESENTED BY			
Islamic banking fund		2,000,000	1,500,000
Reserves		5,505	735
Deficit on revaluation of assets		(3,019)	(97,165)
Unappropriated profit	5	2,550,132	2,710,878
		4,552,618	4,114,448
CONTINGENCIES AND COMMITMENTS	6		

Annexure II

ISLAMIC BANKING BUSINESS PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2021

	Note	2021	2020
		Rupees in '000'	
Profit / return earned	7	4,621,515	5,057,562
Profit / return expensed	8	2,208,303	2,558,654
Net profit / return		2,413,212	2,498,908
Fee and commission income		179,284	108,798
Dividend income		-	-
Foreign exchange (loss) / income		(5,175)	4,915
Income / (loss) from derivatives		-	-
Gain on securities		2,194	-
Other income		1,271	4,278
		177,574	117,991
Total income		2,590,786	2,616,899
Other expenses			
Operating expenses		1,981,180	1,646,171
Workers welfare fund		-	-
Other charges		294	150
		1,981,474	1,646,321
Profit before provisions		609,312	970,578
Provisions and write offs - net		770,058	414,325
(Loss) / profit before taxation		(160,746)	556,253
Taxation	9	-	-
(Loss) / profit after taxation		(160,746)	556,253

Annexure II

ISLAMIC BANKING BUSINESS CASH FLOW STATEMENT

For the year ended December 31, 2021

	2021	2020
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(160,746)	556,253
Less: dividend income	-	-
	(160,746)	556,253
Adjustments for:		
Depreciation on fixed assets	127,910	126,823
Amortization on intangible assets	1,446	1,353
Depreciation on ijarah assets under IFAS - 2	118,973	162,883
Depreciation right-of-use assets	177,486	158,935
Markup on lease liability against right-of-use assets	195,434	181,732
Amortization of premium on debt securities - net	63,923	43,739
Gain on termination of lease liability against right-of-use assets	679	17
Gain on sale of property and equipment - net	(34)	(2,135)
Provision and write-offs - net	770,058	414,325
	1,455,875	1,087,672
	1,295,129	1,643,925
(Increase) / decrease in operating assets:		
Lendings to financial institutions	4,132,000	(5,237,000)
Advances	(16,721,924)	(6,507,423)
Others assets	1,113,555	1,847,493
	(11,476,369)	(9,896,930)
Increase / (decrease) in operating liabilities:		
Bills payable	176,151	(37,765)
Due to financial institutions	303,567	607,842
Deposits and other accounts	17,666,507	15,450,580
Other liabilities	(504,559)	(582,550)
	17,641,666	15,438,107
Net cash flow from operating activities	7,460,426	7,185,102
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	436,733	(8,269,009)
Investments in fixed assets	(192,119)	(120,718)
Investment in intangible assets	(2,813)	(2,198)
Net cash flow from / (used in) investing activities	241,801	(8,391,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Islamic banking fund	500,000	-
Payment of lease liability against right-of-use assets	(274,625)	(231,034)
Net cash flow from / (used in) financing activities	225,375	(231,034)
Net increase / (decrease) in cash and cash equivalents	7,927,602	(1,437,857)
Cash and cash equivalents at beginning of the year	5,659,940	7,097,797
Cash and cash equivalents at end of the year	13,587,542	5,659,940

Annexure II

1. DUE FROM FINANCIAL INSTITUTIONS

	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Unsecured	4,500,000	-	4,500,000	8,632,000	-	8,632,000

2. INVESTMENTS BY SEGMENTS

	2021				2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
Federal government securities:								
- Ijarah sukuks	4,502,908	-	(1,154)	4,501,754	2,249,072	-	1,078	2,250,150
- Naya Pakistan Certificates	88,600	-	-	88,600	-	-	-	-
- Sukuk - bai muajjal with Government of Pakistan	-	-	-	-	2,756,196	-	-	2,756,196
	4,591,508	-	(1,154)	4,590,354	5,005,268	-	1,078	5,006,346
Non government debt securities								
- Listed	8,457,812	-	(75,312)	8,382,500	8,521,689		(171,690)	8,349,999
-Unlisted	3,617,239	-	-	3,617,239	3,640,258	-	-	3,640,258
Total investments	16,666,559	-	(76,466)	16,590,093	17,167,215	-	(170,612)	16,996,603

	Note	2021	2020
		Rupees in '000'	
3. ISLAMIC FINANCING AND RELATED ASSETS			
Ijarah	3.1	2,075,758	1,988,841
Murabaha	3.2	2,115,237	220,091
Musharaka		21,482,411	9,347,782
Diminishing musharaka		20,579,778	18,353,796
Istisna		4,154,436	3,894,158
Payment against documents		55,304	55,304
Gross islamic financing and related assets		50,462,924	33,859,972
Less: provision against islamic financings			
- Specific		1,429,880	658,785
- General		-	-
		1,429,880	658,785
Islamic financing and related assets - net of provision		49,033,044	33,201,187

3.1 Ijarah

	2021								
	Cost				Depreciation				Book value
	As at Jan 01, 2021	Additions	Deletion / adjustment	As at Dec 31, 2021	As at Jan 01, 2021	Deletion / adjustment	Charge for the year	As at Dec 31, 2021	as at Dec 31, 2021
	Rupees in '000'								
Plant and machinery	96,262	-	(49,442)	46,820	38,170	(36,339)	12,930	14,761	32,059
Vehicles	537,678	241,247	(38,061)	740,864	278,634	(16,304)	78,935	341,265	399,599
Equipment	196,223	-	(73,139)	123,084	148,925	(72,642)	27,108	103,391	19,693
Service Ijarah	1,624,407	-	-	1,624,407	-	-	-	-	1,624,407
Total	2,454,570	241,247	(160,642)	2,535,175	465,729	(125,285)	118,973	459,417	2,075,758

Annexure II

	2020								
	Cost				Depreciation				Book value
	As at Jan 01, 2020	Additions	Deletion / adjustment	As at Dec 31, 2020	As at Jan 01, 2020	Deletion / adjustment	Charge for the year	As at Dec 31, 2020	as at Dec 31, 2020
	Rupees in '000'								
Plant and machinery	125,415	-	(29,153)	96,262	48,493	(31,144)	20,821	38,170	58,092
Vehicles	521,933	31,188	(15,443)	537,678	212,044	(11,434)	78,024	278,634	259,044
Equipment	214,523	-	(18,300)	196,223	99,424	(14,537)	64,038	148,925	47,298
Service Ijarah	1,235,518	388,889	-	1,624,407	-	-	-	-	1,624,407
Total	2,097,389	420,077	(62,896)	2,454,570	359,961	(57,115)	162,883	465,729	1,988,841

3.1.1 Future ijarah payments receivable

	2021				2020			
	Not later than 1 year	Later than 1 & less than 5 years	Over five years	Total	Not later than 1 year	Later than one & less than 5 years	Over five years	Total
	Rupees in '000'				Rupees in '000'			
Ijarah rental receivables	460,402	1,197,537	417,819	2,075,758	425,493	1,145,529	417,819	1,988,841

	Note	2021	2020
		Rupees in '000'	
3.2 Murabaha			
Murabaha financing	3.2.1	2,056,987	197,566
Advances for murabaha		58,250	22,525
		2,115,237	220,091
3.2.1 Murabaha receivable - gross	3.2.2	2,137,662	242,516
Less: deferred murabaha income	3.2.4	43,890	344
Profit receivable shown in other assets		36,785	44,606
Murabaha financings		2,056,987	197,566
3.2.2 The movement in murabaha financing during the year is as follows:			
Opening balance		242,516	1,046,741
Sales during the year		3,122,725	859,021
Adjusted during the year		1,227,579	1,663,246
Closing balance		2,137,662	242,516
3.2.3 Murabaha sale price		2,187,623	203,970
Murabaha purchase price		2,056,987	6,404
		130,636	197,566
3.2.4 Deferred murabaha income			
Opening balance		344	29,784
Arised during the year		89,814	32,506
Less: recognized during the year		46,268	61,946
Closing balance		43,890	344

3.3 Islamic financing and related assets include Rs. 3,265,869 thousand (2020: Rs. 2,876,933 thousand) which have been placed under non-performing status.

Annexure II

4. DEPOSITS AND OTHER ACCOUNTS

	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers						
Current deposits	14,637,500	413,124	15,050,624	11,129,196	361,767	11,490,963
Savings deposits	44,910,744	223,869	45,134,613	46,122,394	65,342	46,187,736
Term deposits	7,693,035	-	7,693,035	1,967,176	-	1,967,176
Others	1,545,903	-	1,545,903	1,581,404	-	1,581,404
	68,787,182	636,993	69,424,175	60,800,170	427,109	61,227,279
Financial institutions						
Current deposits	221,033	41,503	262,536	216,155	-	216,155
Savings deposits	69,119	185	69,304	90,864	5,291	96,155
Term deposits	9,450,000	-	9,450,000	-	-	-
Others	81	-	81	-	-	-
	9,740,233	41,688	9,781,921	307,019	5,291	312,310
	78,527,415	678,681	79,206,096	61,107,189	432,400	61,539,589

	2021	2020
	Rupees in '000'	
4.1 Composition of deposits		
- Individuals	15,034,600	13,391,543
- Government	22,981,647	24,840,912
- Public sector entities	1,244,608	430,596
- Banking companies	259,390	269,062
- Non-banking financial institutions	9,522,531	43,248
- Private sector	30,163,320	22,564,228
	79,206,096	61,539,589

4.2 This includes deposits eligible to be covered under insurance arrangements of Deposit Protection Corporation amounted to Rs. 39,930,973 thousand (2020: Rs 30,735,192 thousand).

	2021	2020
	Rupees in '000'	
5. ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	2,710,878	2,154,625
Add: Islamic banking (loss) / profit for the year	(160,746)	556,253
Closing balance	2,550,132	2,710,878
6. CONTINGENCIES AND COMMITMENTS		
- Guarantees	1,662,941	1,683,665
- Commitments	5,785,076	1,586,274
	7,448,017	3,269,939

Annexure II

	2021	2020
	Rupees in '000'	
6.1 Guarantees:		
Financial guarantees	68,200	78,900
Performance guarantees	851,135	765,088
Other guarantees	743,606	839,677
	1,662,941	1,683,665
6.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	4,684,070	1,078,068
Commitments in respect of:		
- forward lending	1,101,006	508,206
	5,785,076	1,586,274
6.2.2 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitments to lend	1,101,006	508,206

6.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	2021	2020
	Rupees in '000'	
Claims against the Bank not acknowledged as debts	65,639	-

The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	2021	2020
	Rupees in '000'	
7. PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	2,705,740	3,209,835
Investments	1,530,172	1,543,985
Placements	351,056	291,047
Deposits with financial institutions	34,547	12,695
	4,621,515	5,057,562

Annexure II

	2021	2020
	Rupees in '000'	
8. PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	1,944,056	2,317,614
Markup on lease liability against right-of-use assets	195,434	181,732
Markup on borrowings from SBP	2,860	49
Profit on deposits from conventional HO	65,953	59,259
	2,208,303	2,558,654

9. The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax credit for Islamic Banking is expected to be Rs. 52,114 thousand (2020: notional net tax charge of Rs. 234,071 thousand).

	2021	2020
	Rupees in '000'	
10. CHARITY FUND		
Opening balance	4,162	40,263
Additions during the year :		
Received from customers on account of delayed payment	833	11,259
Profit on charity saving account	131	982
	964	12,241
Payments / utilization during the year :		
Health	5,126	48,342
Closing balance	-	4,162

11. POOL MANAGEMENT

11.1 BOP TAQWA islamic banking division is maintaining following pools for profit declaration and distribution.

i) General pool
ii) Special pool-I (Equity)
iii) Special pool-II
iv) Special pool-IV
v) Special pool-VII (PER)
vi) Special pool-IX
vii) Special pool-XIII
viii) Special pool-XIV
ix) Special pool-XV
x) Special pool-XVI
xi) Special pool-XVII
xii) Special pool-XVIII
xiii) Special pool-XIX
xiv) Special pool-XX
xv) Special pool-XXI
xvi) Special pool-XXII

Annexure II

xvii) Special pool-XXIII
xviii) Special pool-XXIV
xix) Special pool-XXV
xx) Special pool-XXVI
xxi) Special pool-XXVII (IERS Pool)
xxii) Special pool-XXVIII
xxiii) Special pool-XXIX
xxiv) Special pool-XXX
xxv) Special pool-XXXI
xxvi) Taqwa Foreign Currency USD Pool
xxvii) Taqwa Foreign Currency GBP Pool
xxviii) Taqwa Foreign Currency EURO Pool
xxix) USD special pool-I

11.2 General pool

The general pool comprises of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as fund manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pool is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of period concerned.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

a) Weightages for distribution of profit in general pool

Profit is calculated on the basis of daily product balance in Mudaraba based depositors' accounts and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

- Contracted period, nature and type of deposit/ fund
- Payment cycle of profit on such deposit/ fund, i.e. monthly, quarterly or on maturity
- Magnitude of risk

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, Islamic Banking Institutions and Shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

Annexure II

11.3 Special pools

The special pools comprise of depositors' funds, Bank's equity inclusive of current deposits and mudaraba placements from BOP head office. The Bank acts as Fund Manager (Mudarib) and invests the funds in shariah compliant modes of financings, investments and placements (remunerative assets). The profit of the pools is calculated on all the remunerative assets booked by the Bank and is shared amongst the members of the pool on pre-defined mechanism based on weightages announced before the commencement of concerned period.

The distributable profit of the pool is finalized after deduction of direct expenses only while indirect expenses including administrative and general expenses are borne by BOP-TAQWA as Mudarib.

a) Weightages for distribution of profit in special pools

Profit is calculated on daily product basis and paid as per pre defined weightages.

While considering weightages emphasis is given to the quantum, type and the period of risk assessed by following factors:

- Contracted period, nature and type of deposit/ fund.
- Payment cycle of profit on such deposit/ fund, i.e. monthly, quarterly or on maturity
- Magnitude of risk

b) Identification and allocation of pool related income & expenses

The distributable profit of the pool is finalized by including direct income earned by income generating / remunerative assets and after deducting direct expenses of the period concerned, while indirect expenses including administrative and general expenses are borne by BOP-IBD as Mudarib.

c) Parameters associated with risk and rewards

Following are the consideration attached with risk & reward of general pool:

- Period, return, safety, security and liquidity of investment
- Financing proposals under process at various stages and likely to be extended in the near future.
- Expected withdrawals of deposits according to the maturities affecting the deposit base.
- Maturities of funds obtained from principal office, islamic banking institutions and shariah compliant organizations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules & shariah clearance.

Annexure II

11.4 Avenues / sectors of economy / business where mudaraba based deposits have been deployed:

	2021	2020
	Rupees in '000'	
Federal and provincial governments	20,567,121	9,602,269
Due from GOP - bai muajjal	-	2,756,196
Placement with Financial Institutions	4,500,000	8,632,000
Ijara sukuk	4,502,908	2,249,071
Transport, storage, logistics and communication	157,013	186,055
Manufacturing and trading of food items	1,092,893	842,840
Manufacture of pesticides and other agro-chemical product	-	68,137
Power generation	18,464,149	18,131,692
Manufacture of paper, paperboard and products thereof	507,914	614,086
Consumer car Ijarah	184,559	16,225
Consumer Housing / LCH	269,977	-
Textile composite / other	3,198,893	4,328,821
Cement & allied	3,920,171	3,138,939
Iron & steel industry	1,439,874	856,890
Rubber / plastic products etc.	1,340,342	198,648
Others	17,017,696	8,054,170
	77,163,510	59,676,039

11.5 Charging expenses

The direct expenses are being charged to the pool, while indirect expenses including the establishment cost is being borne by BOP IBD as Mudarib. The direct expenses to be charged to the pool may include cost of sales of inventories, insurance / takaful expenses of pool assets, stamp fee or documentation charges, brokerage fee for purchase of securities/commodities etc.

	2021	2020
	Rupees in '000'	
Provisions		
Murabaha	79,995	50,009
Istisna	10,000	10,000
Ijarah	195,320	186,380
Diminishing Musharika	1,144,565	412,396
	1,429,880	658,785

11.6 Mudarib share (in amount and percentage of distributable income):

	2021		2020	
	Rupees in '000'	Percentage %	Rupees in '000'	Percentage %
	Rupees in '000'			
Rabbul mal	2,058,478	58.14%	2,250,493	56.74%
Mudarib	1,482,331	41.86%	1,715,683	43.26%
Distributable income	3,540,809	100.00%	3,966,176	100.00%

Annexure II

11.7 Amount & percentage of mudarib share transferred to depositors through Hiba:

	2021	2020
	Rupees in '000'	
Mudarib share	1,482,331	1,715,683
Hiba	82,175	173,347
Hiba percentage of mudarib share	5.54%	10.10%

This is not a special hiba as such. This hiba has been distributed across the board to all the investment account holders.

Profit rate earned vs. profit rate distributed to the depositors during the year:

Profit rate earned	7.49%	9.53%
Profit rates distributed to depositors	3.57%	4.83%

BRANCH NETWORK

Banking Sector	No. of Branches	No. of Sub-Branches
Conventional	102	2
D.G. KHAN	53	-
FSD	48	1
GUJ- R	51	1
GUJ- U	45	1
ISD	51	2
KHI	38	1
LHR- A	41	4
LHR- B	34	3
MUL	47	1
PSDD	8	-
PSH	44	1
SGH	42	-
SWL	46	1
Islamic	114	-
Central I	13	-
Central II	13	-
Central III	8	-
KHI & Balochistan	11	-
North I	13	-
North II	8	-
North III	15	-
South I	11	-
South II	10	-
South III	12	-
Grand Total	662	16

PATTERN OF SHAREHOLDING OF SHARES

As on December 31, 2021

No. of Shareholders				------Shareholding------			Total Shares Held			Percentage
Physical	CDC	Total		From		To	Physical	CDC	Total	
1055	1128	2183	FROM	1	TO	100	38,344	42,724	81,068	0.0031
1517	1832	3349	FROM	101	TO	500	397,354	715,019	1,112,373	0.0421
624	1652	2276	FROM	501	TO	1000	462,437	1,522,855	1,985,292	0.0751
937	3581	4518	FROM	1001	TO	5000	1,982,420	10,295,590	12,278,010	0.4644
143	1410	1553	FROM	5001	TO	10000	973,701	11,318,862	12,292,563	0.4650
47	602	649	FROM	10001	TO	15000	568,297	7,723,184	8,291,481	0.3136
32	451	483	FROM	15001	TO	20000	565,974	8,320,709	8,886,683	0.3361
17	335	352	FROM	20001	TO	25000	372,516	7,810,861	8,183,377	0.3095
46	218	264	FROM	25001	TO	30000	1,205,519	6,244,972	7,450,491	0.2818
7	133	140	FROM	30001	TO	35000	223,398	4,425,737	4,649,135	0.1759
5	170	175	FROM	35001	TO	40000	189,771	6,532,143	6,721,914	0.2543
2	86	88	FROM	40001	TO	45000	84,016	3,686,795	3,770,811	0.1426
2	204	206	FROM	45001	TO	50000	97,708	10,091,541	10,189,249	0.3854
2	93	95	FROM	50001	TO	55000	103,068	4,915,144	5,018,212	0.1898
1	72	73	FROM	55001	TO	60000	57,936	4,221,426	4,279,362	0.1619
1	46	47	FROM	60001	TO	65000	60,362	2,905,434	2,965,796	0.1122
1	58	59	FROM	65001	TO	70000	65,923	3,999,515	4,065,438	0.1538
	65	65	FROM	70001	TO	75000		4,815,321	4,815,321	0.1821
1	41	42	FROM	75001	TO	80000	79,812	3,213,405	3,293,217	0.1246
	25	25	FROM	80001	TO	85000		2,080,509	2,080,509	0.0787
1	36	37	FROM	85001	TO	90000	89,454	3,194,875	3,284,329	0.1242
1	22	23	FROM	90001	TO	95000	91,457	2,045,612	2,137,069	0.0808
	128	128	FROM	95001	TO	100000		12,758,550	12,758,550	0.4826
	30	30	FROM	100001	TO	105000		3,083,148	3,083,148	0.1166
	25	25	FROM	105001	TO	110000		2,722,562	2,722,562	0.1030
1	19	20	FROM	110001	TO	115000	114,528	2,145,685	2,260,213	0.0855
	22	22	FROM	115001	TO	120000		2,609,835	2,609,835	0.0987
	24	24	FROM	120001	TO	125000		2,968,210	2,968,210	0.1123
	13	13	FROM	125001	TO	130000		1,677,483	1,677,483	0.0635
	9	9	FROM	130001	TO	135000		1,203,574	1,203,574	0.0455
	8	8	FROM	135001	TO	140000		1,111,038	1,111,038	0.0420
	11	11	FROM	140001	TO	145000		1,573,657	1,573,657	0.0595
	44	44	FROM	145001	TO	150000		6,563,966	6,563,966	0.2483
	12	12	FROM	150001	TO	155000		1,840,054	1,840,054	0.0696
	13	13	FROM	155001	TO	160000		2,061,928	2,061,928	0.0780
	10	10	FROM	160001	TO	165000		1,639,881	1,639,881	0.0620
	8	8	FROM	165001	TO	170000		1,344,866	1,344,866	0.0509
	14	14	FROM	170001	TO	175000		2,430,506	2,430,506	0.0919
	9	9	FROM	175001	TO	180000		1,611,917	1,611,917	0.0610
	4	4	FROM	180001	TO	185000		734,366	734,366	0.0278
1	8	9	FROM	185001	TO	190000	189,640	1,508,679	1,698,319	0.0642
	6	6	FROM	190001	TO	195000		1,159,863	1,159,863	0.0439
	50	50	FROM	195001	TO	200000		9,991,030	9,991,030	0.3779
	8	8	FROM	200001	TO	205000		1,624,291	1,624,291	0.0614
	6	6	FROM	205001	TO	210000		1,245,000	1,245,000	0.0471
	3	3	FROM	210001	TO	215000		637,000	637,000	0.0241
	8	8	FROM	215001	TO	220000		1,752,000	1,752,000	0.0663
	8	8	FROM	220001	TO	225000		1,795,100	1,795,100	0.0679
	10	10	FROM	225001	TO	230000		2,292,204	2,292,204	0.0867
	6	6	FROM	230001	TO	235000		1,399,887	1,399,887	0.0530
	3	3	FROM	235001	TO	240000		718,039	718,039	0.0272
	8	8	FROM	240001	TO	245000		1,943,236	1,943,236	0.0735
	21	21	FROM	245001	TO	250000		5,241,358	5,241,358	0.1983

No. of Shareholders			------Shareholding------				Total Shares Held			Percentage
Physical	CDC	Total		From		To	Physical	CDC	Total	
	6	6	FROM	255001	TO	260000		1,554,000	1,554,000	0.0588
	5	5	FROM	260001	TO	265000		1,314,159	1,314,159	0.0497
	2	2	FROM	265001	TO	270000		540,000	540,000	0.0204
	4	4	FROM	270001	TO	275000		1,097,000	1,097,000	0.0415
	5	5	FROM	275001	TO	280000		1,394,500	1,394,500	0.0527
	2	2	FROM	280001	TO	285000		563,000	563,000	0.0213
	2	2	FROM	285001	TO	290000		575,000	575,000	0.0217
	2	2	FROM	290001	TO	295000		586,381	586,381	0.0222
	28	28	FROM	295001	TO	300000		8,397,500	8,397,500	0.3176
	3	3	FROM	300001	TO	305000		911,940	911,940	0.0345
	3	3	FROM	305001	TO	310000		925,500	925,500	0.0350
	3	3	FROM	310001	TO	315000		941,000	941,000	0.0356
	2	2	FROM	315001	TO	320000		634,000	634,000	0.0240
	2	2	FROM	320001	TO	325000		646,241	646,241	0.0244
	3	3	FROM	325001	TO	330000		986,769	986,769	0.0373
	4	4	FROM	330001	TO	335000		1,332,468	1,332,468	0.0504
	1	1	FROM	335001	TO	340000		340,000	340,000	0.0129
	2	2	FROM	340001	TO	345000		686,000	686,000	0.0259
	7	7	FROM	345001	TO	350000		2,449,000	2,449,000	0.0926
	1	1	FROM	350001	TO	355000		351,500	351,500	0.0133
	3	3	FROM	355001	TO	360000		1,073,500	1,073,500	0.0406
	5	5	FROM	360001	TO	365000		1,820,316	1,820,316	0.0689
	5	5	FROM	365001	TO	370000		1,843,474	1,843,474	0.0697
	3	3	FROM	375001	TO	380000		1,135,000	1,135,000	0.0429
	1	1	FROM	380001	TO	385000		385,000	385,000	0.0146
	1	1	FROM	385001	TO	390000		386,000	386,000	0.0146
	4	4	FROM	390001	TO	395000		1,577,776	1,577,776	0.0597
	16	16	FROM	395001	TO	400000		6,400,000	6,400,000	0.2421
	7	7	FROM	400001	TO	405000		2,818,697	2,818,697	0.1066
	2	2	FROM	405001	TO	410000		819,053	819,053	0.0310
	2	2	FROM	410001	TO	415000		830,000	830,000	0.0314
	1	1	FROM	415001	TO	420000		420,000	420,000	0.0159
	3	3	FROM	420001	TO	425000		1,273,500	1,273,500	0.0482
	1	1	FROM	425001	TO	430000		427,000	427,000	0.0162
	1	1	FROM	430001	TO	435000		434,000	434,000	0.0164
	3	3	FROM	435001	TO	440000		1,315,500	1,315,500	0.0498
	2	2	FROM	440001	TO	445000		888,000	888,000	0.0336
	10	10	FROM	445001	TO	450000		4,492,000	4,492,000	0.1699
	1	1	FROM	450001	TO	455000		452,000	452,000	0.0171
	2	2	FROM	460001	TO	465000		925,500	925,500	0.0350
	1	1	FROM	465001	TO	470000		469,735	469,735	0.0178
	2	2	FROM	470001	TO	475000		945,502	945,502	0.0358
	6	6	FROM	475001	TO	480000		2,871,500	2,871,500	0.1086
	1	1	FROM	485001	TO	490000		487,500	487,500	0.0184
	3	3	FROM	490001	TO	495000		1,483,000	1,483,000	0.0561
	24	24	FROM	495001	TO	500000		11,999,264	11,999,264	0.4539
	4	4	FROM	500001	TO	505000		2,009,104	2,009,104	0.0760
	1	1	FROM	510001	TO	515000		513,500	513,500	0.0194
	4	4	FROM	520001	TO	525000		2,089,000	2,089,000	0.0790
	2	2	FROM	525001	TO	530000		1,059,500	1,059,500	0.0401
	2	2	FROM	535001	TO	540000		1,073,500	1,073,500	0.0406
	1	1	FROM	540001	TO	545000		543,057	543,057	0.0205
	7	7	FROM	545001	TO	550000		3,846,000	3,846,000	0.1455
	1	1	FROM	550001	TO	555000		554,000	554,000	0.0210
	1	1	FROM	555001	TO	560000		558,000	558,000	0.0211
	2	2	FROM	560001	TO	565000		1,127,993	1,127,993	0.0427
	3	3	FROM	565001	TO	570000		1,702,818	1,702,818	0.0644
	2	2	FROM	570001	TO	575000		1,150,000	1,150,000	0.0435
	2	2	FROM	575001	TO	580000		1,155,500	1,155,500	0.0437
	1	1	FROM	585001	TO	590000		590,000	590,000	0.0223

No. of Shareholders				------Shareholding------			Total Shares Held			Percentage
Physical	CDC	Total		From		To	Physical	CDC	Total	
	7	7	FROM	595001	TO	600000		4,200,000	4,200,000	0.1589
	1	1	FROM	620001	TO	625000		625,000	625,000	0.0236
	2	2	FROM	635001	TO	640000		1,280,000	1,280,000	0.0484
	2	2	FROM	645001	TO	650000		1,300,000	1,300,000	0.0492
	2	2	FROM	655001	TO	660000		1,320,000	1,320,000	0.0499
	1	1	FROM	660001	TO	665000		662,000	662,000	0.0250
	3	3	FROM	695001	TO	700000		2,100,000	2,100,000	0.0794
	2	2	FROM	720001	TO	725000		1,446,303	1,446,303	0.0547
	3	3	FROM	725001	TO	730000		2,184,100	2,184,100	0.0826
	1	1	FROM	730001	TO	735000		731,500	731,500	0.0277
	1	1	FROM	735001	TO	740000		740,000	740,000	0.0280
	2	2	FROM	745001	TO	750000		1,500,000	1,500,000	0.0567
	1	1	FROM	750001	TO	755000		750,500	750,500	0.0284
	1	1	FROM	770001	TO	775000		774,500	774,500	0.0293
	2	2	FROM	780001	TO	785000		1,568,000	1,568,000	0.0593
	6	6	FROM	795001	TO	800000		4,800,000	4,800,000	0.1816
	1	1	FROM	800001	TO	805000		803,500	803,500	0.0304
	1	1	FROM	805001	TO	810000		806,500	806,500	0.0305
	1	1	FROM	820001	TO	825000		825,000	825,000	0.0312
	1	1	FROM	825001	TO	830000		829,500	829,500	0.0314
	1	1	FROM	840001	TO	845000		845,000	845,000	0.0320
	1	1	FROM	845001	TO	850000		850,000	850,000	0.0322
	1	1	FROM	865001	TO	870000		865,500	865,500	0.0327
	2	2	FROM	890001	TO	895000		1,786,500	1,786,500	0.0676
	2	2	FROM	895001	TO	900000		1,800,000	1,800,000	0.0681
	1	1	FROM	900001	TO	905000		905,000	905,000	0.0342
	1	1	FROM	910001	TO	915000		915,000	915,000	0.0346
	2	2	FROM	920001	TO	925000		1,847,742	1,847,742	0.0699
	1	1	FROM	925001	TO	930000		930,000	930,000	0.0352
	1	1	FROM	935001	TO	940000		936,958	936,958	0.0354
	2	2	FROM	945001	TO	950000		1,900,000	1,900,000	0.0719
	1	1	FROM	970001	TO	975000		970,500	970,500	0.0367
	15	15	FROM	995001	TO	1000000		14,995,500	14,995,500	0.5672
	1	1	FROM	1000001	TO	1005000		1,001,000	1,001,000	0.0379
	1	1	FROM	1005001	TO	1010000		1,010,000	1,010,000	0.0382
	1	1	FROM	1015001	TO	1020000		1,019,000	1,019,000	0.0385
	3	3	FROM	1020001	TO	1025000		3,067,562	3,067,562	0.1160
	1	1	FROM	1045001	TO	1050000		1,048,512	1,048,512	0.0397
	1	1	FROM	1050001	TO	1055000		1,054,000	1,054,000	0.0399
	2	2	FROM	1055001	TO	1060000		2,118,500	2,118,500	0.0801
	1	1	FROM	1060001	TO	1065000		1,062,000	1,062,000	0.0402
	1	1	FROM	1070001	TO	1075000		1,075,000	1,075,000	0.0407
	1	1	FROM	1115001	TO	1120000		1,118,000	1,118,000	0.0423
	1	1	FROM	1120001	TO	1125000		1,121,000	1,121,000	0.0424
	1	1	FROM	1125001	TO	1130000		1,127,500	1,127,500	0.0426
	1	1	FROM	1130001	TO	1135000		1,132,605	1,132,605	0.0428
	1	1	FROM	1150001	TO	1155000		1,154,000	1,154,000	0.0437
	1	1	FROM	1170001	TO	1175000		1,175,000	1,175,000	0.0444
	1	1	FROM	1190001	TO	1195000		1,191,000	1,191,000	0.0451
	1	1	FROM	1195001	TO	1200000		1,200,000	1,200,000	0.0454
	1	1	FROM	1205001	TO	1210000		1,206,500	1,206,500	0.0456
	1	1	FROM	1210001	TO	1215000		1,215,000	1,215,000	0.0460
	1	1	FROM	1215001	TO	1220000		1,217,000	1,217,000	0.0460
	1	1	FROM	1245001	TO	1250000		1,247,500	1,247,500	0.0472
	1	1	FROM	1255001	TO	1260000		1,257,500	1,257,500	0.0476
	1	1	FROM	1270001	TO	1275000		1,275,000	1,275,000	0.0482
	1	1	FROM	1295001	TO	1300000		1,300,000	1,300,000	0.0492
	1	1	FROM	1300001	TO	1305000		1,300,500	1,300,500	0.0492
	1	1	FROM	1345001	TO	1350000		1,350,000	1,350,000	0.0511
	1	1	FROM	1490001	TO	1495000		1,495,000	1,495,000	0.0565

No. of Shareholders				------Shareholding------			Total Shares Held			Percentage
Physical	CDC	Total		From		To	Physical	CDC	Total	
	2	2	FROM	1495001	TO	1500000		3,000,000	3,000,000	0.1135
	1	1	FROM	1505001	TO	1510000		1,509,000	1,509,000	0.0571
	1	1	FROM	1510001	TO	1515000		1,515,000	1,515,000	0.0573
	1	1	FROM	1530001	TO	1535000		1,531,334	1,531,334	0.0579
	1	1	FROM	1560001	TO	1565000		1,563,500	1,563,500	0.0591
	1	1	FROM	1570001	TO	1575000		1,575,000	1,575,000	0.0596
	1	1	FROM	1640001	TO	1645000		1,642,561	1,642,561	0.0621
	1	1	FROM	1645001	TO	1650000		1,650,000	1,650,000	0.0624
	1	1	FROM	1665001	TO	1670000		1,666,336	1,666,336	0.0630
	1	1	FROM	1675001	TO	1680000		1,679,000	1,679,000	0.0635
	2	2	FROM	1695001	TO	1700000		3,400,000	3,400,000	0.1286
	1	1	FROM	1725001	TO	1730000		1,729,500	1,729,500	0.0654
	1	1	FROM	1735001	TO	1740000		1,737,000	1,737,000	0.0657
	1	1	FROM	1745001	TO	1750000		1,750,000	1,750,000	0.0662
	1	1	FROM	1760001	TO	1765000		1,765,000	1,765,000	0.0668
	2	2	FROM	1795001	TO	1800000		3,600,000	3,600,000	0.1362
	1	1	FROM	1985001	TO	1990000		1,988,000	1,988,000	0.0752
	4	4	FROM	1995001	TO	2000000		8,000,000	8,000,000	0.3026
	1	1	FROM	2000001	TO	2005000		2,004,000	2,004,000	0.0758
	1	1	FROM	2135001	TO	2140000		2,137,500	2,137,500	0.0809
	1	1	FROM	2150001	TO	2155000		2,153,000	2,153,000	0.0814
	1	1	FROM	2185001	TO	2190000		2,190,000	2,190,000	0.0828
	2	2	FROM	2195001	TO	2200000		4,400,000	4,400,000	0.1664
	1	1	FROM	2295001	TO	2300000		2,296,998	2,296,998	0.0869
	1	1	FROM	2360001	TO	2365000		2,363,000	2,363,000	0.0894
	2	2	FROM	2495001	TO	2500000		5,000,000	5,000,000	0.1891
	1	1	FROM	2515001	TO	2520000		2,520,000	2,520,000	0.0953
	1	1	FROM	2715001	TO	2720000		2,717,000	2,717,000	0.1028
	1	1	FROM	2725001	TO	2730000		2,726,000	2,726,000	0.1031
	1	1	FROM	2760001	TO	2765000		2,763,000	2,763,000	0.1045
	1	1	FROM	2895001	TO	2900000		2,900,000	2,900,000	0.1097
	1	1	FROM	2950001	TO	2955000		2,951,850	2,951,850	0.1117
	2	2	FROM	2960001	TO	2965000		5,924,500	5,924,500	0.2241
	1	1	FROM	3010001	TO	3015000		3,015,000	3,015,000	0.1140
	1	1	FROM	3095001	TO	3100000		3,096,566	3,096,566	0.1171
	1	1	FROM	3330001	TO	3335000		3,332,000	3,332,000	0.1260
	2	2	FROM	3495001	TO	3500000		7,000,000	7,000,000	0.2648
	1	1	FROM	3500001	TO	3505000		3,503,500	3,503,500	0.1325
	1	1	FROM	3555001	TO	3560000		3,559,064	3,559,064	0.1346
	1	1	FROM	3610001	TO	3615000		3,611,000	3,611,000	0.1366
	3	3	FROM	3995001	TO	4000000		12,000,000	12,000,000	0.4539
	2	2	FROM	4495001	TO	4500000		9,000,000	9,000,000	0.3404
	1	1	FROM	4515001	TO	4520000		4,519,025	4,519,025	0.1709
	1	1	FROM	4600001	TO	4605000		4,602,000	4,602,000	0.1741
	1	1	FROM	4645001	TO	4650000		4,647,500	4,647,500	0.1758
	1	1	FROM	4695001	TO	4700000		4,700,000	4,700,000	0.1778
	1	1	FROM	4800001	TO	4805000		4,804,500	4,804,500	0.1817
	1	1	FROM	4945001	TO	4950000		4,948,500	4,948,500	0.1872
	1	1	FROM	4995001	TO	5000000		5,000,000	5,000,000	0.1891
	1	1	FROM	5005001	TO	5010000		5,007,000	5,007,000	0.1894
	1	1	FROM	5925001	TO	5930000		5,925,500	5,925,500	0.2241
	1	1	FROM	6455001	TO	6460000		6,459,500	6,459,500	0.2443
	1	1	FROM	6475001	TO	6480000		6,476,000	6,476,000	0.2450
	1	1	FROM	6780001	TO	6785000		6,785,000	6,785,000	0.2566
	2	2	FROM	7600001	TO	7605000		15,205,000	15,205,000	0.5751
	1	1	FROM	7995001	TO	8000000		8,000,000	8,000,000	0.3026
	1	1	FROM	8245001	TO	8250000		8,246,500	8,246,500	0.3119
	1	1	FROM	8495001	TO	8500000		8,500,000	8,500,000	0.3215
	1	1	FROM	8925001	TO	8930000		8,928,383	8,928,383	0.3377
	1	1	FROM	8960001	TO	8965000		8,961,500	8,961,500	0.3390

No. of Shareholders				------Shareholding------			Total Shares Held			Percentage
Physical	CDC	Total		From		To	Physical	CDC	Total	
	1	1	FROM	9455001	TO	9460000		9,459,478	9,459,478	0.3578
	1	1	FROM	9495001	TO	9500000		9,500,000	9,500,000	0.3593
	1	1	FROM	9995001	TO	10000000		10,000,000	10,000,000	0.3783
	1	1	FROM	10275001	TO	10280000		10,279,500	10,279,500	0.3888
	1	1	FROM	10910001	TO	10915000		10,913,500	10,913,500	0.4128
	1	1	FROM	11350001	TO	11355000		11,351,934	11,351,934	0.4294
	1	1	FROM	11745001	TO	11750000		11,750,000	11,750,000	0.4445
	1	1	FROM	13445001	TO	13450000		13,447,500	13,447,500	0.5087
	1	1	FROM	18120001	TO	18125000		18,121,000	18,121,000	0.6854
	1	1	FROM	19105001	TO	19110000		19,108,500	19,108,500	0.7228
	1	1	FROM	20050001	TO	20055000		20,053,231	20,053,231	0.7585
	1	1	FROM	22065001	TO	22070000		22,070,000	22,070,000	0.8348
	1	1	FROM	33315001	TO	33320000		33,320,000	33,320,000	1.2604
	1	1	FROM	34770001	TO	34775000		34,770,500	34,770,500	1.3152
	1	1	FROM	47895001	TO	47900000		47,900,000	47,900,000	1.8119
	1	1	FROM	70695001	TO	70700000		70,697,465	70,697,465	2.6742
	1	1	FROM	130335001	TO	130340000		130,335,500	130,335,500	4.9301
1		1	FROM	1519400001	TO	1519405000	1,519,404,845		1,519,404,845	57.4728
4445	13231	17676					1,527,418,480	1,116,273,900	2,643,692,380	100.0000

CATEGORIES OF SHAREHOLDERS

As on December 31, 2021

Shareholder Category	No. of Shareholders			Total No. of Shares Held			%Age
	Physical	CDC	Total	Physical	CDC	Total	
DIRECTORS	1	2	3	2,740	5,000	7,740	0.0003%
PROVINCIAL GOVERNMENT	1	0	1	1,519,404,845	0	1,519,404,845	57.4728%
ASSOCIATED COMPANIES	0	0	0	0	0	0	0.0000%
FOREIGN FUNDS	29	4	33	63,134	10,077,586	10,140,720	0.3836%
INDIVIDUALS (FOREIGN)	0	13	13	0	936,595	936,595	0.0354%
INDIVIDUALS (LOCAL)	4,381	12,997	17,378	7,792,102	751,256,819	759,048,921	28.7117%
BANK/NBFI/FIN.INST./INSURANCE CO./ MODARABAS MUTUAL FUNDS	18	41	59	87,741	178,277,348	178,365,089	6.7468%
LEASING COMPANIES	0	2	2	0	3,175	3,175	0.0001%
CHARITABLE TRUSTS	0	4	4	0	302,398	302,398	0.0114%
COOPERATIVE SOCIETIES	0	0	0	0	0	0	0.0000%
NIT	0	5	5	0	3,061,000	3,061,000	0.1158%
ICP	1	0	1	975	0	975	0.0000%
JOINT STOCK COMPANIES	14	145	159	66,943	97,875,668	97,942,611	3.7048%
OTHERS	0	18	18	0	74,478,311	74,478,311	2.8172%
TOTAL	4,445	13,231	17,676	1,527,418,480	1,116,273,900	2,643,692,380	100.0000%

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

As on December 31, 2021

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL STOCK FUND	503,500	0.0190%
2	CDC - TRUSTEE AKD INDEX TRACKER FUND	264,659	0.0100%
3	CDC - TRUSTEE AKD OPPORTUNITY FUND	2,000,000	0.0757%
4	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1,765,000	0.0668%
5	CDC - TRUSTEE ALFALAH GHP STOCK FUND	4,804,500	0.1817%
6	CDC - TRUSTEE ALFALAH GHP VALUE FUND	1,121,000	0.0424%
7	CDC - TRUSTEE FAYSAL MTS FUND - MT	7,601,000	0.2875%
8	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	25,000	0.0009%
9	CDC - TRUSTEE FIRST HABIB ASSET SLLOCATION FUND	328,000	0.0124%
10	CDC - TRUSTEE FIRST HABIB STOCK FUND	995,500	0.0377%
11	CDC - TRUSTEE HBL INCOME FUND - MT	376,500	0.0142%
12	CDC - TEUSTEE NBP BALANCED FUND	2,500	0.0001%
13	CDC - TEUSTEE NBP FINANCIAL SECTOR FUND	774,500	0.0293%
14	CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND - MT	166,000	0.0063%
15	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	14,500	0.0005%
16	CDC - TEUSTEE NBP STOCK FUND	5,925,500	0.2241%
17	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	9,500	0.0004%
18	MC FSL - TRUSTEE JS GROWTH FUND	4,647,500	0.1758%
19	TRUSTEE-BMA CHUNDRIGAR ROAD SAVINGS FUND	10,000	0.0004%
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MS. NADIA REHMAN	2,740	0.0001%
2	MR. ASIF REZA SANA (CDC)	2,500	0.0001%
3	MR. MOHAMMAD MUDASSIR AMRAY (CDC)	2,500	0.0001%
Public Sector Companies & Corporations:		1,519,404,845	57.4728%
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		147,033,605	5.5617%

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	Name	Holding	Percentage
1	GOVERNMENT OF THE PUNJAB	1,519,404,845	57.4728%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	Name	Sale	Purchase
	NIL		

FORM OF PROXY

I/We_____S/o D/o W/o _____ of_____ _____ being a member of The Bank of Punjab and holder of _____ ordinary shares as per share Registered Folio No._____and/or CDC Participant ID No._____ and Account/Sub-Account No._____ do hereby appoint Mr./Mrs./Miss_____ Folio No./CDC No._____ CNIC #_____of _____

as my/our proxy and to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Bank to be held on **Wednesday, 30th March 2022 at 11:30 a.m. at Avari Hotel, Shahra-e-Quaid-e-Azam, Lahore** and at any adjournment thereof in the same manner as I/we myself/ourselves would vote if personally present at such meeting.

Signed this_____Day of _____ 2022.

Affix
Revenue
Stamp of Rs.50/-

Signature
The signature should agree with the specimen registered with the Company

WITNESSES:

1. Signature: _____
   Name: _____
   Address: _____
   _____

   CNIC or
   Passport No. _____

2. Signature: _____
   Name: _____
   Address: _____
   _____

   CNIC or
   Passport No. _____

IMPORTANT NOTES:

1. A member entitled to attend and vote at a meeting is entitled to appoint another person as a proxy to attend, speak and vote for him/her. The proxy appointed should be a member of The Bank of Punjab.

2. For additional copies of the instrument of proxy, the shareholder may use photocopies of the instrument.

3. An instrument of proxy and a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Registered Office of the Bank not less than 48 hours before the time of the meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.

4. **For CDC Account holders/Corporate Entities:**

   i) Attested copies of Computerized National Identity Cards (CNIC) or the Passport of the beneficial owners and the proxy shall be provided with proxy form.
   ii) The proxy shall produce his/her original CNIC or Passport at the time of meeting.
   iii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted along with proxy form to the company.

5. If a member appoints more than one proxy and more than one instrument of proxies are deposited with the Share Registrar, all such instruments of proxy shall be rendered invalid.

6. Members are requested to immediately notify changes in their registered address, if any, to Bank's Share Registrar **M/s. CORPLINK (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore** before start of the book closure so that entitlement, if any, be dispatched at the correct address.

AFFIX
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The Company Secretary

THE BANK OF PUNJAB
BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III,
Lahore.
Ph: 35783700-10

پراکسی فارم

میں/ہم _____ ولد/بنت/زوجہ _____ ساکن _____ بحیثیت بینک آف پنجاب کے ممبر/مما لک _____ عدد عام حصص بمطابق شیئرز رجسٹر فولیو نمبر/CDC اکاؤنٹ نمبر/ ذیلی اکاؤنٹ نمبر _____ بحیثیت ممبر بینک آف پنجاب محترم/محترمہ _____ فولیو نمبر /CDC اکاؤنٹ نمبر/ ذیلی اکاؤنٹ نمبر _____ شناختی کارڈ نمبر _____ ساکن _____ کو اپنی/اپنے ایماء پر بطور مختار (پراکسی) مقرر کرتا/کرتی/ کرتے ہیں/تاکہ میری/ہماری جگہ میری/ہماری طرف سے بینک کے سالانہ اجلاس عام (AGM) میں جو بروز بدھ مورخہ 30 مارچ 2022 کو دوپہر 11:30 بجے بمقام آواری ہوٹل، شارع قائداعظم، لاہور مختار (پراکسی) شرکت کرے، بولے اور حق رائے دہی استعمال کرے۔

دستخط بتاریخ _____ 2022ء

گواہ نمبر 1:

دستخط _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

پچاس روپے کا ریونیو سٹمپ

دستخط بنک میں رجسٹرڈ نمونہ سے مطابقت رکھنے چاہئیں

گواہ نمبر 2:

دستخط _____

نام: _____

پتہ: _____

شناختی کارڈ نمبر: _____

اہم نوٹ:

۱) میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسرے حصص دار کو شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی مقرر کرنے کا حقدار ہے۔

۲) شیئر ہولڈر پراکسی کے لیے اضافی فوٹو کاپیاں استعمال کرسکتا ہے۔

۳) پراکسی پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہے) جس کے تحت اس پر دستخط کیے گئے ہیں۔ یا اس طرح کے پاور آف اٹارنی کی درست نوٹرائزڈ کاپی اجلاس کے مقرر کردہ وقت سے 48 گھنٹے قبل بینک کے رجسٹرڈ آفس میں جمع کروانا ضروری ہوگا۔

۴) CDC اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے:

i) Beneficial Owner کی CNIC یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ مہیا کیا جائے گی۔

ii) اجلاس میں شرکت کے لیے پراکسی کے ساتھ اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرنا ہوگا۔

iii) کارپوریٹ ممبر کی صورت میں بورڈ آف ڈائریکٹرز کی ریزرویشن/ پاور آف اٹارنی اور نمائندہ کے دستخط کے نمونے بمع پراکسی فارم بینک میں جمع کروانا ضروری ہوں گے۔

۵) اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور پراکسی کے ایک سے زیادہ فارم جمع کرواتا ہے تو اس طرح کے تمام پراکسیوں کو مسترد کردیا جائیگا۔

۶) ممبران سے التماس ہے کہ انکے پتہ میں اگر کوئی تبدیلی ہو تو اسے فوری طور پر ہمارے رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ واقع ونگز آرکیڈ 1-K کمرشل ماڈل ٹاؤن لاہور کو مطلع کریں تاکہ ان کی ہر قسم کی ڈاک کی ترسیل کو یقینی بنایا جائے۔

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THE BANK OF PUNJAB
BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III,
Lahore.
Ph: 35783700-10

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