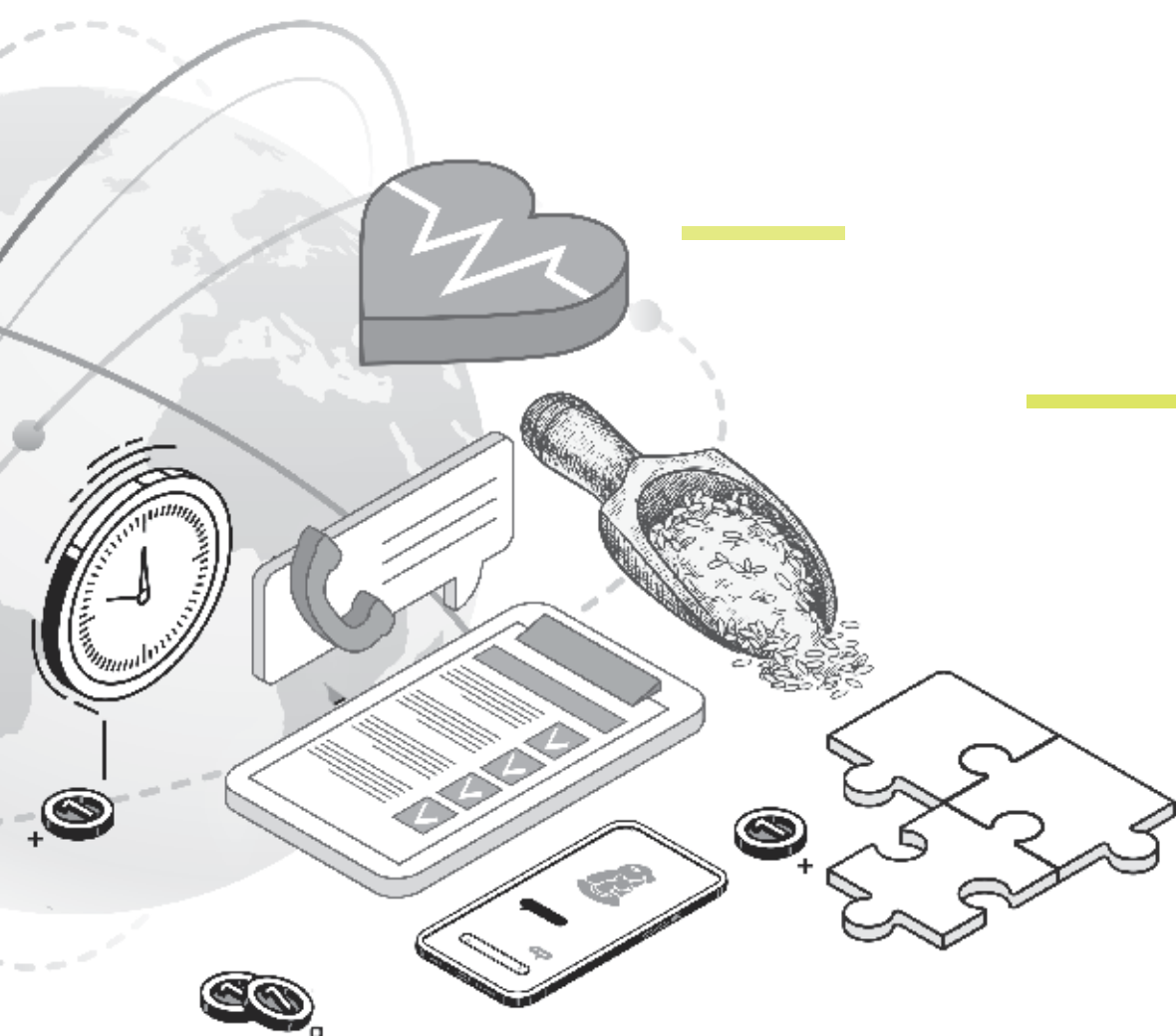


HBL



A WORLD OF
— DIGITAL POSSIBILITIES

ANNUAL REPORT
— 2021





A WORLD OF DIGITAL POSSIBILITIES

Today digitization across every field and industry, is not just about digital 'products', but about 'people' and the world of 'possibilities' that it brings for all of us. This is true not just for banking, but for education, health and entertainment amongst others.

HBL is shaping the future through a paradigm shift towards a 'Technology Company with a Banking License'. The Bank's commitment to serving its clients with a superior banking experience is underpinned by digitization and innovation of its services.

01

04	Corporate Information
05	Management
06	Vision & Mission
07	Values
08	6 - Point Business Agenda
10	Environment Social Governance (ESG) at HBL
14	International Footprint
16	Accolades
17	Key Performance Indicators
18	Board of Directors
20	A Message from the Chairman
23	Directors' Report (English)
39	Directors' Report (Urdu)
57	Growth at a Glance – 2016 to 2021 (Consolidated)
59	Annual Statement on Internal Controls 2021
61	Independent Auditor's Review Report
62	Statement of Compliance
65	Shariah Board Report (English)
67	Shariah Board Report (Urdu)

02

71	CONSOLIDATED FINANCIAL STATEMENTS
72	Independent Auditor's Report - Consolidated
76	Consolidated Statement of Financial Position
77	Consolidated Profit and Loss Account
78	Consolidated Statement of Comprehensive Income
79	Consolidated Statement of Changes in Equity
80	Consolidated Cash Flow Statement
81	Notes to the Consolidated Financial Statements
161	Annexures to the Consolidated Financial Statements

03

162	HBL Domestic Network

04

165	UNCONSOLIDATED FINANCIAL STATEMENTS
166	Directors' Report (English)
182	Directors' Report (Urdu)
199	Independent Auditor's Report - Unconsolidated
203	Unconsolidated Statement of Financial Position
204	Unconsolidated Profit and Loss Account
205	Unconsolidated Statement of Comprehensive Income
206	Unconsolidated Statement of Changes In Equity
207	Unconsolidated Cash Flow Statement
208	Notes to the Unconsolidated Financial Statements
282	Annexures to the Unconsolidated Financial Statements

05

352	Pattern of Shareholding
354	Trading by Executives
355	Categories of Shareholders
357	Notice of Annual General Meeting
	Admission Slip
	Form of Proxy (English)
	Form of Proxy (Urdu)

TABLE OF CONTENTS



CORPORATE INFORMATION

Board of Directors

Mr. Sultan Ali Allana	Chairman
Mr. Shaffiq Dharamshi	Director
Mr. Moez Ahamed Jamal	Director
Mr. Salim Raza	Director
Dr. Najeeb Samie	Director
Mr. Khaleel Ahmed	Director
Ms. Saba Kamal	Director
Mr. Muhammad Aurangzeb	President & CEO

Board Committees

Board Audit Committee

Mr. Khaleel Ahmed	Chairman
Dr. Najeeb Samie	Member
Mr. Moez Ahamed Jamal	Member
Syed Saad uddin Ahmed (Acting Chief Internal Auditor)	Secretary

Board Compliance and Conduct Committee

Mr. Moez Ahamed Jamal	Chairman
Mr. Shaffiq Dharamshi	Member
Mr. Khaleel Ahmed	Member
Mr. Armughan Ahmed Kausar	Secretary

Board Development Finance Committee

Mr. Salim Raza	Chairman
Mr. Khaleel Ahmed	Member
Ms. Saba Kamal	Member
Mr. Muhammad Aurangzeb	Member
Mr. Amer Aziz	Secretary

Board Human Resource and Remuneration Committee

Mr. Khaleel Ahmed	Chairman
Dr. Najeeb Samie	Member
Mr. Sultan Ali Allana	Member
Mr. Shaffiq Dharamshi	Member
Mr. Jamal Nasir	Secretary

Board IT Committee

Ms. Saba Kamal	Chairperson
Mr. Moez Ahamed Jamal	Member
Mr. Salim Raza	Member
Mr. Sagheer Mufti	Secretary

Board Oversight Committee – International Governance

Mr. Sultan Ali Allana	Chairman
Dr. Najeeb Samie	Member
Mr. Muhammad Aurangzeb	Member
Ms. Neelofar Hameed	Secretary

Board Risk Management Committee

Mr. Salim Raza	Chairman
Mr. Shaffiq Dharamshi	Member
Mr. Muhammad Aurangzeb	Member
Mr. Tariq Masaud	Secretary

Board Nomination and Remuneration Committee

Mr. Salim Raza	Chairman
Mr. Moez Ahamed Jamal	Member
Mr. Shaffiq Dharamshi	Member
Dr. Najeeb Samie	Member
Ms. Neelofar Hameed	Secretary

Chief Operating Officer

Mr. Sagheer Mufti

Chief Financial Officer

Mr. Rayomond Kotwal

Company Secretary

Ms. Neelofar Hameed

Legal Advisors

Mandviwalla and Zafar
Legal Consultants and Advocates

Auditors

KPMG Taseer Hadi & Co
Chartered Accountants

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi – 74400, Pakistan
Tel: Customer Support Services
(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

HBL Corporate Secretariat

Phone: (92-21) 37137543
Fax: (92-21) 35148370

Principal Office

Habib Bank Limited
HBL Tower, Plot No. G-4,
KDA Scheme 5, Block 7 Clifton,
Karachi, Pakistan
Phone: (92-21) 33116030

Registered Office

Habib Bank Limited
9th Floor, Habib Bank Tower,
Jinnah Avenue, Blue Area, Islamabad, Pakistan
Phone: (92-51) 2270856, (92-51) 2821183
Fax: (92-51) 2872205

Corporate Website

www.hbl.com

Internet Banking

www.hbl.com/personal/digital-banking/hbl-internetbanking

Konnect

www.hbl.com/konnect

 hblbank |  HBLPak

MANAGEMENT

Muhammad Aurangzeb
President & CEO

Sagheer Mufti
Chief Operating Officer

Naeem Bashir Ahmad
Head Corporate Strategy

Syed Saad uddin Ahmed
Chief Internal Auditor (acting)

Amer Aziz
Head Development Finance

Sami Aziz
Head Remedial & Structured Credits

Neelofar Hameed
Company Secretary

Aamir Irshad
Head Corporate, Commercial & Investment Banking

Armughan Ahmed Kausar
Chief Compliance Officer

Rayomond Kotwal
Chief Financial Officer

Aamir Kureshi
Head Consumer, Rural and SME Banking

Faisal Lalani
Head International Banking

Michael Maier
Chief Technology Officer

Tariq Masaud
Chief Risk Officer

Abrar Ahmed Mir
Chief Innovation & Financial Inclusion Officer

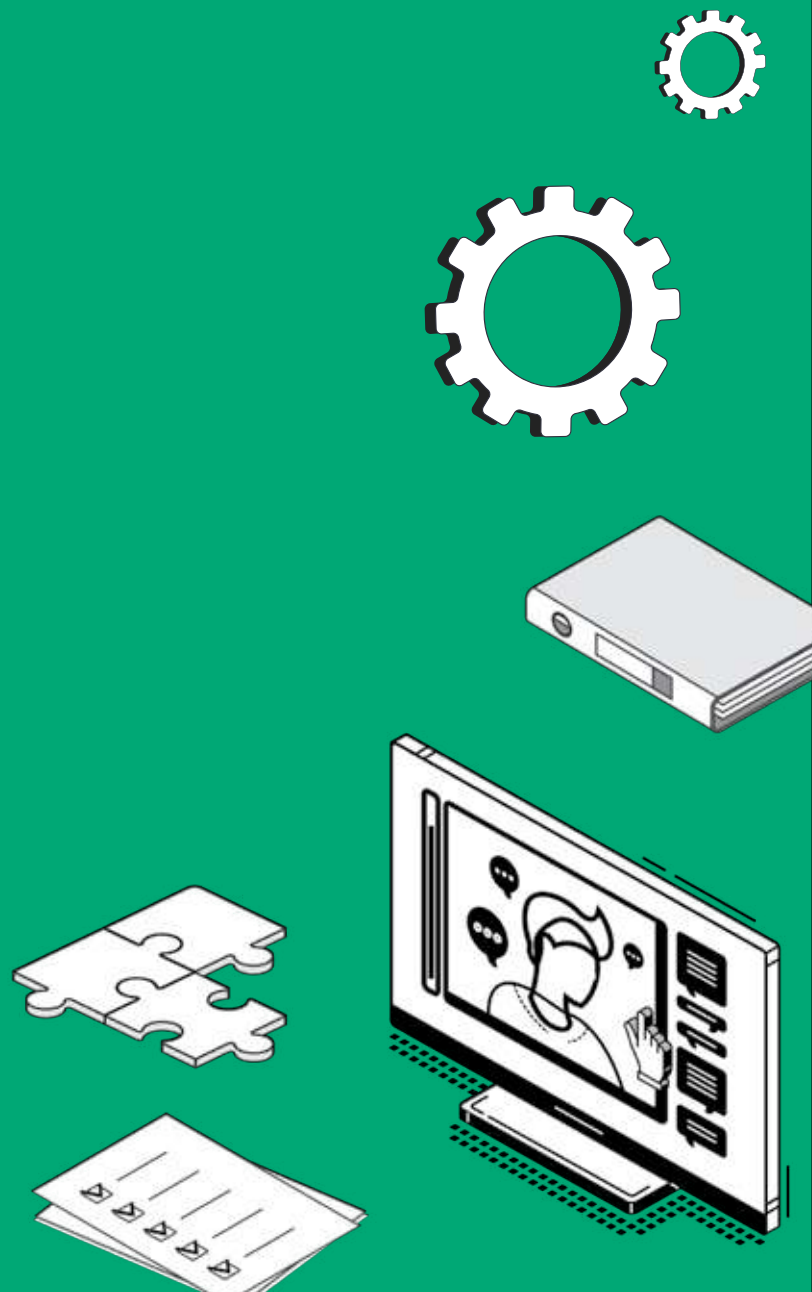
Risha A. Mohyeddin
Global Treasurer

Jamal Nasir
Chief Human Resources Officer

Muhammad Nassir Salim
Head Branch Banking

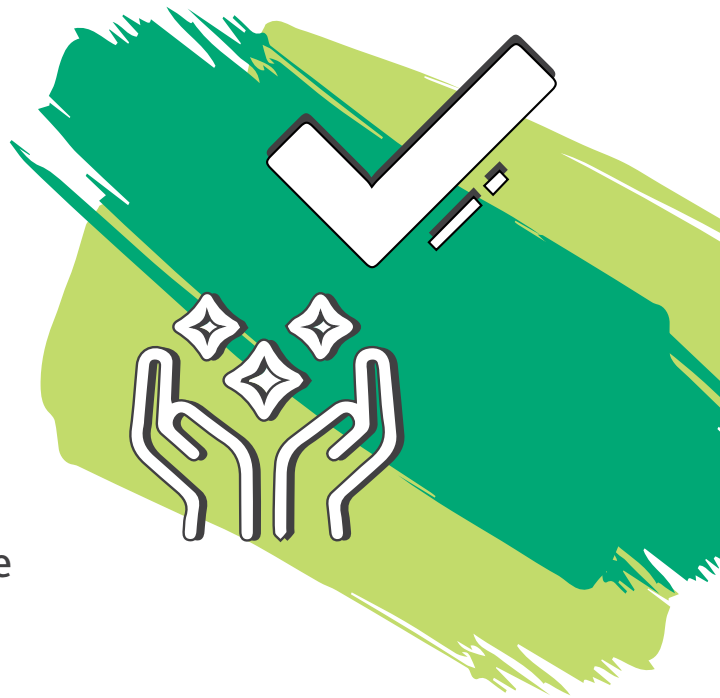
Adnan Pasha Siddiqui
Chief of Staff

Farhan Talib
Regional General Manager China & Singapore



VISION

Enabling people to advance with confidence and success.



MISSION

To make our customers prosper, our staff excel and create value for shareholders.



VALUES

Our values are the fundamental principles that define our culture and are brought to life in our attitudes and behaviour. It is our values that make us unique.

INTEGRITY - Be Ethical and Fair

- We honour our commitments and do what is right
- We are fair, respectful and honest at all times
- We are ethical in our decisions and interactions
- We take responsibility for our actions
- We are prudent and responsible with the assets entrusted to HBL

CUSTOMER CENTRIC - Deliver Great Experiences

- We value our clients and develop products and services around their needs
- We provide exceptional service to all we serve
- We understand and respect our customers
- We deliver solutions that add value to our customers' lives
- We consider the impact of our policies and decisions on our customers
- We are fully transparent with our customers

VALUE PEOPLE - Respect, Empower, Appreciate

- We treat our people equitably and make decisions on merit
- We invest in people and provide opportunities for learning and growth
- We empower people to do what is needed for success
- We provide a positive and collaborative work environment
- We celebrate our successes and recognise people for their contributions
- We encourage and embrace diversity

PROGRESSIVE - Innovate and Challenge

- We challenge our thinking to raise the bar
- We encourage our team members to question the status quo
- We innovate and adapt to change
- We positively impact and serve the communities in which we live

EXCELLENCE - Be Your Best

- We lead in our industry
- We take ownership of what we do
- We relentlessly pursue quality without compromise
- We consistently adhere to measurable standards and look for ways to exceed them
- We benchmark against the best

6-POINT BUSINESS AGENDA

01



Relentless focus on customer experience

- "Delighting our customers" is our rallying cry
- We are changing mindsets and embedding Customer Centricity into the DNA of the organization
- 'Technology, with a human touch' is how we plan to excel in serving our customers

02



People Agenda to be our top priority

- Culture Change through transformative investment in training and development
- Staff Engagement and frequent surveys to validate momentum
- Increased interaction with cross-functional teamwork across the network
- Succession Planning from the top-down to nurture, retain and enhance talent pool in line with our agenda of Making Innovation the Driving Force
- Gender Diversity with greater inclusion and female participation in the Leadership Team – Make HBL the employer of choice for women

03



Making Innovation the Driving Force

- Proactively Reinvent – 'We are a Technology Company with a Banking License'
- Think Again - Continuous enterprise-wide process improvement as 'good is never good enough'

04



Embedding Risk, Compliance and Control in our Business Principles

- Revalidating implementation of bank-wide process simplification and control mechanisms through a dedicated task force (RCCU)
- Augmenting our 3 Lines of Defence across all disciplines to continue 'doing first class business in a first class way'

05



Commitment to deliver on P&L

- Sustainable revenue growth on the back of top league table positions
- Strict cost discipline including cost initiatives
- Optimal deployment of Balance Sheet, with enhanced focus on cross-sell
- Maintain high portfolio quality

06



Giving back to the Country and the Communities that we serve

- Accelerate the implementation of robust bank-wide financial inclusion initiatives
- Philanthropic funding for social development along with encouraging employee volunteerism
- Embedding ESG considerations across our businesses and key decisions

ENVIRONMENT SOCIAL GOVERNANCE (ESG) AT HBL

Environment

HBL's vision is to become Pakistan's first fully integrated Green Financial Institution, built upon the foundation of Environment Social Governance (ESG) principles. As the country's leading financial institution, HBL is working towards sustainable development and the maintenance of high levels of ESG practices in the banking ecosystem. We believe it is important that stakeholders including our clients, communities, and shareholders understand how we address the ESG issues and have better insight into how we live our values and deliver upon our purpose to drive responsible growth. For HBL, environmental sustainability is more than a feel-good endeavor; it is how we define ourselves and thus enables us to drive our business as we continue to implement these sustainable solutions in our business strategy.

HBL is committed to becoming a thought leader in the ESG space by providing clients and stakeholders with solutions to promote ESG practices and support the communities we operate in by assisting them in taking measures to protect the environment while playing our role in environmental impact reduction across the Bank's domestic and international network.

Initiatives and Achievements

Through our proactive approach and pursuit for sustainability, we have been able to achieve some of the following initiatives:

1. Environment Excellence Award 2021

HBL was awarded the Environment Excellence Award 2021 by National Forum for Environment & Health (NFEH), affiliated with the United Nations Environmental Programme (UNEP), and supported by the Ministry of Climate Change – Government of Pakistan. It is a recognition of HBL's commitment towards sustainable development in protecting the environment and encouraging health & safety best practices for a greener Pakistan.

2. Sustainable Portfolio

As part of its commitment towards sustainability, HBL has taken various measures towards reducing its exposure in sectors that are a part of its exclusion list. In line with HBL's **"No New Coal"** policy (2020), the Bank continued to phase out coal and tobacco from its portfolio. HBL has the following rundown goals:

- a. To bring down HBL's exclusion list exposure (which includes industries such as tobacco) to zero by 2025.
- b. To bring down HBL's coal-related exposure to zero by 2030.

3. Boao Forum for Asia Annual Conference

Muhammad Aurangzeb, both as President & CEO – HBL and Chairman Pakistan Banks' Association (PBA), participated as a speaker in Boao Forum for Asia Annual Conference - Roundtable on Financing Carbon Neutrality. An invitation to speak at such a high-profile forum is an endorsement of the confidence of PBA and the international community in HBL's commitment to environmental sustainability and carbon neutrality. He presented the country's perspective on Carbon Neutrality and HBL's strategic initiatives and new growth opportunities.

4. Green Financing

Leading in green financing through environmentally sound projects in the energy sector, HBL, as Co-Manager closed the issuance of the first Green Euro Bond for WAPDA amounting to USD 500 million in 2021. HBL was the

only local bank appointed for the initiative alongside JP Morgan. This landmark initiative will open doors for Pakistan to green investors in the international debt capital markets.

Amongst other green finance initiatives, HBL acted as the Local Currency Mandated Lead Arranger & Advisor for setting up two 50-megawatt wind power projects with a total project cost of USD 69 million each. Additionally, HBL remained an active and key contributor to the solar energy space. The Bank acted as a Mandated Lead Advisor & Arranger for setting up a 100-megawatt solar power project at a total cost of USD 58 million. All such projects are expected to come online in 2022.

HBL played a pivotal role in ensuring timely closure to enable its contribution to the national grid. The Bank is also extending multiple small ticket size renewable loans to commercial and retail segments. During the review period, HBL has underwritten USD 16.64 million of such renewable loans.

5. SBP Financing Scheme for Renewable Energy

HBL is one of the most active banks in utilizing the State Bank of Pakistan's (SBP) renewable energy refinance facility and has disbursed approximately PKR 5.5 billion in 2021, with clients covering all business segments including Corporate, Commercial, Islamic, and Retail Banking.

6. Tree Plantation

HBL, in collaboration with the Capital Development Authority, organized a Tree Plantation Drive campaign in 2021 along with the members of the diplomatic missions in Islamabad. The drive was undertaken by the Ministry of Climate Change under its "Ten Billion Tree Tsunami" initiative with the objective of ecosystem restoration. The campaign was inaugurated by Malik Amin Aslam, Special Assistant to the Prime Minister on Climate Change.

7. Resource Efficiency and Own Impact Reduction

HBL is proactively working towards its goal of reducing carbon emissions by:

- Monitoring Green House Gas emissions as per the framework adopted by the Aga Khan Development Network (AKDN) every quarter, to reduce HBL's carbon footprint. This will result in the identification of high emission activities and subsequent mitigation actions.
- Investing in renewable energy to conserve natural resources with installations of Solar Photo Voltaic solution at 180 sites.
- Conducting energy audits at different facilities to identify the key areas of energy consumption.
- Deploying light management systems at HBL offices, aimed towards reducing the energy usage during off-peak hours.

HBL is also moving towards sustainable procurement practices. This includes the adoption of a total life cycle cost approach instead of upfront acquisition cost. At HBL, fuel consumption is of primary importance along with the procurement price of the gensets. The Bank also opts for products that use refrigerant gases with zero ODP (Ozone Depletion Potential), and inverter-based technology is considered for all air conditioners and refrigerators. LED bulbs are preferred when acquiring light fixtures at HBL.

Way Forward and Future Outlook

1. Green Taxonomy

HBL has initialed an agreement with China's technical advisory team under Dr. Ma Jun's supervision for piloting the adoption of the Common Ground Taxonomy (CGT) by HBL. The CGT was recently launched under the International Platform on Sustainable Finance at COP26 in Glasgow and is an in-depth exercise that puts forward areas of commonality between the EU and China's green taxonomies. Green Taxonomy is a tool to facilitate direct flows of capital to green projects that would make a substantial contribution to environmental sustainability. With this initiative, HBL will have the first-mover advantage as taxonomy is an important building block of a sustainable financial system.

2. International Finance Corporation (IFC) Engagement

HBL and IFC entered an engagement wherein IFC will provide advisory services to strengthen HBL's Environment & Social (E&S) risk management capabilities as well as support E&S performance improvement. The engagement will also be focused on providing a roadmap for further E&S amplification, in line with international E&S practices going forward.

3. WWF – HBL Collaboration

HBL joined forces with WWF – Pakistan with the aim of finding innovative solutions to challenges such as environmental degradation and climate change. An MoU between the institutions was signed in December 2021. With this initiative, the institutions shall strive to explore collaborative efforts and projects that will improve upon food and water security, reduce energy footprint, promote biodiversity and conservation of oceans. The Bank will focus on sustainable agriculture and tourism in 2022.

4. Commonwealth Development Corporation - CDC

HBL has an ongoing relationship with CDC for advisory and capacity building on ESG practices. Moving forward, the Bank will be engaging with CDC for enhanced capacity building and improvement in HBL's environment and social due diligence framework.

5. Ministry of Climate Change

HBL plans to support the Ministry of Climate Change in its globally recognized initiative of "Ten Billion Tree Tsunami" for ecosystem restoration, through a nationwide Tree Plantation Drive.

6. Own Impact

Going forward, green building principles will be adopted for the construction of major buildings of HBL. Also, HBL is working towards increasing the number of solar installations in its domestic and international network to 250 sites in 2022.

Social Governance - Ethics & Conduct at HBL

In 2021, HBL's Code of Ethics & Business Conduct was revamped in line with the global best practices covering Anti-Bribery & Corruption (ABC), Environment Social Governance (ESG), and Corporate Social Responsibility (CSR). HBL's values and culture were also included in the Code. The Code also defined HBL's Ethical Purpose and Gender-Based Violence & Harassment (GBVH).

Some notable initiatives that were undertaken during the year included:

- 1. Whistle Blowing Policy and Whistle Blowing Program** were segregated and brought in line with the current organizational developments at HBL. Comprehensive Frequently Asked Questions (FAQ) on Whistle Blowing were developed to facilitate better understanding by the stakeholders.
- 2. General Guidelines to enhance Customer Centricity** at HBL were developed. The guidelines focused on enhancing ownership and accountability at the Bank, stemming from internal and external customer complaints.
- 3. Conflict of Interest (COI) & Gifts and Inducements Guidance** notes with FAQ were developed along with COI Reporting Matrix to create awareness for HBL staff regarding conflict-of-interest scenarios, ensuring improved disclosures and risk mitigation.
- 4. Separate codes of conduct for sale of third-party Banca & mutual funds** were developed in line with the SBP's Master Circular on Sale of Third-Party Products that promotes honest and ethical conduct and good practices. The Bank benchmarked minimum standards of dealing with customers that include increased transparency to enhance product understanding and manage expectations about HBL's role in the sales process.

5. **Code of Ethics and Business Conduct Awareness Sessions** were held across all functions of the Bank that included subjects like attitude and good customer service, customer rights, Gender-Based Violence & Harassment (GBVH), Respect at Workplace, etc.
6. **Global Ethics Week** on the theme of “Ethics Empowered” was celebrated in October 2021 at HBL. The purpose of the celebration was to spread awareness amongst employees about ethics, maintain an Ethical Culture & Leadership, and contribute towards strengthening a customer-centric environment. Also, an Ethics Town Hall was conducted where renowned speakers from CDC (Global), ACCA (Global), and E&Y (U.K) spoke about Artificial Intelligence (AI) Ethics and global best practices across organizations.
7. **Code of Ethics and Business Conduct Awareness Sessions** were held with the Bank’s international network including Belgium, Turkey, Bahrain, Oman, China, Singapore, Bangladesh, Maldives, Sri Lanka and U.A.E.
8. **Ethics & Conduct (E&C) Dialogue Sessions** with Values Ambassadors were organized to champion the cause of E&C across domestic and international networks of the Bank to enhance and promote values-based culture at HBL.
9. **E&C and ESG (Go Green) Communication** across the Bank was initiated to promote a paperless working environment by suggesting tips and recommendations to reduce paper usage and highlight the benefits of paperless working. Other initiatives were also undertaken to encourage HBL staff to switch to e-statements while sharing paper consumption patterns across the branch network.
10. **HBL Ethics Point**, an automated system developed in SAS was integrated across HBL’s network comprising of Whistleblowing Case Management System, Data Analytics & Dashboards.



INTERNATIONAL FOOTPRINT

Branch Network:

- Bahrain
- Bangladesh
- Belgium
- China
- Lebanon
- Maldives
- Mauritius
- Oman
- Singapore
- Sri Lanka
- Turkey
- UAE



Subsidiary:

- HBL Bank UK

Affiliates:

- Diamond Trust Bank - Kenya/Tanzania/Uganda/Burundi
- Kyrgyz Investment and Credit Bank - Kyrgyz Republic
- Himalayan Bank - Nepal



ACCOLADES



Best Bank in Pakistan

by Euromoney Awards 2021

Best Domestic Bank

by Asiamoney Awards 2021

Pakistan's Best Bank

Best Bank for Small and Medium Businesses

by Pakistan Banking Awards 2021

Best Investment Bank

by FinanceAsia Country Awards 2021

Best Investment Bank

Deal of the Year Syndicated Loan Pakistan 2021

Deal of the Year Bond Deal Pakistan 2021

Deal of the Year Equity Deal Pakistan 2021

Deal of the Year Project Finance Deal Pakistan 2021

by Global Banking & Finance Awards

Equity Deal of the Year – Pakistan

by ABF Corporate & Investment Banking Awards 2021

Market Leader (Domestic Banks) 2021

Best Service Provider (Domestic Banks) 2021

by Asiamoney Cash Management Awards 2021

No. 1 Primary Dealer in Government Securities

by State Bank of Pakistan

Mobile Banking & Payment Initiative of the Year

by Asian Banking & Finance Awards

Best Mobile Bank Application Pakistan

by International Finance Awards

Best Website of the Year

Best Mobile Bank Application

Best Digital Payment Processor

by Pakistan Digital Awards

Global Diversity & Inclusion Benchmarks Award-Progressive in Recruitment & Development

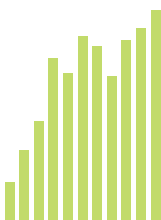
by HR Metrics

KEY PERFORMANCE INDICATORS

PKR **4.3** Trillion
ASSET BASE



PKR **3.4** Trillion
DEPOSIT BASE



27
MILLION
CUSTOMERS WORLDWIDE



767
MILLION
DIGITAL TRANSACTIONS



165,224
TOUCHPOINTS

2,180 - ATMS

1,685 - BRANCHES

66,800 - KONNECT AGENTS

39,272 - POS

55,287 - QR CODES

PKR
62.0
BILLION
PROFIT
BEFORE TAXATION



BOARD OF DIRECTORS



Mr. Sultan Ali Allana
Chairman

Sultan Ali Allana has been the Chairman of the Board of Directors of HBL, since the privatization of the Bank in February 2004 by the Government of Pakistan. He has over 36 years of experience in the financial and banking sectors. Mr. Allana also serves on the Boards of the Aga Khan Fund for Economic Development S.A, Alisarda S.p.A, Jubilee Holdings Limited (East Africa), Jubilee Life Insurance Company Limited, Industrial Promotion Services (Pakistan) Limited and Tourism Promotion Services (Pakistan) Limited.

Mr. Moez Ahamed Jamal
Director

Mr. Moez Ahamed Jamal has been on the Board of HBL since 2009. He has over 39 years of experience in the financial sector. He currently serves on the Boards of Diamond Trust Bank Kenya and Pension Fund for Aga Khan Foundation.

Dr. Najeeb Samie
Director

Dr. Najeeb Samie joined the Board in 2013. He has over 37 years of experience in the corporate and financial sectors. He is currently Member Board and the Managing Director of PIA Investments Limited and President and Managing Director, Roosevelt Hotel Corporation N.V, and is a Director of Minhal France, S.A., Minhal Incorporated, Parisien Management Company B.V., Roosevelt Hotel Corporation LLC, and Avant Hotels (Pvt.) Limited.

Mr. Shaffiq Dharamshi
Director

Mr. Shaffiq Dharamshi joined the Board in 2015. He is a banker with over 25 years of banking experience in the Middle East and Africa. He also currently serves on the Boards of Diamond Trust Bank, Tanzania, Diamond Trust Bank, Uganda, Diamond Trust Bank, Kenya, DCB Bank Limited, India, Kyrgyz Investment and Credit Bank, Kyrgyzstan and First Microfinance Bank, Tajikistan.



Mr. Salim Raza
Director

Mr. Salim Raza joined the Board in 2017. He has over 40 years of experience in the banking and financial sectors. He has held various positions at Citibank NA in Pakistan and abroad and has also held the position of Governor of the State Bank of Pakistan. He currently serves on the Boards of Karandaaz Pakistan, Manzil Pakistan, Indus Earth Trust, Habib University, the Layton Rahmatulla Benevolent Trust, Planet N Group of Companies, Nasra public School and is an adjunct professor at the Institute of Business Administration (IBA), Karachi for Political Economy.

Mr. Khaleel Ahmed
Director

Mr. Ahmed has over 40 years of financial markets experience. He was Chief Investment Officer at International Finance Corporation (World Bank Group), where he worked for 30 years on emerging economies and financial markets. Mr. Ahmed is a Chartered Accountant, qualifying from the Institute of Chartered Accountants of England and Wales and is a Fellow of the Institute of Chartered Accountants, Pakistan. He has prior work experience at Price Waterhouse (London) and National Development Finance Corporation, Pakistan.

Ms. Saba Kamal
Director

Ms. Kamal has over 3 decades of experience in the area of Information Technology, with 20 years in leadership positions with IBM in Pakistan and internationally. She has an MBA from the Institute of Business Administration (IBA), Karachi, and has completed a number of certifications and trainings at IBM Centers and from Insead, Boston University and China Europe International Business School (CEIBS). Ms. Kamal has completed her Director certification from the Pakistan Institute of Corporate Governance and currently serves on the Board of Packages Ltd. She is also a member of the IBA Board of Governors.

Mr. Muhammad Aurangzeb
President & CEO

Mr. Muhammad Aurangzeb joined HBL on April 30, 2018 as the President & CEO. Prior to this responsibility at HBL, he was the CEO of JP Morgan's Global Corporate Bank based in Asia, with a rich international banking experience of over 30 years in other senior management roles at ABN AMRO and RBS based in Amsterdam and Singapore. He is the only Pakistani to be invited to the exclusive membership of the Global CEO Council organised by WSJ / DowJones group. He is also Chairman of the Pakistan Banks Association, Chairman of the Pakistan Business Council, and Council Member at the Institute of Bankers Pakistan. He received his BS and MBA degrees from the Wharton School (University of Pennsylvania).

A MESSAGE FROM THE CHAIRMAN



The tide of global events has given us much to think and much to plan as we face challenges that are premised on variables with which we have never dealt before. While we chalk out our vision to position HBL as a regional player, we are keenly cognizant of the fact that HBL is intrinsically linked with the people and remains anchored as Pakistan's pre-eminent national institution with a cause to serve and a nation-building role to play. Our focus and emphasis has therefore always been on innovating and introducing solutions to support progress and contribute towards improving the quality of life of those we work with and those we serve.

Leading the pack

Alhamdulillah, 2021 has been a remarkable year for HBL as it has recorded its highest ever profit before tax of Rs.62 billion, an increase of 17% above the previous year. We closed our year with a balance sheet footing of Rs.4.3 trillion and a deposit base of Rs.3.4 trillion; more than 14% market share. Our loan book registered a growth of 23% over 2020 giving us a closing figure of Rs.1.5 trillion. It is worth noting that HBL's rural lending registered an all-time record high of Rs.40 billion, whilst the housing and construction finance portfolio grew by 41% to reach Rs.42 billion. We are extremely proud of our initiatives in the area of financial inclusion, wherein our microfinance loan book recorded an impressive growth of 37% to close at Rs.57 billion, making us one of the largest providers in this market segment.

Relentless focus on digitalization has greatly enhanced our capacity and has allowed us to accelerate our financial inclusion agenda. We are now providing coverage to 27 million customers, which includes 5.7 million Ehsaas Kafalat Program beneficiaries who are serviced through our 165,000+ touchpoints.

More than just a bank

Through our development finance led farm-to-processor pilots, our teams worked hard to put in place a program that has never been done before, wherein small farmers were provided support by way of knowledge, skill and inputs to improve their crop yields. Our interventions over 18,000 acres have resulted in farmers achieving a 22% increase in crop yield and a 116% increase in net income. A review by Princeton economists has endorsed our process and outcome, which is very encouraging.

In 2022, our team will be working on 45,000 acres with the aim of setting in place a paradigm shift towards modern and scientific farming. We are working towards the possibility of institutionalizing this critically important initiative, one that will support the availability of mechanized tools and integrated interventions along with agronomist advisory services, thus ensuring future growth and sustainability. Our Board has approved an in-principle allocation of Rs.200 million for this purpose in 2022.

Last year, we launched the country's first-ever grain storage facility and were the first bank to fund an electronic warehouse receipt financing. This initiative will accelerate access of farmers to the marketplace, thereby enhancing capacity and bottom line for the farmers, particularly those with smallholdings. HBL continues to lead the agriculture sector with an overall 30% market share. Through our digital platform, we have partnered with the Agri departments in Punjab and KPK to digitize government-to-farmer subsidy payments - facilitating more than 1 million farmers. In parallel, 750,000 accounts have been established for these farmers, all of whom received Kisaan Cards.

Serving the unbanked

In January 2022, we renamed HBL's subsidiary, The First Microfinance Bank Ltd. (FMFB) as HBL Microfinance Bank (HBL MfB). This will enable the HBL Microfinance Bank to strengthen its brand recognition and customer loyalty and better serve the unbanked and underbanked. HBL MfB is a sector leader in housing loans amongst the microfinance banks as well as the lead issuer of loans under the Government Markup Subsidy Scheme.

Jahan Fans Wahan Stadium

We take great pride in being pioneers of HBLPSL. We have been supporting this game since the first season in 2016 and have renewed our support for another 4 years under an agreement with PCB. Our aim was to bring people from all walks of life together to celebrate and enjoy a sport that is cherished by many, and the success that HBLPSL has become is hugely gratifying. We intend to continue our support for this cause and have also offered to assist in talent identification and training which we believe is much needed to bring aspiring youth into the fold.

Paving the future

In 2021, we came close to hitting the one billion digital transactions milestone and our Mobile & Internet Banking crossed the Rs.1 trillion throughput landmark. Konnect by HBL is our primary driver for financially including the unbanked and underbanked; 24% of Konnect customers are women. Konnect now has 7.1 million accounts with more than 1 million monthly active users of the Bank's proprietary application. Our branchless agent network has grown to more than 66,000 agents across Pakistan and is facilitating cash collections, easing business processes for distributors and small business owners. Konnect also offers collection services to a number of corporates and microfinance institutions with monthly volumes exceeding Rs.6 billion. Konnect continues to power the Government's social safety net initiative, the Ehsaas Kafalat Program, through which Rs.127 billion was

disbursed to around 5.7 million regular beneficiaries. Konnect also supported the Sindh Government in disbursing education stipends to 100,000 female students.

To support HBL's future growth and to further improve the customer experience, we signed an agreement with Temenos for the acquisition of their core banking system, Transact, a \$67 million commitment that will significantly upgrade and strengthen the Bank's technology infrastructure and support its digital ambitions. We are all very excited as we forge our way to the future of banking.

Looking East

Our first branch in Beijing, which is our second branch in China, commenced operations in March 2021, further cementing our path to regional relevance, Insha'Allah. This branch plays an integral role in originating transactions across the network, which include our operations in the UAE, Bangladesh, Sri Lanka and Maldives for trade and services from and to China. We have recently also added East Africa to this offering through our affiliate, Diamond Trust Bank (DTB). We are especially gratified to see our China strategy come to fruition, while growing from strength to strength, in line with a vision of "looking East".

The right thing to do

In the face of the global pandemic, our primary concern was to ensure the safety and well-being of our staff. In an industry first, we ensured that all of them and their dependents were vaccinated at our expense. Medical coverage, ensuring fully paid for hospitalization and interest-free loan facilities for those who needed support for the treatment of their extended family members, were put in place. That was not all; the Bank organized vaccination drives for the general public in several cities, the largest of which was in Karachi and through which more than 30,000 people were vaccinated.

Our volunteer staff worked endless hours of preparing ration bags for distribution benefiting over 200,000 people throughout the country, including remote and far-flung areas. We collaborated with partners to ensure the delivery of cooked food for our medical workers and practitioners wherever we could. With hand on heart, I wish to acknowledge the outstanding effort by our HR team, our dedicated medical team and our volunteer staff members who have spent the last two years tirelessly monitoring and supporting the well-being of all our group employees as well as their families, putting themselves at risk while going above and beyond the call of duty. They have exemplified HBL's public service mantra and deserve to be celebrated.

During the year under review, we achieved a long-time aspiration, which was to increase the gender ratio in the Bank to 20%. Having done so, we have now set ourselves more ambitious targets for the future. We have now introduced the industry-first “flexi-work” arrangements, maternity leave program and Wapsi, our return-to-work program that have all had a positive impact on our efforts to improve gender diversity.

HBL Foundation, since its formation, has been supporting causes in the areas of health, education and community development throughout the country with its objective of achieving maximum impact for those in need. Each year the Bank sets aside 1% of its bottom line for this purpose. I am pleased to inform our shareholders that our Board has decided to enhance this contribution to 1.5% from 2022 onwards. This will greatly enhance the program’s outreach and impact.

Ensuring a sustainable future

Under the aegis of the Aga Khan Development Network’s (AKDN’s) Environment and Climate Change initiative, we continue to look for ways by which we can do more and more. From internal measures to achieve carbon-neutral standards in our buildings to encouraging our customers to do the same, we have taken concrete measures, which include a “No New Coal” policy. We have further strengthened this resolve by committing to forego working

with industries that contribute to deforestation. Much more will need to be done and much more will need to happen if we are to truly slow, if not stop, the climate change devastation that could threaten our very existence on this planet.

For the first time, we will Insha’Allah be publishing an Impact & Sustainability report, which will also pave the way for putting forward a sustainability framework that will be used to measure the impact of the work that we do across the Group.

Building value

Our customers continue to repose their trust in us, and we extend our sincerest gratitude to them for their loyalty and support. We also thank correspondent banks for their support in the trade and remittance business.

We wish to thank our shareholders for their confidence. We are committed to improving our customer experience by streamlining our processes. We would also like to thank the State Bank of Pakistan and other Regulators for their support.

At the AGM, we look forward to presenting a final cash dividend of Rs.2.25, bringing the total dividend for the year to Rs.7.50.

DIRECTORS' REPORT 2021

On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the year ended December 31, 2021.

Macroeconomic Review

FY'21 witnessed a combination of recovery and growth, as the domestic economy rebounded amid stimulus measures and effective vaccine rollouts. As a result, Pakistan posted a higher-than-expected real GDP growth of 5.6% in FY'21. The growth trend has continued into FY'22; the Large-Scale Manufacturing (LSM) Index grew by 7.4% in H1FY'22, as most major sectors posted an increase in output. Moreover, mobility indicators reflect a marked improvement to above pre-pandemic levels, strengthening the outlook for the services sector. Meanwhile, inflation has gained traction due to higher global commodity prices and Rupee devaluation, compounded by rising demand pressures. As a result, CPI recorded a 2-year high of 13.0% in Jan'22, averaging 10.2% for 7MFY'22 vs. 8.2% in the same period of last year. The SBP has now revised its previous inflation forecast of 7% – 9 % for FY'22 upwards, to 9% – 11%.

An improved global outlook, record shipments of textiles and strong rice exports led to a 27% growth in exports during H1FY'22. However, this was more than offset by a sharp rise in imports which increased by 54% driven by three main factors: the near-doubling of commodity – especially energy – prices in the past year; a resurgence in domestic demand on the back of an extended period of negative real interest rates; and the Afghanistan situation, with Pakistan footing the bill for a number of imports. Resultantly, the trade deficit for this period almost doubled, to USD 23.0 billion. Remittance flows stayed resilient, above the monthly USD 2.5 billion threshold, and clocked in a growth of 11.3% to USD 15.8 billion in H1FY'22. Although these helped to somewhat dilute the impact of the widening trade gap, the current account deficit in H1FY'22 surged to USD 9.1 billion (5.7% of GDP) compared to a surplus of USD 1.2 billion (0.9% of GDP) in H1FY'21.

Despite increased pressure on the external account, FX reserves stayed at manageable levels; the brunt of the impact was felt by the Rupee, which devalued by ~10% (Rs 17/\$) over the year. After peaking in Aug'21, reserves had declined to USD 22 billion by end-Jan'22. However, the recent receipt of the 6th IMF tranche of USD 1 billion along with USD 1 billion from an international Sukuk issuance have furthered bolstered reserves. Roshan Digital Accounts continue to gain traction and cumulative flows have crossed the USD 3.0 billion mark as of Dec'21.

The fiscal deficit for H1FY'22 increased by 21% over H1FY'21 in Rupee terms but remained flat at 2.1% of GDP. Tax collections increased by 30%, leading to an 18% growth in revenue. However, this was outweighed by a 19% rise in expenditure, driven by higher current and development spend. Consequently, the primary surplus – which excludes interest payments – fell sharply from prior year levels, to just 0.1% of GDP.

The equity markets had a mixed year with the market mostly remaining range-bound. Recurring Covid-19 waves, worsening macroeconomic indicators, Rupee devaluation and increasing political uncertainty all had a role in dampening sentiment. The equity market remained particularly susceptible in Q4'21, on account of the MSCI reclassification from Emerging to Frontier Markets at end-Nov'21, which resulted in heavy foreign selling; the last day alone witnessed a net foreign selling of USD 58 million, more than a third of the entire quarter's outflow. The PSX index thus returned a meagre 1.9% over Dec'20.

The SBP has taken a number of steps to rein in inflation: it has rapidly tightened monetary policy, increasing the policy rate by a cumulative 275 bps to 9.75% since Sep'21; raised bank reserve requirements; tightened consumer finance regulations; and curtailed imports through higher margin requirements. In order to remain more responsive to market conditions, the SBP has also increased the number of annual monetary policy announcements. In its Jan'21 meeting, the SBP noted that the fiscal and monetary measures were successfully moderating demand pressures and, in line with its Dec'21 guidance, maintained a status quo on rates. The statement cited that the policy goal was to ensure sustainability of the growth momentum and also signaled an end to any abrupt tightening, stating that current real interest rates were appropriate and future changes would be modest. After a naturally sluggish 2020, industry advances picked up momentum in 2021 and grew by 20% while market deposits increased by 17%, in line with M2 growth. Industry spreads reduced by 79 bps during 2021, but should rebound in 2022 as the higher rates flow through the asset side of balance sheets with a lagged impact.

Financial Performance

HLB has delivered a record profit before tax of Rs 62.0 billion in 2021, 17% higher than the Rs 53.0 billion reported in 2020, signifying strong performance across its diverse business lines. Profit after tax has increased from Rs 30.9 billion in 2020 to Rs 35.5 billion in 2021, also an all-time high. Earnings per share improved from Rs 21.06 in 2020 to Rs 23.88 in 2021.

2021 was an exceptional year for HBL as it achieved several milestones across its businesses. The Bank's balance sheet grew by 12% to Rs 4.3 trillion. This was achieved as a result of strong deposit mobilization in both the domestic and international businesses, with total deposits increasing by 19% to Rs 3.4 trillion. The Bank's domestic deposits grew by Rs 480 billion to cross the Rs 3.0 trillion mark, improving market share to 14.14%. In December 2021, HBL achieved a landmark Rs 1 trillion mark in domestic current accounts, becoming the first bank in Pakistan to achieve this milestone; total current accounts increased by 18%, to nearly Rs 1.2 trillion.

HBL stated objective is to support its clients and the real economy through wide-ranging, but prudent, credit expansion. Domestic advances grew by 20% to more than Rs 1.2 trillion; the growth was across all business segments. The Bank's rural lending portfolio reached an all-time high of Rs 40 billion; housing and construction financing grew 41% to Rs 42 billion and microfinance lending increased by 37% to Rs 57 billion while keeping losses below industry norms. Consumer lending continued to break barriers, surpassing the Rs 100 billion mark in December 2021. HBL's total advances increased by 23% to over Rs 1.5 trillion, with the ADR improving from 43.2% to 44.6% in December 2021.

Despite the severe spread compression, the strong balance sheet expansion enabled HBL to grow net interest income to Rs 131 billion. Non-fund income of the Bank has grown by 19% over 2020 to Rs 36 billion – excluding capital gains, this increased by 50%. The Bank has widened its leadership in fee income, which posted a stellar growth of 35% to reach Rs 25 billion. Double-digit growth was seen across most businesses with the flagship Cards business accounting for more than 50% of the growth. Continued focus on trade resulted in volumes growing to ~USD 17.0 billion, with fees increasing by 28% to Rs 4.1 billion. Income from treasury related activities (excluding capital gains) rose more than fourfold, to Rs 6.1 billion. Consequently, in 2021, HBL also achieved a record revenue of Rs 168 billion.

HBL continues to invest in its people, its digital infrastructure and in delivering innovative and unique customer solutions. HBL is committed to serving the communities in which it operates and demonstrated this commitment through industry-first vaccination drives, a decade of support for cricket and other events for promoting art and culture. In 2021, total administrative expense growth was contained to 2%, driving the cost/income ratio down from 58.5% in 2020 to 57.1% in 2021.

Total provisions of the Bank have reduced by 34% over 2020 which included a discretionary general provision of Rs 6.4 billion; the specific charge in 2021 is primarily on account of industry-wide problem credits. Non-performing loans of the Bank have declined by Rs 1.2 billion over December 2020, with reductions in both the domestic and international businesses. The infection ratio improved from 6.3% in December 2020 to an all-time low of 5.1% in December 2021. The specific coverage also improved to over 90% in December 2021, with total coverage remaining above 100%.

Movement in Reserves

	2021	2020
	Rupees in million	
Profit after tax	35,507	30,913
Unappropriated profit brought forward	138,208	114,550
Profit attributable to equity holders of the Bank	35,022	30,892
Deferred tax asset (reversed)/recognized on subsidiary under liquidation	-	(109)
Re-measurement gain/(loss) on defined benefit obligations – net of tax	208	(149)
Acquisition of additional interest in subsidiary	749	-
Transferred from surplus on revaluation of assets – net of tax	197	51
	36,176	30,686
Profit available for appropriation	174,384	145,236
Appropriations:		
Transferred to statutory reserves	(3,841)	(3,360)
Cash dividend – Final	(4,401)	(1,834)
1 st interim cash dividend	(2,567)	(1,834)
2 nd interim cash dividend	(2,567)	-
3 rd interim cash dividend	(2,567)	-
Total appropriations	(15,943)	(7,028)
Unappropriated profit carried forward	158,441	138,208
Earnings per share (Rupees)	23.88	21.06

Capital Ratios

With the strong results, internally generated capital grew by 11% in 2021. Credit Risk Weighted Assets grew by 27%, due to robust lending growth in both domestic and international businesses, coupled with the translation impact of the Rupee devaluation; the latter alone impacted CAR by 54 bps. HBL's consolidated Tier 1 CAR declined to 12.3% while the total CAR reduced from 17.2% in December 2020 to 15.6% in December 2021. Both ratios remain comfortably above current regulatory requirements.

In Dec'20, the Bank exercised its call option on the existing Tier 2 subordinated debt TFCs. These stood fully redeemed on Feb 19, 2021.

Business Developments

In 2021, HBL maintained a deposit market share of over 14%, adding more than 900,000 new customers through its branch network. This included more than 100,000 new customers of HBL Asaan Account, a key product for inclusion of the unbanked population; the Bank now has over 1 million Asaan account customers with a total deposit of over Rs 15 billion.

HBL proudly serves over 3.5 million women customers, including 750,000 under its women's market program, Nisa, which has been recognized internationally. During 2021, with a completely refreshed and relevant value proposition, the program added over 110,000 new accounts with a deposit volume of Rs 15.8 billion. Nisa developed a unique toolkit to promote the program's financial literacy agenda and launched a recognition programme aimed at acknowledging and showcasing women across the country. The Nisa platform continues to be a leading initiative of the Bank, helping to bring an increasing number of women into the banking fold.

The Roshan Digital Account (RDA) was launched in 2020 as a joint initiative by the Government and the SBP to engage Non-Resident Pakistanis seeking to undertake banking, payment, and investment activities in Pakistan. The initiative has seen an overwhelming response and has now evolved into an entire product suite of lifestyle services by providing innovative and convenient digital banking solutions. As part of HBL's national agenda, the Bank has played a leading role in the design and launch of the RDA. HBL is amongst the highest contributors to RDA with USD 0.5 billion channeled into the country and a market leading share of 20% of RDA accounts.

The High Net Worth client strategy translated into the launch of HBL Prestige where the focus is on understanding the unique needs of the affluent client segment and creating bespoke solutions and tailored offers. Prestige offers a highly personalized and exclusive experience through dedicated portfolio managers who facilitate clients in fulfilling their financial needs. Prestige clients have access to one-of-a-kind lifestyle experiences and services including Pakistan's first World Elite Debit card, state of the art lounges and digital lockers. Currently, HBL has 24 Prestige touchpoints with the ambition of expanding this to 50 during 2022, taking this signature offering to an increasing number of cities across Pakistan.

HBL continues to introduce services aimed at making banking easier by increasing its digital footprint. During 2021, HBL piloted digital account opening using tablets, enabling the Bank to open accounts by visiting clients at their premises. Recently, in line with an SBP initiative, self-service onboarding was launched, allowing clients to open bank accounts through HBL's website, at their convenience. LED screens were installed in 200 branches to engage customers by creating a high-visibility product display and awareness of value-added services. 2021 also saw the installation of HBL's first ever drive-through ATM in Karachi with plans to add another 15 such ATMs across the country in 2022.

HBL strengthened its lead role in farmer financing with a 20% growth in its portfolio to a record Rs 40 billion; the Bank has market share of ~34% amongst commercial banks. Given the significance of the dairy sector to the agricultural economy, the Bank re-launched dairy financing and, in the first year, booked a portfolio of Rs 1.5 billion, reaching out to more than 900 dairy farmers. HBL also disbursed more than Rs 1 billion to customers who provide value-added services to the rural economy such as seed processing and cold storage. To help farmers mitigate climate related risks HBL, in partnership with insurance players, launched an Area Yield Index Insurance pilot for wheat-paddy farmers. This provides insurance to farmers in case their crop yield falls below historical norms due to unexpected climate events and thus builds up their resilience.

HBL has played a leading role in developing the agriculture ecosystem, focusing on digitalization as a means to achieve farmer convenience. In 2020, HBL invested in Naymat Collateral Management Company which accredits warehouses to international storage standards and issues Electronic Warehouse Receipts (EWRs) against stored crops. In 2021 HBL became the first bank to fund an EWR, approving Rs 400 million against EWRs for paddy, rice and maize. HBL remains the most active user of the Punjab Land Record Authority's portal with more than 60% of total record extractions. This portal provides a one-stop solution to farmers for collateral documentation, facilitating the retrieval of revenue documents and charge creation through computerized land records.

HBL "Kissan ki Awaz" a flagship interactive feedback platform for farmers continued virtually during the year to facilitate and serve farmers with innovative product developments, impartial agronomic advisory and financial literacy sessions. This has helped the Bank to have a better understanding of the farming community and their specific banking requirements.

HBL's farm-to-processor pilots successfully expanded during 2021, scaling up in-kind financing from 444 acres in 2020 to almost 18,000 acres in 2021. To create a more integrated agriculture ecosystem, HBL partners with input suppliers, mechanization vendors, and bulk buyers who provide inputs at the farmers doorstep and modern farm machinery on a rental basis. This engagement serves to raise capacity, increase production efficiency and improve crop yield. HBL's fundamental shift is led by a team of more than 40 agronomists and field officers who guide farmers on best practices. In order to reduce time away from farm activities, HBL has launched a digitally enabled farmer onboarding system through HBL Pay. As a result of HBL's interventions, small leasehold farmers achieved a 22% increase in average maize yield with a 116% increase in net income. These results have been independently validated by Princeton University development economists and demonstrate a double bottom-line impact both for the Bank and the farmers.

HBL's Consumer Banking business had another stellar year, with total consumer lending growing by 31% to cross a landmark Rs 100 billion. In 2 years, HBL has moved from 5th position in Auto Financing to industry leadership in 2021. HBL has a market-leading 21% share with 6.2 million debit cards, on which spend volume increased by 64% to Rs 77 billion in 2021; Credit Card spend grew by 63% to Rs 113 billion. 25% of the total spend on cards is on e-commerce, reflecting the

growing share of digital payments. The Merchant Acquiring business expanded its POS network to more than 39,000 machines, the highest in the industry. Throughput at HBL's terminals grew by 53% to Rs 180 billion, accounting for more than a third of the country's total sales volume. The launch of the Ready Cash product in the last quarter of 2021 completed the unsecured product suite by offering a running finance facility to individuals to meet their short-term financing needs.

Digital initiatives in the Consumer business gained substantial momentum in 2021; its digital lending platform saw renewed interest with 31% of new credit cards and 20% of new Personal Loans booked through the HBL Mobile App. In addition to efficiency gains, this solution provides customers with a seamless, paperless and real-time digital experience without ever having to visit a branch. "Tap n Pay acceptance" was launched and enabled on 10,000 POS terminals, allowing customers to simply tap their credit card on the machine for payment. This was followed by the launch of the Tokenization feature for Credit Cards under the HBL Pay brand; customers can now pay just by tapping their phone on suitably enabled POS machines.

In 2021, HBL has been recognized as the "Best Bank for Small and Medium Businesses" for the 3rd consecutive year by the Pakistan Banking Awards. The business has been revitalized under new leadership; in 2021, loans increased by 17% to nearly Rs 74 billion and over 3,000 new customers were added. The Bank is an active participant in SBP-led schemes and has disbursed more than Rs 3 billion under the Kamyab Jawan Scheme. HBL has also launched collateral free financing under the aegis of the SBP's SME Asaan Finance (SAAF), a scheme which will boost the SME sector.

HBL intends to play a meaningful role in the rapidly growing Islamic Banking space. This requires a sizeable dedicated footprint, and in 2021, after an extensive project to convert Islamic windows to branches, the network of Islamic branches increased from 62 to 259. Islamic financing increased to Rs 226 billion, with deposits growing by 35% to Rs 347 billion. The focus on trade resulted in volumes more than doubling to USD 826 million.

HBL's goal is to provide a one window solution for corporate customers and their employees across the range of HBL product offerings, from Treasury to consumer lending and banking products. In 2021, improved focus on Trade products, solutions, and delivery has resulted in the Bank making strong gains in market share, with HBL now recognized amongst the top trade finance banks in the country. Strong penetration in the commodities business and increased focus on structuring trade finance solutions to meet unique customer needs has yielded impressive growth in the Commercial segment, which caters to clients at the higher end of the SME spectrum.

HBL has maintained its dominant position in both cash management and employee banking. Cash management throughput increased by 58% with a record volume of nearly Rs 8 trillion. HBL was awarded the Best Domestic Cash Management Bank by Asia Banking & Finance and was also ranked first in Asiamoney's Cash Management Poll 2021 for Pakistan Market Leader and Best Service. It is particularly gratifying that both awards were won based on votes by clients, a validation of HBL's increasingly customer-centric approach.

HBL Pay Business Banking, a fully digital transaction banking platform for corporates, was launched in Pakistan in 2020 and is being introduced in six international locations. The platform aims to provide clients with the complete suite of corporate payments products through a single sign-on. In Pakistan, digital payments through this platform more than doubled, with 29 million transactions and Rs 3.4 trillion in volume processed.

During 2021 HBL continued to provide a complete suite of innovative investment banking solutions to its customers across a diverse range of industries, with a team that is recognized for its ability to cater to unique customer needs. This has resulted in HBL winning several international and domestic awards including multiple awards for Best Investment Bank in Pakistan, Equity Transaction of the year, and Project Finance transaction of the year.

Strong partnerships with global counterparts helped HBL to be the bank of choice for cross-border transactions. HBL was able to successfully close landmark investment banking deals across the full spectrum of segments. Noteworthy transactions included Advisory and Underwriting for the largest domestic corporate Rights Issue, as well as being the co-manager for the first-ever USD 500 million Eurobond for a large public sector utility. This was also a debut green bond for Pakistan and will serve as a model transaction for green investors looking at potential opportunities in this market. With HBL's commitment to the environment and focus on renewable energy, the Bank has increased engagement with multilateral institutions, partnering with the CDC Group, UK on a 100MW solar power project. In addition, the Bank has a strong pipeline of infrastructure projects under the Public Private Partnership mode.

HBL has taken several initiatives that demonstrate its commitment to embracing Environmental, Social and Governance (ESG) matters as a strategic issue. As Pakistan's largest financial institution, we are committed to ensuring that climate-related risks and opportunities are properly managed within our business and will continue to evaluate the impact of climate change on our business and financial results.

HBL continued to challenge market norms in 2021, raising the bar by undertaking trendsetting initiatives to combat climate change. In 2020, HBL had announced that it would cease any new financing for coal. In 2021, HBL has extended this to industries that contribute to deforestation with the goal of ultimately phasing out other ESG negative industries from its portfolio. During the year, HBL initiated an arrangement to introduce Green analytics for its products and services through the development of Green Taxonomy. This will provide transparency in HBL's practices and guidance to investors who are focused on making environmentally conscious decisions.

HBL has also entered into an engagement with IFC to strengthen environmental and social risk management capacity. In partnership with WWF Pakistan, HBL and WWF will develop sustainable tourism, agriculture, and the coastal environment. HBL has been at the forefront of utilizing the SBP's facility for financing renewable energy projects and disbursed over Rs 5.5 billion in 2021 to encourage and enhance the use of sustainable energy for business needs.

To reduce the impact of the Bank's own operations on the environment, solar panels were installed at a number of premises leading to a 220 metric ton reduction in HBL's carbon footprint. HBL Microfinance Bank's new regional headquarters in Gilgit received EDGE and LEED certification. HBL's efforts towards health and safety were recognized through two prestigious awards: the Environmental Excellence Award from the National Forum for Environment & Health and a Fire Safety Award from the Fire Protection Association of Pakistan.

HBL's Treasury stepped up client engagement in 2021 and conducted a series of 'Global Markets Outlook' seminars in 3 cities, providing clients with an insight into current and future trends underpinning the markets. In response to clients' requirements for real-time market information, 'HBL Market Insight' – short video updates on market events and movements – was initiated, and is circulated to clients and other stakeholders on social media and email. HBL Infinity® – the Bank's unique FX portal – was upgraded with added user functionality, providing HBL access to a larger user base and cementing the Bank's position as the leader in e-Trading solutions. In a highly competitive environment, HBL successfully also regained the #1 Primary Dealer position in the SBP's rankings.

Driven by a 29% growth in volumes to USD 2.7 billion, HBL's market share in home remittances increased from 8.2% in 2020, to 8.8% in 2021; by December 2021, monthly market share had reached double-digits. HBL expanded the customer base through: partnerships with leading global money transfer companies; deeper commercial bank penetration in traditional remittance markets; and the development of new corridors. A number of initiatives were taken to digitize the remittance business and have helped expand reach as well as enhance customer experience.

HBL's commitment to serving its customers with a superior banking experience is underpinned by digitization and innovation. It aims to use data driven insights to provide more contextualized products to the right audience and extend relevant banking services to previously unbanked communities while remaining true to consumer needs. Collectively, HBL's digital channels for retail customers processed more than Rs 2.3 trillion in 2021.

In line with its "Mobile First" strategy, HBL continued to enhance its Mobile App by partnering with a number of FinTechs and e-commerce players, developing APIs to simplify integration. This allows HBL to empower its customers by continuously introducing new features and partners through the App. More than 700,000 new users signed up for the App, taking the user base to 2.5 million, by far the largest for any commercial bank in Pakistan; more than 60% of these are monthly active users. HBL Mobile was also rolled out to 6 international locations. In 2021, more than Rs 1 trillion in transactions were processed through HBL Mobile and Internet Banking.

In 2021, HBL Digital introduced Conversational Banking through two new channels: WhatsApp and Facebook Chat Messenger. HBL's customers can now fulfil their basic banking needs through these popular social media platforms, without having to login to the App. These channels are also expected to help divert ~20% of information-only traffic landing at the Call centre, thus freeing up that capacity for more complex transactions.

HBL continued its market leadership in shaping the e-commerce space in 2021. HBL's e-commerce payments solution – HBL Pay Checkout – continued to demonstrate strong growth with over 4.4 million transactions, totaling Rs 28 billion, processed in 2021. These numbers are a near doubling over 2020 and are a testament not just to changing consumer preferences, but also to HBL's agility in responding to market needs. Cardless e-commerce transactions were also enabled for customers of more than 10 local banks and locally operated digital wallets, thereby increasing merchants' reach to millions of new customers previously excluded from this ecosystem.

HBL became the first bank in Pakistan to launch the Dynamic QR code transaction process in partnership with Visa, for which it remains the sole acquirer. The new transaction process offers a seamless, safe, and convenient payment mechanism. HBL has a network of over 54,000 QR merchants spread across urban and rural areas. QR payment volumes doubled over 2020 to more than Rs 700 million.

Konnect by HBL remains the primary vehicle for offering easy access to the unbanked and under-banked segments of society, with women continuing to make up 24% of the client base. Konnect now has 7.1 million accounts with more than 1 million monthly active users. During the year we continued to enable third parties to consume Konnect platform APIs exposed by us to offer basic banking services at their counters through their own front-end.

HBL has dominated the G2P payments space with demonstrated delivery ability. Konnect strengthened its partnership with the Punjab and KPK agriculture departments to digitize subsidy payments, disbursing Rs 11 billion to more than 1 million farmers. Simultaneously, 750,000 Konnect accounts were opened for these farmers, all of whom also subscribed to Kisaan Cards, making Konnect the largest issuer of PayPak debit cards in the country. Under the Ehsaas Kafalat Program, Rs 127 billion were disbursed to 5.7 million regular beneficiaries. Konnect also supported the Sindh government in disbursing education stipends to 100,000 female students.

HBL has grown its agent network by 43% with more than 66,000 agents across Pakistan and is aggressively partnering with top distributors to facilitate cash collections from Agents, thus diverting traffic away from branches. This also allows us to on-board new distributors, as their cash collection agents can deposit smaller amounts of cash at regular intervals at

multiple agent locations throughout the day instead of being restricted to branch timings and locations. Konnect also offers collections services to a number of corporates and microfinance institutions with monthly volumes exceeding Rs 6 billion.

Early in 2021, Robotic Process Automation (RPA) was introduced with successful proof of concept deliveries and more than 50 processes were converted to RPA. The resultant reduction in turnaround times of back-end processes and enablement of 24x7 operations through RPA is expected to translate into significant improvements in customer service and experience. This initiative is expected to be rolled out across a number of new locations and businesses in 2022.

The Bank continues to reshape its International business to become relevant to its global clients and deliver sustainable profitability. Client activity remained strong during the year with twice as many global clients on-boarded as in 2020, and HBL managing their trade, cash and working capital needs. Business momentum strengthened across the network resulting in significant growth in balance sheets with a 16% growth in deposits and a 24% increase in loans. Trade volumes increased by more than 80%, driven by network synergies and effective beneficiary marketing. The focus on diversifying deposits and soliciting operating accounts delivered a 25% growth in current accounts.

During the year, the China franchise enhanced its role of originating deals for HBL globally, creating revenue opportunities in excess of USD 10 million. The progress made in 2021 in developing this global client business, the financial institutions and trade segments, and growing remittances has provided the platform to continue building the international franchise across target corridors. Digital applications have been launched in several markets, improving customer access and product delivery. There have also been significant improvements to the infrastructure, systems, and the risk, control and compliance environment – these will support sustainable and controlled growth in the years to come.

HBL's Beijing Branch commenced operations in March 2021 and serves as the main engine for origination and execution of Chinese transactions. HBL continued to leverage its unique position of being one of only 3 banks in MENA and South Asia to offer end-to-end RMB intermediation; RMB transactions through Urumqi now account for over 45% of all HBL CNY transactions, compared to a mere 4% in 2020. HBL's successful China coverage model now covers UAE, Sri Lanka, Bangladesh and Maldives; in 2021, the Bank expanded this to East Africa in partnership with its affiliate, Diamond Trust Bank. HBL now serves some of the largest Chinese enterprises in multiple countries, furthering our objective of being a bank of relevance in the region.

HBL's subsidiary, The First MicroFinanceBank Ltd (FMFB) was renamed as HBL Microfinance Bank (HBL MFB) in January 2022. This will enable it to better leverage HBL, a brand that is instantly recognizable and recognized for its trustworthiness, stability and market leadership. In 2021, HBL MFB grew steadily despite continuous challenges posed by the business and economic environment amid COVID-19. The bank increased its loan portfolio by 37% to Rs 57 billion – 74% of this is in rural areas, congruent to its mission of catering to the needs of the unbanked. In total, nearly 400,000 loans were disbursed, of which 30% were to women. Liquidity buffers remained comfortable with strong deposit mobilization; deposits rose by 48% to Rs 91.4 billion – more than half of which is CASA deposits.

In 2021, HBL MFB opened more than 330,000 mobile wallets. HBL MFB's in-house built Loan Origination System is a tablet-based loan approval system which provides decisioning within 48 hours. This is currently implemented in 127 branches, providing convenience for customers and rapid service delivery; in 2022, this will be rolled out to most of the bank's network.

HBL MFB is the largest provider of housing finance in the microfinance sector with a market share of more than 70% amongst microfinance banks. The bank is also one of the largest participants in the Government Mark-up Subsidy Scheme with a portfolio of Rs 1.15 billion and has been recognized on numerous occasions for its leadership in this priority area. HBL MFB remains the largest PayPak debit card issuer in the microfinance industry. In support of SBP priorities, HBL MFB successfully implemented the Raast platform for G2P funds transfers as well as the Customer Digital On-boarding Framework, enabling customers to open accounts from the convenience of their own home.

HBL AMC continued its growth trajectory in 2021, reaching over Rs 94 billion in Assets Under Management (AUMs) from last year, a growth of 20%. The company improved its market share from 8.19% to 8.35% also its industry ranking from 6th to 5th. HBL AMC is pursuing a retail-led strategy and expanded its reach to untapped markets through the opening of investment centers in Rawalpindi and Hyderabad. VIS Rating Agency also improved the Outlook on the company's existing AM2++ rating from Stable to Positive.

To further its stated goal of digital financial inclusion and supporting entrepreneurship initiatives in the country, HBL created a venture capital fund to invest in technology startups, including Fintechs. In 2021, the VC Fund invested in Finja, a digital lending platform for SMEs, and in a digital healthcare platform that boosts ease and quality of the patient journey across multiple healthcare providers. The VC Fund also supported the launch of an "Innovation Banking" segment targeting high growth areas like startups, VC Funds and freelancers, and provided opportunities to startups for short collaborations with HBL.

In line with the call for a Service Emergency in 2021, HBL continued to focus on improving the customer experience by initiating an "Aagahi" – Let's Bridge the Gap – drive. This creates a two-way training channel, using simple, visual, bilingual communications and videos on a number of focus areas from branch hygiene to governance, all aimed at engaging branch staff and improving the customer experience. The programme facilitates deeper engagement and ownership across all Operations teams and helps to bridge knowledge, behavioral and communication gaps between customer expectations and branch staff.

In line with HBL's value of being a customer-centric organization, front-line staff was empowered to provide quick turnaround and superior service to customers. Overall customer satisfaction level was maintained above 80% with problem resolution satisfaction at 50%. During 2021, a total of 204,577 complaints were received by the Bank. These were resolved, on average, within 5 days, while more than 50% of complaints were resolved within 2 days.

HBL's Contact Centre delivered uninterrupted 24 x 7 service to the Bank's customers while handling 13 million interactions over the year. The menu of customer touchpoints was expanded to include WhatsApp and Social Media which collectively facilitated 50k+ monthly customer interactions. IVR services underwent a major upgrade with a host of new self-service features through which 1 million transactions were executed by customers.

The Bank took several initiatives to reduce customer turn-around-times (TATs) including dedicated account opening desks for Prestige Banking, which halved TAT from ~30 to ~15 minutes. Additionally, all branches were provided access to an automated customer complaint system, thus promoting a culture of effectively lodging, reporting and monitoring customer complaints. This has led to improvements in timely resolution of customer complaints and a better customer experience.

The policy for Fair Treatment to Customers was enhanced to include updated regulatory requirements for consumer protection, ensuring a higher level of transparency and accuracy in disclosures. A culture of service excellence was promoted through trainings and regular publication of service stories appreciating exceptional staff efforts. A highly-sought annual Presidential Award for Service Excellence further reinforces the message of constantly raising the service bar.

HBL led focused efforts to migrate customers from branch counters to alternate channels including ATMs, HBL Mobile, and Konnect. This initiative provided convenience to customers, alleviated crowding in branches and enabled branch staff to improve service for complex transactions. Ramps were constructed at 600 branches and ATMs to make banking services accessible to persons with disabilities. All Diebold and Wincor ATMs were upgraded and availability of ATM services was further improved with an uptime of 97%.

HBL's core banking solution, Misys was upgraded to the latest version and has provided much needed additional processing capability to cater for the increased throughput that is being witnessed in the digital space. To improve resilience and reliability, diagnostic tools were deployed within the infrastructure, thus making it easier to identify and address issues proactively. The Bank has decided to migrate to a new core banking solution that would be able to deliver against the demands to be placed upon it for at least the next decade. After an extensive evaluation process, spread over eight months, Temenos, the global leader in this space, was found to be the best fit to meet HBL's aspirational growth plans. A formal contract has recently been signed and the program will be completed over the next three years.

In 2021, HBL's flagship platform, HBLPSL, took place in Pakistan and Abu Dhabi. This was the sixth edition of HBL's sponsorship of the single largest sporting event in the country. To capture the spirit of the game, the Bank launched an advertising campaign "Jahan Fans, Wahan Stadium", its tribute to the millions of cricket fans across the world. HBL also renewed its commitment to be the lead sponsor of the Pakistan Super League for a further four years, till 2025, marking 10 years of support for this national initiative. HBL is proud to have won the prestigious Effie Award 2021 for "Best Influencer Marketing Campaign – HBLPSL 6" as well as the "Web Series of the Year – HBLPSL Jeet ki Jang", at the Pakistan Digital Awards. These are independent validations of the work the Bank has done to build the HBL brand by leveraging the HBLPSL sponsorship.

2021 saw the launch of the new HBL website, which recorded an 84% increase in traffic and a significant improvement in the website load time. HBL won an award for the "Best Website of the Year" at the Pakistan Digital Awards. The Bank continued to enhance its use of social media to market its products and services and served more than 3 billion impressions, a growth of 62% over 2020.

As the country's pre-eminent bank, HBL and Pakistan are inextricably linked. This association is particularly evident and celebrated on patriotic occasions such as Pakistan Day and Independence Day with presence across conventional and social media. This year, HBL was proud to sponsor the Pakistan Pavilion at Expo2020 Dubai. In 2021, HBL also launched a major campaign to mark the 50th anniversary of the iconic HBL Plaza, a symbol of Karachi's skyline.

Human Resources

During 2021, focus continued on employee well-being and development. Operating within the parameters of the Covid pandemic has become the 'new normal', and the Bank continues to support its staff through provision of medical support. In these unprecedented times, HBL has made available unprecedented facilities to its entire workforce. In 2020, HBL offered benefits unique in Pakistan by guaranteeing unlimited medical care to employees who contracted Covid; the Bank also provided interest free loans to staff to take care of non-dependent family members with the virus. In 2021, as part of its #HBLCares initiative, the Bank again led the industry by arranging vaccinations for 100% of staff and their families, as well as for all contract staff, including security guards, at its own cost, through private hospitals. Once vaccines were widely available, HBL facilitated multiple in-house vaccinations in a safe and convenient manner. All in all, HBL vaccinated over 25,000 of its employees, third-party staff and their families; later, the same protocol was followed for boosters. The Bank's employees are now also provided with on-line medical consultation (HBL Sehat Kahani), counselling, and a number of other assistance programs. In these uncertain times, the Bank also introduced a Pay Continuity Plan for all staff, in addition to life insurance. Aligning itself to evolving global practices, HBL became the first bank in Pakistan to launch flexible work arrangements including work from home, part time work and flexible timing.

HBL is committed to embedding Diversity, Equity and Inclusion (DEI) in its people, processes and culture. The Bank has proudly created a workspace that welcomes, celebrates, and empowers Persons with Disabilities and provides them accessibility and employment opportunities through training, internships and buddy programs. HBL has also made concerted efforts to promote the recruitment and retention of women – including a batch of 56 women tellers – and was able to reach a diversity ratio of more than 19%. In 2021, HBL's gender-based initiatives were recognized by Global Diversity and Inclusion Benchmarks (GDIB) through eight global awards for Diversity, Equity and Inclusion.

The Mercer Employee Engagement Survey was repeated after a 3-year period, with over 83% of the employees participating. The results indicated a very healthy employee engagement score of 86% compared to 78% in 2018, with 90% of employees saying they are very proud to work for HBL. Scores on engagement dimensions were above HBL's 2018 scores and above Mercer's global norms for financial institutions. These results are reflective of the focused effort that has been put into this area and the resulting employee engagement, commitment, and loyalty.

Under the new SOPs, staff training and development continued through virtually delivered programs. Over 2,500 sessions for 321 programs were delivered; in all, 570,000 people-hours were invested on staff training. The Bank embarked on an ambitious program of developing university alliances across the country to build a pipeline of future talent and to bridge the gap between academia and industry. In 2021 HBL inducted 34 Management Trainees from top Pakistani and international universities under its acclaimed 'The League' programme. Furthermore, as part of the talent management process, the Bank continued to provide targeted development, growth and career opportunities to high potential staff.

Building a customer-centric, digital and ethical culture remains the Bank's focus and a number of initiatives were undertaken to advance this during the year. As part of creating a positive and enabling culture based on HBL's values, all employees were, for the first time, assessed not just on 'what' they achieved but also on 'how' they achieved it. Senior managers went through a 360-degree feedback process on their values-related behaviours and all staff was trained on how to live the values every day.

Risk Management Framework

To ensure a comprehensive management of risks throughout the Bank, HBL employs a risk management framework that is applicable to all levels of the organization with strong Board oversight, multi-tier management supervision, and efficient systems. This framework has been developed to correspond to the bank's operational complexity, size, and geographical and target market diversification; it is designed to be flexible enough to evolve in line with market dynamics, regulatory changes and the Bank's strategy.

As part of the governance structure, The Board Risk Management Committee (BRMC) monitors, assesses and manages the risk profile of the Bank on an ongoing basis. At senior management level, various risk committees are responsible for oversight and execution while day-to-day risk management activities are delegated to different levels through multi-tier management supervision and clearly articulated policies and procedures. In 2021, a Risk Governance function has been introduced, whose role is to formulate credit policies and procedures and provide oversight related to portfolio management and automation.

The Bank has strong credit management practices that include regular Early Alert Committee meetings and rapid portfolio reviews to help ensure the strength and resilience of its credit portfolio. Since the onset of the pandemic, the Bank regularly conducts Covid impact assessments to monitor any potential impact on the portfolio quality.

To further develop its bench strength and provide structured risk management training, the Bank has introduced a comprehensive modular training program. The objective is to develop a uniform credit risk assessment mindset that is focused on forward-looking risk drivers, and hence proactive, rather than a reactive approach based on historical data. The program has been developed in-house and is being delivered by the Bank's senior resources.

In 2021, Risk Management strengthened its internal credit risk rating framework. A new, data-driven behavioural scorecard model was developed for Small Business Finance under the ambit of SME lending, whilst a new quantitative Consumer Risk Rating Model was developed and implemented for the Consumer business. To support the Government and SBP's Housing Finance initiative, HBL developed an income estimation tool which is now being used by the entire banking industry. Risk management systems continued to evolve to facilitate business growth whilst limiting the effect of any residual risks.

Market and liquidity risk indicators are reviewed on a monthly basis by the Market & Liquidity Risk Committee and by ALCO. A comprehensive structure is in place to ensure that the Bank does not exceed its tolerance for market risk.

Policies and procedures are in place to govern operational risk management practices in a systematic and consistent manner. Key tools such as Risk & Control Self-Assessment, Key Risk Indicators and Operational Loss Data Management are used to gauge the likelihood and severity of operational risk incidents. The Bank's operational risk profile and fraud risk assessment are regularly shared with senior management and the BRMC.

The Enterprise Risk Management (ERM) function, set up in 2020, applies to all functions within HBL, ensuring a robust and consistent approach to risk management at all levels of the organization. HBL's ERM framework outlines the components, key principles and concepts of ERM; suggests a common risk language; and provides a clear direction and guidance for integrated risk management within the Bank. This is expected to bring synergies across the various risk management

components and strengthen the risk identification, monitoring and controlling mechanism across the Bank. The ERM department also includes a Model Risk Management unit whose goal is to provide an independent review and validation of all models being used within risk management. During the year, ERM implemented a New Product Initiative Assessment process which aims to comprehensively identify, assess and mitigate all risks within new products and services, to ensure that they are adequately addressed before launch.

HBL places reliance on Compliance Risk Management (CRM) as a prudent mitigation strategy. Global Compliance, as an independent function, assists senior management in designing, implementing, and enabling the CRM framework in all relevant jurisdictions in liaison with relevant businesses. The objective of this framework is to proactively manage regulatory expectations and also to identify emerging compliance and Anti-Money Laundering risks. HBL's CRM strategy dovetails with the Bank's strategy and incorporates industry trends, evolving regulatory requirements and global best practices.

Global Compliance has implemented an appropriate organizational structure for seamlessly connecting with the businesses and enabling the necessary touchpoints with regulators, with whom it continues to work closely. Enhancements were made to a number of policies to create a more appropriate and enabling framework. The Enhanced Due Diligence process was standardised across all HBL geographies. A comprehensive assessment was completed for domestic branches in high-risk areas to capture inherent, changing geographical risk and to strengthen the existing Customer Due Diligence process in line with SBP recommendations. A regulatory Risk & Control Self-Assessment (RCSA) exercise is also underway where RCSAs based on different regulatory themes are being implemented. During the year, a regulatory repository management process was rolled out for monitoring compliance with regulatory instructions.

In 2021, the Bank conducted a skills assessment and training project for all domestic and international Compliance staff with the assistance of an external consultant. A compliance awareness program was also launched across the first and second lines of defence. During the current dynamic economic environment and evolving geopolitical situation, financial crime risk continues to be a key compliance matter. Specialized trainings were conducted for international teams, focusing on Financial Crime Compliance applications and procedures along with a series of webinars on financial crime and sanctions regimes which were led by recognized international experts.

The Board Compliance and Conduct Committee (BCNCC) and the Compliance Committee of Management, chaired by the President, monitors, reviews and oversees compliance and conduct related matters. HBL's whistleblowing program is directed at safeguarding the Bank's integrity and reputation and aims to increase employee ownership in reporting suspected cases of fraud, corruption, harassment and other infringements of the Bank's Code of Conduct. The BCNCC also oversees ethics and conduct related matters including whistle-blowing; any related investigations are overseen by the Board Audit Committee (BAC) and disciplinary actions are reviewed by the Board Human Resource & Remuneration Committee. During the year, further efforts were made to spread awareness of the various communication channels available for lodging complaints.

It is vitally important for HBL to protect its customers and their data from cyberattacks and data breaches. The Bank's Information Security function plays a pivotal role in protecting HBL's data assets from both internal and external threats through the effective management of cybersecurity risk, supported by preventive and detective controls capable of responding to emerging external threats. The Bank's 24x7 Security Operations Centre continues to contribute to a robust security posture through various monitoring, detection and preventive mechanisms.

The new pandemic-induced remote-working models, the rise of social engineering frauds and HBL's continued drive towards increasing digitalization of products and channels offer opportunities to cyber-criminals. Security protocols for remote working were strengthened, enabling employees to work in a secure and seamless manner, ensuring continuity of business. An extensive internal awareness campaign was launched to provide training and guidance on information security related matters and was supplemented by targeted awareness campaigns for customers. Robust authentication and behavioural analytics of customers transacting over digital channels are essential controls in the prevention of cyber-frauds which are on the rise. A focused effort has helped the Bank to reduce the quantum of such incidents. The Bank also successfully completed the annual requirement of demonstrating compliance to the SWIFT Customer Security Program through an independent, SWIFT certified entity.

Corporate Social Responsibility (CSR)

Giving back to the country and the communities that we serve is part of HBL's strategic agenda. To promote sustained economic and social uplift of the communities it serves, HBL contributes 1% of its annual profit after tax to the HBL Foundation. The Foundation was established in 2009 to promote the development of the underserved and underprivileged sections of society, empowering them to improve their quality of life. It supports organisations primarily working in the fields of healthcare, education, and community development and, in 2021, distributed Rs 313 million to 26 organizations across Pakistan.

In the healthcare sector, the HBL Foundation made total contributions of Rs 243 million. Funding was provided to Shaukat Khanum Hospital for the construction of their new center in Karachi. Support was also given to the Marie Adelaide Leprosy Centre which provides free eye surgical and medical camps in the remotest areas of the country. The Foundation also donated funds to the Patients' Aid Foundation at JPMC for procurement of a cancer treatment machine to provide free treatment where most needed, and to Indus Hospital for a pediatric ICU.

HBL, along with the HBL Foundation, donated Rs 133 million to various entities in the education sector, most notably The Noorani Foundation Trust, the Network of Organizations Working for People With Disabilities, The Citizens Foundation and the Aga Khan University. The Foundation also focuses on contributing to entities that carry out excellent work in underserved provinces; in line with this objective, donations were made to organisations in Mansehra (KPK) for girls education, and to the University of Engineering & Technology in Khuzdar, Balochistan. In line with its focus on addressing environmental and climate change issues, HBL and the HBL Foundation both contributed to the Urban Forest in Karachi which carries out reforestation activities in urban areas.

Art plays a critical role in the lives of people and its impact on society. As a patron of art in Pakistan, HBL is committed to celebrating the outstanding artists that the country has produced and to creating opportunities for the public to engage with art. The Bank organises a monthly interactive art series which is conducted remotely for the bank's staff, their families and friends and is led by HBL's art consultant. The HBL Art Collection comprises of works by contemporary artists of Pakistani origin and is on display throughout the Bank's properties and in its Prestige branches. HBL has partnered with the Lahore Biennale since its inception. In 2021, the Bank commissioned works from Waqas Khan, one of Pakistan's internationally acclaimed artists, which were put on display for HBL's employees, customers as well as the general public, who could view the works by appointment. Recently, HBL sponsored a major public retrospective of Aisha Khalid at Frere Hall; this was visited by more than 30,000 people from all walks of life. As part of this exhibition, HBL supported the restoration and renovation of the Galerie Sadequain at the Frere Hall, enabling it to become a permanent, international standard, public exhibition space.

The Bank played an instrumental role in supporting the government's ongoing efforts to contain the Covid-19 pandemic and encourage vaccinations. In collaboration with the Government of Sindh, HBL set up a drive-through vaccination facility in Karachi through which over 31,000 citizens were vaccinated.

Donations to the HBL Foundation and others are disclosed in Note 28.3 to the consolidated financial statements.

Credit Ratings

In June 2021, the Bank's credit ratings were re-affirmed by VIS Credit Rating Company Limited at AAA/A-1+ for long-term and short-term respectively. The rating of the TFCs issued as Additional Tier 1 Capital has also been re-affirmed as AA+. The Outlook on all ratings is Stable. The ratings incorporate HBL's position as the largest commercial bank in the country and reflect its strong financial profile and systemic importance. VIS also pointed out that HBL's strategy of enhancing its digital footprint remains a competitive advantage for the Bank. Moody's also reaffirmed HBL's local and foreign currency deposit ratings at B3 and the baseline credit assessment at caa1. The Outlook on the ratings is Stable.

Future Outlook

Pakistan enters 2022 in a substantially less benign position than the one in which it entered 2021. The growth momentum continues with a more supportive policy framework, headline GDP continues to march towards the 4.0% - 4.5% range and business confidence is at elevated levels. However, a number of structural imbalances – the key one being the external account – have built up in 2021 and need to be addressed. Policymakers are tackling them via various administrative measures such as withdrawal of tax exemptions and restrictions on consumer financing. Deliverables under the resumed EFF programme, such as further hikes in energy tariffs, lowering of stimuli for the construction sector and unwinding of subsidised refinance facilities will all create additional headwinds to growth. The adjustments required on both the fiscal and monetary fronts are expected to moderate growth in FY'22.

The factors behind the sharp reversal in the Current Account from the dovish FY'21 now appear to be alleviating to a degree as imports are moderating on the back of tightening measures by the SBP; the country may return to a more sustainable deficit of < 3% of GDP later in the year. While the structural reforms may create short-term pressures, ultimately they should help to place the country's growth on a firmer footing. In summary, after a challenging H1'22, a more conducive growth environment should prevail in the second half of the year.

HBL has had a record year with leadership positions achieved or sustained across a wide swathe of areas. This year, we are particularly pleased that our achievements over the last few years have been recognised through our winning the elusive Best Bank in Pakistan award at the IBP Banking Awards. Our Transaction Banking business has won a number of awards, made all the more gratifying because they are based on feedback from our clients. We dedicate these results to our customers, many of whom have banked with us across generations and are at the heart of all we do.

HBL continues to invest in every aspect of the agriculture economy – from digitalization of the lending process to actively providing agronomic advisory through feedback sessions, to integrating every aspect of the rural value chain. It is the first commercial bank to have devoted this quantum of resources in a systematic manner to the mainstay of Pakistan's economy. Our pilot interventions are transforming farmers' lives in every way – providing high-quality inputs, reducing cycle times, bringing the branch to the farm – and have resulted in a doubling of farmer income. As we scale this up, it has the potential to radically change Pakistan's agriculture landscape and lift millions out of poverty.

Our several years of technology investment are now resulting in tangible gains as the world adapts to a more virtual way of life. Across all our businesses we see digitalization playing an ever-increasing role and helping us to break from the pack. From HBL Mobile to Konnect, e-commerce to QR payments, HBL continues to set benchmarks in digital adoption and customer uptake. As we draw the curtain on 2021, HBL aims to build on its current successes, accelerating its digital momentum in 2022, and thus realizing our vision of seeing HBL as a technology company with a banking license – one that is spearheading the digital banking revolution in Pakistan.

HBL is an integral part of the nation's fabric – as the country's premier financial institution, HBL has, and always will, step up in every sphere to support the country. We continue to provide thought leadership across all our businesses, working with federal and provincial governments under a public-private partnership model in areas from large-scale infrastructure projects to subsidies targeted at the lower end of the economic pyramid. We have recently extended our support to a full decade of HBLPSL – a balm to this cricket-mad nation in these difficult times. HBL has long been a patron of the arts and this year we made art egalitarian – through renovating public art spaces, sponsoring major Pakistani artists and providing opportunities to the public from all walks of society to enjoy and appreciate art. HBL continues to take bold initiatives to tackle the world's most important issue – climate change – by continually raising the bar, even at the cost of foregoing business. We continue to pursue financial inclusion in all its aspects – inclusion of women through HBL Nisa, inclusion of the underserved through our strong microfinance business, inclusion of millennials through digital banking – to ensure a brighter future for all Pakistanis.

Dividend

The Board has recommended a final cash dividend of Rs 2.25 per share for the year ended December 31, 2021, bringing the total cash dividend for the year to Rs 7.50 per share. The Board had earlier declared and paid interim cash dividends of Rs 5.25 per share.

Change in Directors

Ms. Diane Moore and Mr. Salim Chinoy retired from the Board of Directors on March 26, 2021, at the conclusion of their terms on the previous Board. The Board wishes to place on record its appreciation for their contribution. On March 26, 2021, the Annual General Meeting elected seven Directors to a new three-year term on the Board of HBL, including Ms Saba Kamal and Mr. Khaleel Ahmed.

Ms. Kamal has over 3 decades of experience in the area of Information Technology, with more than 20 years in leadership positions with IBM in Pakistan and internationally. She has an MBA from the Institute of Business Administration (IBA), Karachi, and has completed a number of certifications and trainings at international IBM Centers and from Insead, Boston University and China Europe International Business School (CEIBS). Ms. Kamal has completed her Director certification from the Pakistan Institute of Corporate Governance and currently serves on the Board of Packages Ltd. She is also a member of the IBA Board of Governors.

Mr. Ahmed has over 40 years of financial markets experience. He was Chief investment Officer at the International Finance Corporation (World Bank Group), where he worked for 30 years on emerging economies and financial markets. Mr Ahmed is a Chartered Accountant, qualifying from the Institute of Chartered Accountants of England and Wales and is a Fellow of the Institute of Chartered Accountants, Pakistan. He has prior work experience at Price Waterhouse (London) and National Development Finance Corporation, Pakistan.

The Board welcomes Ms Kamal and Mr Ahmed and looks forward to their contributions.

Meetings of the Board

	Board Meeting	
	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	9	9
Mr Khaleel Ahmed	5	5
Mr. Salim Yahya Chinoy*	1	1
Mr. Shaffiq Dharamshi	9	9
Mr. Moez Ahamed Jamal	9	9
Ms. Saba Kamal	5	5
Ms. Diane Elizabeth Moore*	1	1
Mr. Salim Raza	9	9
Dr. Najeeb Samie	9	9
Mr. Muhammad Aurangzeb	9	9

Meetings of Board Committees

	Board Audit Committee **		Board Risk Management Committee		Board Human Resource and Remuneration Committee **		Board Compliance & Conduct Committee **	
	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	N/A	N/A	N/A	N/A	5	5	N/A	N/A
Mr. Khaleel Ahmed	5	5	N/A	N/A	3	3	5	5
Mr. Salim Yahya Chinoy*	1	1	N/A	N/A	N/A	N/A	1	1
Mr. Shaffiq Dharamshi	N/A	N/A	6	6	5	5	7	7
Mr. Moez Ahamed Jamal	8	8	N/A	N/A	N/A	N/A	8	8
Ms. Saba Kamal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Diane Elizabeth Moore*	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Mr. Salim Raza ***	2	2	6	6	1	1	N/A	N/A
Dr. Najeeb Samie	8	8	N/A	N/A	5	5	N/A	N/A
Mr. Muhammad Aurangzeb	N/A	N/A	6	6	N/A	N/A	N/A	N/A

	Board Development Finance Committee **		Board Nomination & Remuneration Committee		Board IT Committee **		Board Oversight Committee – International Governance	
	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	2	2	N/A	N/A	N/A	N/A	4	4
Mr. Khaleel Ahmed	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Salim Yahya Chinoy *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Shaffiq Dharamshi	N/A	N/A	3	3	N/A	N/A	N/A	N/A
Mr. Moez Ahamed Jamal	N/A	N/A	3	3	3	3	N/A	N/A
Ms. Saba Kamal	3	3	N/A	N/A	3	3	N/A	N/A
Ms. Diane Elizabeth Moore *	N/A	N/A	N/A	N/A	1	1	N/A	N/A
Mr. Salim Raza ***	3	3	3	3	4	4	N/A	N/A
Dr. Najeeb Samie	N/A	N/A	3	3	N/A	N/A	4	4
Mr. Muhammad Aurangzeb	3	3	N/A	N/A	1	1	4	4

* Mr. Salim Yahya Chinoy and Ms. Diane Elizabeth Moore retired from the Board on March 26, 2021, at the conclusion of their terms

** These Board Committees were reconstituted with effect from April 29, 2021. The Board Development Finance Committee was further reconstituted on December 1, 2021

*** Mr. Salim Raza was co-opted in two meetings of the BAC held on March 29, 2021 and April 19, 2021 and in one meeting of the BHRRC held on April 20, 2021, to meet quorum requirements.

Meetings of the Shariah Board

	Shariah Board Meeting	
	Meetings held during tenure	Attendance
Dr. Muhammad Zubair Usmani (Chairman)	4	4
Dr Ejaz Ahmed Samadani (Member)	4	4
Mufti Muhammad Yahya Asim (Resident Shariah Board Member)	4	4

Auditors

The current auditors, Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and, being eligible, offer themselves for reappointment at the Annual General Meeting. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, as the auditors of the Bank for the financial year 2022 at a fee of Rs 37.086 million with out of pocket expenses and taxes to be paid at actuals.

Statement on Corporate and Financial Reporting

The Board is committed to ensuring that the requirements of corporate governance set by the Securities and Exchange Commission of Pakistan are fully met and the Directors are pleased to report that:

- a) The financial statements prepared by the management of the Bank present a true and fair view of the state of its affairs, operational results, cash flows and changes in equity.
- b) Proper books of accounts of the Bank have been maintained.
- c) Accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) The Bank has followed International Financial Reporting Standards (as applicable to Banks in Pakistan) in the preparation of its financial statements and there is no departure from the said standards.
- e) As a continuous process, efforts have been made to implement an adequate and effective internal control system. HBL follows the SBP Internal Control Guidelines, including the roadmap and the guidelines for Internal Controls over Financial Reporting (ICFR). The Bank has developed a Framework for the management of ICFR.
- f) There are no doubts about the Bank's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the Code.
- h) Key operating and financial data for the last six years is presented in the financial statements under the section "Growth 2016 to 2021 – Consolidated".
- i) The Directors, CEO, CFO and Company Secretary have confirmed that neither they nor their spouses are engaged in the business of stock brokerage.
- j) Audit, Human Resource and Remuneration, Risk Management, IT, Compliance and Conduct, Development Finance, Board Oversight for International Governance, and Nomination & Remuneration Committees constituted by the Board are functioning efficiently in accordance with their Terms of Reference. The Board has held nine (9) meetings in the year, including at least once in every quarter.

The Board is pleased to endorse the statement made by the management relating to Internal Controls. The Statement of Internal Control, the Statement of Compliance with the Code, the Review Report on Statement of Compliance with the Code and the Auditors' Reports are attached to the Financial Statements.

Value of Investments in Employee Retirement Benefits Funds

The table below shows the value of the investments of the provident, pension, gratuity and benevolent funds maintained by the Bank, based on their audited financial statements as at December 31, 2021.

	Rupees in million
Employees' Provident Fund	5,342
Employees' Pension Fund	6,140
Employees' Gratuity Fund	2,476
Employees' Benevolent Fund – Executives and Officers	1,781
Employees' Benevolent Fund – Clerical and Non-Clerical	903

Pattern of Shareholding

The pattern of shareholding as at December 31, 2021 and the trading in the Bank's shares by Executives, as defined by the Board of Directors under the Code, is given in the Annual Report under the requirements of the Code.

Parent Company

As disclosed in Note 1.1 of the financial statements, the Aga Khan Fund for Economic Development (AKFED) S.A., is the parent company of the Bank and its registered office is in Geneva, Switzerland.

Training programs attended by Directors

A majority of the Directors have previously attended an SECP approved Directors' Training program and are certified as Directors in accordance with the Code.

In 2021, the Board attended two training sessions. One was on Islamic Finance, both local and global; the other focused on the latest developments in the AML/CFT landscape and how HBL can achieve stability and sustainability in this area. These sessions were conducted by well-recognized external experts.

Board Performance Evaluation

HBL's Board has opted for an external annual evaluation of the Board and its Committees, which was carried out by the Pakistan Institute of Corporate Governance (PICG) in 2021. The evaluation assessed performance both as a Board as well as at the individual Director level, and covered Board Composition, Strategic Planning, Board & CEO Effectiveness, Board Information, Board Committees, Board Procedures and the Control Environment.

Process of Appointment and Nomination of Board members:

Directors are elected to a 3-year term by the shareholders of the Bank. Any casual vacancies are filled by the Board of Directors in line with the Bank's Articles of Association and in compliance with applicable laws and regulations. The nomination of Board members is undertaken by the Board Nomination and Remuneration Committee (BNRC). This can arise either in case of a casual vacancy or where specific requirements are introduced by regulators. Once a potential candidate is identified, the Committee, having undertaken its due diligence, submits a recommendation for the Board's approval. All Directors are approved by the SBP in line with its Fit and Proper Test (FPT) criteria; further, the Independent Directors meet the additional requirements for independence as specified in the SBP's Code of Corporate Governance.

Composition of the Board and Board Committees

The composition of the Board and details of Board Committees are given in the Statement of Compliance with the Code of Corporate Governance.

The Board has the following committees for providing support in strategic direction and enhanced oversight. The board committees function as per their respective Terms of Reference (TORs) approved by the Board. A brief description of the functions of each sub-committee, is as follows:

Board Audit Committee (BAC): The BAC facilitates the Board in setting the 'tone at the top' for a strong and effective system of internal controls. The Committee reviews the adequacy and effectiveness of the Bank's internal control environment, including financial and operational controls, accounting systems, and reporting structure. The Committee provides oversight of the Bank's Internal Audit function; approves and monitors the progress of the risk-based annual audit plan; and ensures that the Internal Audit Function has adequate resources and is appropriately placed within the organization structure to maintain its independence. The BAC also reviews the Group's financial statements and associated matters before recommending them to the Board for approval; as part of this process, the Committee also interacts with the External Auditors of the Bank and recommends the appointment, both of the statutory auditors, as well as the auditors of overseas branches, to the Board. The BAC is also responsible for monitoring the implementation of new accounting standards; in particular, the Board has designated the BAC as the committee responsible for oversight of the implementation of IFRS 9 in HBL. For areas that are under its purview, the BAC recommends policies to the Board for approval.

Board Risk Management Committee (BRMC): The Committee is responsible for oversight and advice to the Board on risk related matters, including governance, with respect to the Bank's risk appetite and profile. The BRMC also ensures the structure and completeness of the Bank's internal risk framework in relation to the risk profile, and the development and maintenance of an independent, supportive and proactive risk management culture. The Committee also takes a forward-looking approach to ensure that evolving risks are identified and mitigated.

Board Human Resource and Remuneration Committee (BHRRC): The Committee recommends key Human Resources and Remuneration policies including major terms of employment and benefits, Performance Management and Compensation Plans for all key executives and other staff members of the Bank. It also reviews and recommends policies for staff training, career development, talent management and succession planning in line with relevant regulatory requirements and best practices.

Board Compliance & Conduct Committee (BCNCC): The BCNCC supports the Board in overseeing the implementation of a compliance and conduct culture along with governance over the implementation of a bank-wide compliance program. It also monitors the Compliance function's mandate and capabilities to effectively manage the Bank's compliance risk profile. The Committee reviews inspection reports from domestic and international regulatory authorities including management actions thereof. In order to enhance the overall conduct environment, the BCNCC also oversees ethics and conduct related matters.

Board Development Finance Committee (BDFC): The Committee assists the Board in providing strategic oversight of financial inclusion objectives, products and services for the underserved and unbanked segments and areas of the country, and initiatives that support the development of the capital markets. A key focus area is to promote financial inclusion in the highly productive but underserved communities throughout the agriculture value chain.

Board IT Committee (BITC): The Board IT Committee reviews, evaluates and makes recommendations to the Board regarding the Bank's major technology investment plans and strategies. The BITC also reviews the benefits and returns derived from technology spend. The Committee focuses on digital initiatives that can help customer centricity, reduce costs and enhance revenues, and provides guidelines on engaging with Fintechs and using Cloud services. Further, the BITC ensures that effective oversight is provided to the Information Security function of the Bank and that the Information Security posture is aligned with the Bank's risk appetite.

Board Oversight Committee – International Governance (BOC-IG): The Committee assists the Board in providing oversight of governance of overseas business operations, including subsidiaries, in accordance with the SBP's Governance Framework for Banks' Overseas Operations.

Board Nomination & Remuneration Committee (BNRC): The Committee assists the Board in identifying an appropriate structure, size and balance of skills on the Board as deemed necessary to support the strategic objectives and values of HBL for sustainable growth. The BNRC also recommends to the Board, the remuneration arrangements for Directors in line with the regulatory framework.

Appointment and Composition of the Shariah Board

To appoint a Shariah scholar, the management first conducts the screening of the proposed Shariah Board member in line with the SBP's Fit and Proper Criteria (FAPC). This is then forwarded to HBL's Board of Directors for approval, after which it is submitted to the SBP along with the filled FAPC form and Board approval and other supporting documents. After receipt of SBP's clearance, the management engages the member Shariah Board, executes the contract and informs SBP.

HBL's Shariah Board comprises of three members

Dr. Muhammad Zubair Usmani is amongst the most experienced Shariah Board Members and serves as Chairman of the Shariah Board. He completed his Takhassus fil Iftaa (Islamic Jurisprudence) and Shahdat ul Aalimiyah from Jamia Dar ul Uloom, Karachi. He holds a PhD in Islamic Finance from University of Karachi and a Masters degree in International Relations. He has been associated with the banking and financial services industry since 1999 and has provided Shariah Advisory services to various financial institutions. He also served as a member of the Shariah Board of the State Bank of Pakistan.

Dr. Ejaz Ahmed Samadani is an eminent Shariah scholar. He received his religious qualifications of Takhassus fil Iftaa (Islamic Jurisprudence) and Shahdat ul Aalimiyah from Jamia Dar ul Uloom, Karachi. He holds a PhD in Islamic Studies from Karachi University, a Masters degree in Islamic Studies from Bahauddin Zakariya University and an LLB from Sindh Muslim Government College. He has been associated with the banking and the financial services industry since 2004 and has provided Shariah Advisory services to various financial institutions locally and globally.

Mufti Muhammad Yahya Asim received his religious qualifications of Takhassus fil Iftaa (Islamic Jurisprudence) and Shahdat ul Aalimiyah from Jamia Dar ul Uloom, Karachi. He also holds a Masters degree in International Relations, Arabic and Islamic Studies. Currently, he is pursuing a PhD from the University of Karachi. He has been associated with Islamic Banking and the financial services industry since 2004 and has provided Shariah Advisory services to HBL, Habib Metropolitan Bank, Atlas Asset Management, HBL Asset Management and TPL Window Takaful. He serves as the Resident Shariah Board Member of the HBL Shariah Board.

As per changes introduced by SBP effective July 1, 2021, a Shariah Board Member should be dedicated to one commercial bank only. We are pleased that all our Shariah Board Members have opted to stay with us and surrendered their positions in other institutions.

The Terms of Reference of the Shariah Board (SB) are in accordance with the Shariah Governance Framework issued by the SBP. These include, inter alia, the following:

- The SB is empowered to consider, decide and supervise all Shariah related matters of HBL. All decisions, rulings, fatawas of the SB shall be binding on the Bank whereas the SB shall be responsible and accountable for all its Shariah-related decisions.
- The SB shall ensure the development a comprehensive Shariah compliance framework for all areas of operations of HBL Islamic Banking. All products or services to be offered by HBL Islamic Banking shall have prior approval of the SB.
- The SB shall approve all procedure manuals, product programs/structures, process flows, related agreements, marketing advertisements, sales illustrations and brochures so that they are in conformity with the rules and principles of Shariah.

Compensation of Directors

The shareholders of the Bank approved the Board Remuneration policy at the Annual General Meeting held on March 30, 2020. Under this policy, the Directors' fee for attending Board and Committee meetings is Rs. 600,000 per meeting. The policy also provides travel and daily allowance entitlements for Non-Executive Directors for business related travel.

The details of fees paid to the Directors and the remuneration of the CEO are disclosed in Note 39.1 to the consolidated financial statements.

Compensation of Shariah Board Members

The Head, Islamic Banking recommends the compensation of Shariah Board members, based on industry practice, to the President. After approval of the President, it is forwarded to the Head HR for recommendation to the Board Human Resource and Remuneration Committee. The Committee reviews and recommends the compensation of Shariah Board members to the Board of Directors for approval.

At the 229th meeting of the Board of Directors, held on March 26, 2021, the Board had approved monthly remuneration of Rs. 950,000, Rs. 900,000 and Rs. 800,000 for the Chairman, Shariah Board, Member Shariah Board and Resident Shariah Board Member, respectively. The Resident Shariah Board Member is also entitled to a car allowance in addition to the above.

As per their contracts of employment, The Shariah Board members are entitled to travel and daily allowance as per the Bank's Travel Policy in accordance with their grades.

The details of remuneration paid to Shariah Board Members are disclosed in Note 39.1 to the consolidated financial statements.

Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these unprecedented times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continue to brave these hazardous conditions to ensure that our customers are able to meet their critical needs in this time of crisis. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

Muhammad Aurangzeb
President & Chief Executive Officer

Moez Ahamed Jamal
Director

February 24, 2022

ڈائریکٹر رپورٹ - 2021ء

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے سالِ مختتمہ 31 دسمبر 2021ء کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

کلیاتی اقتصادیات کا جائزہ

مالی سال 21 میں بحالی اور نمو کا متراج نظر آیا کیونکہ تحریری اقدامات اور موثر ویکسینیشن کے عمل سے ملکی معیشت نے پلٹا کھایا۔ جس کے نتیجے میں مالی سال 21 میں پاکستان نے توقع سے زیادہ 15.6% اصل GDP نمو پیش کی۔ یہی نمو کارہجان مالی سال 22 میں بھی جاری رہا۔ مالی سال 22 کی پہلی ششماہی میں LSM انڈیکس میں 7.4% کا اضافہ ہوا، کیوں کہ اہم شعبوں کی پیداوار میں اضافہ ہوا۔ مزید حرکی اشاریوں نے مذکورہ قبل از با سطح میں نمایاں بہتری دکھائی جس سے سروس سیکٹر کا منظر نامہ مضبوط ہوا۔ اسی دوران عالمی اجناس کی قیمت میں اضافے اور روپے کی ارزانی کے ساتھ طلب میں اضافے سے افراط زر میں بھی اضافہ ہوا۔ نتیجتاً جنوری 22 میں CPI نے دو سالہ بلندی 13.0% ریکارڈ کی، جس کی اوسط مالی سال 22 کے 7 ماہ کے لیے 10.2% رہی جو کہ گزشتہ برس اسی مدت کے لیے 8.2% تھی۔ SBP نے اب اپنے گزشتہ افراط زر کی پیشین گوئی 7%-9% برائے مالی سال 22 میں تبدیلی کر کے 9%-11% کر دی ہے۔

بہتر عالمی منظر نامے، ٹیکسٹائل کی ریکارڈ شپمنٹ اور چاولوں کی مضبوط برآمدات سے مالی سال 22 کی پہلی ششماہی میں 27% نمو ہوئی۔ تاہم درآمدات میں تیز اضافے سے اس پر اثرات مرتب ہوئے جو 54% ہے اور بنیادی طور پر اس کی تین وجوہات رہیں، گزشتہ سال ایشیا کی قیمتیں دگنی ہوئیں۔ خصوصاً توانائی کی؛ اصل منافع کی شرح میں طویل منفیت سے مقامی طلب دوبارہ پیدا ہوئی، اور افغانستان کی صورتحال کے باعث پاکستان نے متعدد درآمدات کی ادائیگی کی۔ نتیجتاً اس عرصے میں تجارتی خسارہ دگنا 23.0 ارب امریکی ڈالر ہوا۔ ترسیلات کا بہاؤ ماہانہ 2.5 ارب امریکی ڈالر کے تھریشلڈ سے اوپر یعنی تیز رفتار مالی سال 22 کی پہلی ششماہی میں 11.3% کی نمو کے ساتھ 15.8 ارب امریکی ڈالر ہو گیا۔ گو کہ اس سے کسی حد تک تجارتی خلا پر کرنے میں مدد ملی، مالی سال 22 کی پہلی ششماہی میں کرنٹ اکاؤنٹ کا خسارہ 9.1 ارب (GDP کا 5.7%) امریکی ڈالر ہو گیا اس کے مقابلے میں مالی سال 21 کی پہلی ششماہی میں سرپلس 1.2 ارب امریکی ڈالر (GDP کا 0.9%) تھا۔

بیرونی اکاؤنٹ پر بڑھتے ہوئے دباؤ کے باوجود، FX کے ذخائر قابو میں رہے؛ مگر اس کے برے اثرات روپے پر مرتب ہوئے، جس کی قدر سال میں 10%~ (17/\$ روپے) گھٹی۔ اگست 21 میں بلند ترین سطح پر پہنچنے کے بعد، جنوری 22 کے اختتام تک ذخائر کم ہو کر 22 ارب امریکی ڈالر رہ گئے۔ تاہم، بین الاقوامی سکو کے اجراء سے 1 ارب امریکی ڈالر سمیت حال ہی میں IMF کی 1 ارب امریکی ڈالر کی چھٹی قسط کی وصولی نے ذخائر کو مزید قوت بخشی۔ روشن ڈیجیٹل اکاؤنٹس میں مسلسل اضافہ ہو رہا ہے اور دسمبر 21 تک مجموعی بہاؤ 3.0 ارب امریکی ڈالر کی حد عبور کر چکے ہیں۔

مالی سال 21 کی پہلی ششماہی میں مالی خسارہ مالی سال 22 کی پہلی ششماہی کی نسبت 21% روپے کی ضمن میں بڑھ گیا مگر GDP کے 2.1% پر برقرار رہا۔ ٹیکس کلکیشن میں 30% اضافے سے ریونیو میں بھی 18% اضافہ ہوا۔ تاہم اخراجات میں اضافی موجودہ اور ترقیاتی لاگت کے سبب 19% اضافے سے ان کا اثر زائل ہو گیا۔ نتیجتاً بنیادی سرپلس جس میں منافع کی ادائیگی شامل نہیں، گزشتہ برس کی سطح سے تیزی سے گر کر محض GDP کا 0.1% رہ گیا۔

یہ سال ایکویٹی مارکیٹس کے لیے ملا جلا رہا جس میں مارکیٹ زیادہ تر حد کی پابند رہی۔ COVID-19 کی لہر کی بار بار آمد، معاشی اقتصادی اشاریے میں بگاڑ، روپے کی قدر میں کمی اور بڑھتی ہوئی غیر یقینی سیاسی صورتحال جذبات سرد کرنے کا سبب بنے۔ نومبر 21 کے آخر میں ایئر لائننگ ٹریفک مارکیٹس میں MSCI کی دوبارہ درجہ بندی سے، سال 21 کی چوتھی سہ ماہی میں خصوصاً ایکویٹی مارکیٹ حساسیت کا شکار رہی، جس کے نتیجے میں بیرون ملک بھاری فروخت ہوئی۔ صرف آخری دن میں ہی 58 ملین امریکی ڈالر کی خالص بیرون ملک فروخت ہوئی، جو پوری سہ ماہی کے بیرونی بہاؤ کا ایک تہائی سے زائد ہے۔ اس طرح PSX انڈیکس دسمبر 20 کے مقابلے میں 1.9% معمولی بحال ہوا۔

SBP نے افراط زر پر قابو پانے کے لیے متعدد اقدامات کیے: اس نے مالیاتی پالیسی کو تیزی سے چُست کیا، جس سے پالیسی کی شرح ستمبر 21 سے 9.75% تک یعنی مجموعی طور پر 275bps تک بڑھی۔ بینک کے ذخائر کی شرائط میں اضافے؛ صارفین کے مالیاتی ضوابط کی سختی اور زائد مارجن کی شرائط کے ذریعے درآمدات میں کمی کی۔ مارکیٹ کی صورت حال کے لیے فوری تیار رہنے کے لیے SBP نے سالانہ مانیٹری پالیسی کے اعلانات میں بھی اضافہ کیا ہے۔ اپنی جنوری 21 کی میٹنگ میں، SBP نے غور کیا کہ مالیاتی اور زری اقدامات طلب کا دباؤ کامیابی سے معتدل کر رہے ہیں اور دسمبر 21 کی ہدایات کے مطابق شرح بھی حسب سابق برقرار رکھ رہے ہیں۔ بیان میں بتایا گیا کہ پالیسی کا مقصد ترقی کی رفتار کی یقینی پائیداری تھا اور کسی بھی اچانک سختی کے خاتمے کے اشارے کے طور پر کہا گیا کہ موجودہ حقیقی شرح سود موزوں اور آئندہ تبدیلیاں مناسب ہوں گی۔ سست روسال 2020 کے بعد، صنعتی قرضہ جات نے 2021 میں رفتار پکڑی جن میں 20% اضافہ ہوا جب کہ دو ماہی نمو کے مطابق، مارکیٹ ڈپازٹس میں 17% اضافہ ہوا۔ صنعتی اسپرڈ 2021 کے دوران 79 بی پی اےس سے کم ہوئے، مگر 2022 میں دوبارہ بحالی کی توقع ہے کیونکہ اضافی شرح کا بہاؤ اثاثہ جات کی بیلنس شیٹس کی جانب اپنے اثرات ڈالے گا۔

مالیاتی کارکردگی

2021 میں HBL نے ریکارڈ قبل از محصول منافع 62.0 ارب روپے دیا ہے، جو 2020 میں رپورٹ کیے گئے 53.0 ارب روپے سے 17% زیادہ ہے، جو اس کے متنوع کاروباری شعبوں میں مضبوط کارکردگی کو نمایاں کرتا ہے۔ بعد از ٹیکس منافع 2020 میں 30.9 ارب روپے سے بڑھ کر 2021 میں 35.5 ارب روپے ہو کر اب تک کی بلند ترین سطح پر پہنچ گیا۔ فی شیئر آمدنی 2020 میں 21.6 روپے سے بڑھ کر 2021 میں 23.88 روپے ہو گئی۔

(3,360)	(3,841)
(1,834)	(4,401)
(1,834)	(2,567)
—	(2,567)
—	(2,567)
(7,028)	(15,943)
138,208	158,441
21.06	23.88

مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ
نقد منافع منقسمہ - حقیقی
پہلا نقد عبوری منافع منقسمہ
دوسرا نقد عبوری منافع منقسمہ
تیسرا نقد عبوری منافع منقسمہ
مجموعی مناسب کارروائیاں
اختتامی غیر تخصیص شدہ منافع

فی حصص (شیر) آمدنی (روپے)

سرمائے کا تناسب

2020 مضبوط نتائج کے ساتھ اندرونی سرمائے کی پیداوار میں 11% اضافہ ہوا۔ کریڈٹ رسک ویڈیو اثاثہ جات 27% بڑھے جبکہ ملکی اور بین الاقوامی کاروباروں میں قرض میں اضافے کے ساتھ روپے کی قدر میں کمی کے نتیجے میں CAR پر 54bps اثرات مرتب ہوئے۔ HBL کا مجموعی Tier I CAR کم ہو کر 12.3% ہو گیا جبکہ کل CAR دسمبر 2020 کے مقابلے میں 17.2% سے کم ہو کر دسمبر 2021 میں 15.6% ہو گیا۔ دونوں تناسب موجودہ ریگولیٹری تقاضوں سے آرا مدہ سطح تک اوپر رہے۔

دسمبر 2020 میں بینک نے اپنے Tier 2 کے ماتحت قرضوں TFCs پر کال آپشن کی مشق کی جو 19 فروری 2021 تک مکمل بازیاب ہو گئے۔

کاروباری ترقی

2021 میں HBL نے اپنے شاخوں کے نیٹ ورک کے ذریعے 9 لاکھ سے زائد نئے صارفین کے اضافے سے اپنا 14% سے زائد ڈپازٹ مارکیٹ کا شیئر برقرار رکھا۔ اس میں HBL آسان اکاؤنٹ کے ایک لاکھ سے زائد نئے صارفین شامل تھے جو بینک اکاؤنٹ نہ رکھنے والی آبادی کے لیے ایک کلیدی پراڈکٹ ہے۔ اس وقت بینک کے 15 ارب روپے کی مجموعی جمع شدہ رقم کے ساتھ ایک ملین سے زائد آسان اکاؤنٹ کسٹمرز ہیں۔

HBL، 3.5 ملین سے زائد خواتین کو خدمات فراہم کرتا ہے۔ ان میں سے 7 لاکھ 50 ہزار خواتین نساء مارکیٹ پروگرام کے تحت شامل ہیں جسے بین الاقوامی طور پر تسلیم کیا گیا ہے۔ 2021 کے دوران ایک مکمل دوبارہ تازہ کیے گئے اور متعلقہ صارفین کے لیے پرکشش بنائے گئے پروگرام نے 15.8 ارب روپے کے ڈپازٹ کے حجم سے ایک لاکھ 10 ہزار نئے اکاؤنٹس کا اضافہ کیا۔ نساء نے پروگرام کے مالی خواندگی کے ایجنڈے کے فروغ کے لیے ایک منفرد ڈول کٹ متعارف کروائی اور ملک بھر میں خواتین کی خدمات تسلیم اور ان کی نمائش کے لیے ایک باقاعدہ قدر شناسی پروگرام کا آغاز کیا۔ نساء پلیٹ فارم بینک کا ایک بڑا اقدام ہے جو خواتین کی بڑھتی ہوئی تعداد بینکنگ کی طرف لانے میں معاونت فراہم کر رہا ہے۔

روشن ڈیجیٹل اکاؤنٹ RDA حکومت اور SBP کی جانب سے 2020 میں ایک مشترکہ اقدام کے طور پر متعارف کروایا گیا تھا۔ اس اقدام کا مقصد پاکستان میں بینکنگ، ادائیگی اور سرمایہ کاری کی سرگرمیوں کی جانب غیر متقیم پاکستانیوں کو راغب کرنا تھا۔ اس اقدام کو بھرپور پذیرائی ملی اور اب یہ اختراعی اور باسہولت بینکنگ خدمات کی فراہمی کے ذریعے ایک مکمل لائف اسٹائل پراڈکٹ میں تبدیل ہو چکی ہے۔ HBL کے قومی ایجنڈے کے طور پر بینک نے RDA کی تیاری اور اسے متعارف کروانے میں قائدانہ کردار ادا کیا۔ RDA، HBL کو امداد دینے والے سب سے بڑے اداروں میں شامل ہے اور اس کا اندازہ اس بات سے لگایا جاسکتا ہے کہ اس کے ذریعے 0.5 ارب امریکی ڈالر ملک میں آئے اور RDA اکاؤنٹس میں اس کا نمایاں حصہ 20% ہے۔

ہائی نیٹ ورک تھ کلائنٹ اسٹریٹیجی HBL پر سٹیج میں تبدیل ہوئی جس میں دولت مند افراد کی منفرد ضروریات سمجھنے، پیشکشوں کی تیاری اور فرمائشی خدمات پر توجہ دی جاتی ہے۔ پر سٹیج اپنے سرگرم پورٹ فولیو منیجرز کے ذریعے بہت زیادہ ذاتی اور غیر معمولی تجربہ فراہم کرتا ہے جو اپنے صارفین کو ان کی ضروریات کی تکمیل کے لیے سہولت فراہم کرتے ہیں۔ پر سٹیج کلائنٹس کو منفرد اقسام کے تجربات و مشاہدات اور خدمات تک رسائی حاصل ہے جن میں پاکستان کا پہلا ورلڈ ایلٹیٹ ڈیٹ کارڈ، اسٹیٹ آف دی آرٹ لاؤنجر اور ڈیجیٹل لاکر شامل ہیں۔ اس وقت HBL کے 24 پوائنٹس ہیں جنہیں 2022 میں 50 تک بڑھانے کا عزم کیا گیا ہے تاکہ پاکستان کے مختلف شہروں میں یہ سہولت فراہم کی جا سکے۔

HBL اپنے ڈیجیٹل موجودگی میں اضافے کے ذریعے بینکاری کو آسان بناتے ہوئے خدمات فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ 2021 کے دوران HBL نے ٹیمبلٹس استعمال کرتے ہوئے ڈیجیٹل اکاؤنٹ کھولنے کی سہولت فراہم کی۔ اس کے ذریعے بینک کو صارفین کے گھروں میں جاکر بینک اکاؤنٹس کھولانے کی استعداد حاصل ہوئی۔ حال ہی میں SBP کے اقدام کے تحت سیلف سروس آن بورڈنگ کا آغاز کیا گیا جس کا مقصد صارفین کو ان کی سہولت کے مطابق HBL کی ویب سائٹ کے ذریعے اپنے اکاؤنٹ کھولنے

HBL نے 2021 میں اپنے کاروبار میں کئی سنگ میل عبور کیے اس لیے یہ بینک کے لیے ایک غیر معمولی سال رہا۔ بینک کی بیلنس شیٹ 12% اضافے سے 4.3 کھرب روپے ہو گئی۔ یہ قومی اور بین الاقوامی دونوں سطح پر کاروبار میں مستحکم ڈپازٹ کے استعمال کے نتیجے میں حاصل ہوا، جس میں کل ڈپازٹس 19% بڑھ کر 3.4 کھرب روپے ہو گئے۔ بینک کے ملکی ڈپازٹس 480 ارب روپے سے بڑھ کر 3.0 کھرب روپے پر پہنچ گئے، جس نے مارکیٹ شیئر 14.14% تک بڑھا دیا۔ دسمبر 2021 میں HBL ملکی کرنٹ اکاؤنٹس میں 1 کھرب روپے کا لینڈ مارک پانے والا پاکستان کا پہلا بینک بن گیا۔ کل کرنٹ اکاؤنٹس 18% اضافے سے تقریباً 1.2 کھرب روپے ہو گئے۔

HBL کا بنیادی مقصد وسیع پیمانے پر محتاط طرز پر کریڈٹ کی توسیع کے ذریعے اپنے کلائنٹس اور اصل معیشت کی مدد ہے۔ ملکی قرضہ جات 20% بڑھ کر 1.2 کھرب روپے سے زائد ہو گئے۔ یہ نمو تمام تر کاروباری شعبہ جات میں رہی۔ بینک کے دیہی قرضہ جات کا پورٹ فولیو 40 ارب روپے سے اب تک کی بلند ترین سطح پر پہنچ گیا؛ ہاؤسنگ اور کنسٹرکشن فنانسنگ 41% بڑھ کر 42 ارب روپے جبکہ مائیکرو فنانسنگ 37% اضافے سے 57 ارب روپے ہو گئی۔ تاہم نقصانات صنعت کے معیار سے کم رہے۔ دسمبر 2021 میں صارفی قرض رکاوٹیں عبور کرتے ہوئے، 100 ارب روپے سے تجاوز کر گیا۔ HBL کے کل قرضہ جات 23% بڑھ کر 1.5 کھرب روپے سے زائد ہو گئے۔ دسمبر 2021 میں ADR بہتری کے ساتھ 43.2% سے بڑھ کر 44.6% ہو گیا۔

اسپیڈ کے شدید دباؤ کے باوجود، بیلنس شیٹ کی مستحکم توسیع نے HBL کو خالص منافع آمدن 131 ارب روپے تک بڑھانے میں مدد دی۔ بینک کی نان فنڈ آمدن 2020 کے مقابلے میں 19% بڑھ کر 36 ارب روپے ہو گئی۔ سرمایہ جاتی حاصلات نکال کر، اس میں 50% اضافہ ہوا ہے۔ بینک نے فیس کی آمدن میں اپنی قائدانہ حیثیت وسیع کی، جس سے 35% زبردست نمو 25 ارب روپے تک پہنچ گئی۔ بیشتر کاروباروں میں نظر آنے والی نمود و ہرے ہند سے میں رہی جس میں فلیگ شپ کارڈز کا حصہ 50% سے زائد رہا۔ تجارت پر مسلسل توجہ مرکوز رکھنے کے نتیجے میں حجم بڑھ کر 17.0 ارب امریکی ڈالر ہو گیا جبکہ فیس 28% اضافے سے 4.1 ارب روپے پر پہنچ گئی۔ ٹریڈری سے منسلک سرگرمیوں سے آمدن (سرمایہ جاتی حاصلات نکال کر) چار گنا سے زائد بڑھ کر 6.1 ارب روپے ہو گئی۔ نتیجتاً HBL نے بھی 2021 میں 168 ارب روپے کی ریکارڈ آمدن کی۔

HBL اپنے لوگوں سمیت ڈیجیٹل انفراسٹرکچر اور منفرد و متنوع کسٹمر سلوشنز کی فراہمی میں مسلسل سرمایہ کاری کر رہا ہے۔ HBL اپنے معاشرے کی خدمت کے عہد پر قائم ہے جہاں یہ کام کرتا ہے اور اس عزم کا مظاہرہ انڈسٹری کی پہلی ویکی نیشن مہم، ایک دہائی سے کرکٹ کے فروغ میں معاونت اور فن وثقافت کی ترویج کے لیے دیگر تقریبات کے انعقاد سے کرتا آ رہا ہے۔ کل انتظامی اخراجات کی نمو 2021 میں 2% رہی، جس سے لاگت / آمدن کا تناسب 2020 کے 58.5% سے کم ہو کر 2021 میں 57.1% رہ گیا۔

بینک کے کل پرووٹن 2020 کے مقابلے میں 34% کم ہوئے جس میں 6.4 ارب روپے کا عمومی پرووٹن شامل ہے۔ 2021 میں بنیادی طور پر انڈسٹری کے مسائل پر مبنی کریڈٹس کے باعث مخصوص چارج لگے۔ بینک کے نان پر فارمنگ قرضوں میں دسمبر 2020 کی نسبت 1.2 ارب روپے کمی آئی، جس میں ملکی اور بین الاقوامی کاروباروں میں بھی کمی واقع ہوئی۔ انفلکشن کا تناسب دسمبر 2020 میں 6.3% سے بہتری کے ساتھ دسمبر 2021 میں تاریخی کم ترین سطح 5.1% پر آ گیا۔ مخصوص کوریج بھی دسمبر 2021 میں 90% سے زائد ہو کر کل کوریج 100% سے زائد پر برقرار رہی۔

ذخائر میں اتار چڑھاؤ

2020	2021
ملین روپے	
30,913	35,507
114,550	138,208
30,892	35,022
(109)	-
(149)	208
-	749
51	197
30,686	36,176
145,236	174,384

بعد از محصول منافع

افتتاحی غیر تخصیص شدہ منافع

بینک ایکویٹی کے حامل افراد کے لیے قابل ادائیگی منافع لیکویڈیشن کے تحت سبسڈری پر (محفوظ) / شناخت کردہ موخر ٹیکس اثاثہ جات وضاحت شدہ منفعت کی ذمہ داریوں پر (نقصان) / منافع کی دوبارہ پیمائش - محصول کا خالص عمومی ذخائر سے منتقل شدہ اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ - محصول کا خالص

مناسب کارروائی کے لیے دستیاب منافع

اپنی تمام خدمات کے حوالے سے HBL کا مقصد اپنے کاروباری صارفین اور ان کے ملازمین کو ایک ونڈو سلوشن فراہم کرنا ہے۔ 2021 میں تجارتی مصنوعات، خدمات اور ڈیجیٹل پورے توجہ دینے کے نتیجے میں بینک کے مارکیٹ شیئر میں اضافہ ہوا اور اب HBL کو ملک کے بڑے تجارتی فنانس بینکوں میں سے ایک تسلیم کیا جاتا ہے۔ ایشیا کے کاروبار میں مضبوط نفوذ اور صارفین کی منفرد ضروریات پوری کرنے کے لیے تجارت کی مالی سہولت پر توجہ بڑھنے سے تجارتی حصے میں متاثر کن اضافہ ہوا جو SME اسپیکٹرم کے گراں قدر صارفین کا بھی خیال رکھتا ہے۔

HBL نے کیش مینجمنٹ اور ملازمین کی بینکاری دونوں میں اپنی پوزیشن برقرار رکھی۔ کیش مینجمنٹ میں 58% اضافہ ہوا اور یہ تقریباً 8 کھرب روپے کے ریکارڈ حجم تک پہنچ گیا۔ HBL کو ایشیا بینکنگ اور فنانس کی جانب سے بیسٹ ڈومیسٹک کیش مینجمنٹ بینک کا ایوارڈ دیا گیا اور پاکستان مارکیٹ لیڈر اور بہترین خدمات کے لیے ہونے والے Asiamoney's Cash Management Poll 2021 میں پہلے نمبر پر آیا۔ یہاں اطمینان بخش بات یہ ہے کہ دونوں ایوارڈز صارفین کی جانب سے دیے گئے ووٹوں کی مدد سے جیتے گئے جو HBL کی صارفین سے بڑھتی رسائی کی توثیق ہے۔

HBL پے بزنس کو، جو کاروباری افراد کے لیے مکمل ڈیجیٹل لین دین کا حامل بینکنگ پلیٹ فارم ہے، پاکستان میں 2020 میں متعارف کروایا گیا اور اب تک یہ 6 بین الاقوامی مقامات پر متعارف کروایا جا چکا ہے۔ اس پلیٹ فارم کا مقصد سنگل سائن آن کے ذریعے کارپوریٹ سیکٹرز کو ادائیگی کی تمام خدمات فراہم کرنا ہے۔ پاکستان میں اسی پلیٹ فارم کے ذریعے ڈیجیٹل ادائیگیاں دگنی سے زائد ہو گئیں۔ اس کا اندازہ اس بات سے لگایا جاسکتا ہے کہ 3.4 کھرب روپے کی 29 ملین ٹرانزیکشنز ہوئیں۔

2021 کے دوران HBL کے صارفین کی منفرد ضروریات پوری کرنے کے قابل ٹیم کی مدد سے مختلف اقسام کی انڈسٹریز میں موجود اپنے صارفین کو اختراعی سرمایہ کاری بینکاری کی سہولت فراہم کرنے کا سلسلہ جاری رکھا۔ اس کے نتیجے میں HBL کو کئی بین الاقوامی ایوارڈ ملے جن میں بیسٹ انویسٹمنٹ بینک ان پاکستان، ایکویٹی ٹرانزیکشن آف دی ایئر پر اجیکٹ فنانس ٹرانزیکشن آف دی ایئر جیسے ایوارڈز شامل ہیں۔

اپنے عالمی ہم عصروں سے مضبوط شراکت داری کی وجہ سے HBL کو سرحد پار لین دین کے لیے پسندیدہ بینک بننے میں مدد ملی۔ HBL نے کامیابی کے ساتھ انویسٹمنٹ بینکنگ کے سنگ میل طے کیے۔ ان میں قابل ذکر ٹرانزیکشن سب سے بڑے مقامی کاروباری رائٹس ایٹو کے لیے ایڈوائزری اور انڈر رائٹنگ ہے۔ علاوہ ازیں ایک بڑے سرکاری شعبے کی یوٹیلیٹی کے لیے پہلی مرتبہ 500 ملین ڈالر کے یوروبانڈز کے لیے شریک میجر بننا ہے۔ یہ پاکستان کے لیے بھی پہلا گرین بانڈ تھا اور ان سرمایہ کاروں کے لیے ماڈل ٹرانزیکشن ہوگی جو اس مارکیٹ میں ممکنہ مواقع پر نظر رکھے ہوئے ہیں۔ ماحول کے حوالے سے HBL کی وابستگی اور قابل تجدید توانائی پر توجہ کے نتیجے میں بینک نے کثیر الجہتی اداروں سے روابط بڑھائے ہیں اور برطانیہ سے CDC گروپ سے 100MW کے شمسی توانائی کے منصوبے میں شراکت داری کی ہے۔ علاوہ ازیں پبلک پرائیویٹ پارٹنرشپ کے تحت بینک کے مضبوط انفراسٹرکچر کے پراجیکٹس زیر عمل ہیں۔

HBL کے ایسے کئی اقدامات ہیں جن سے اس کے ماحولیاتی، سماجی اور انتظامی (ESG) معاملات کے ایک حکمت عملی کے مسئلے کے طور پر قبول کرنے کا پتہ چلتا ہے۔ پاکستان کے ایک سب سے بڑے مالیاتی ادارے کے طور پر ہم اس بات کو یقینی بنانے کے لیے پرعزم ہیں کہ ہمارے کاروبار میں موسم سے جڑے خطرات اور مواقع کی باقاعدگی سے نگرانی کی جائے اور ہم موسمیاتی تبدیلی کے اپنے کاروبار اور مالی نتائج پر اثرات کا تجربہ جاری رکھیں گے۔

HBL نے موسمیاتی تبدیلی پر قابو پانے کے لیے رجحان ساز اقدامات کے ذریعے 2021 میں مارکیٹ کے رائج اصولوں کو چیلنج کرنے کا سلسلہ جاری رکھا۔ 2020 میں HBL نے اعلان کیا کہ وہ کونسل کے لیے نئی فنانسنگ کو بند کر دے گا۔ 2021 میں HBL نے اس سلسلے کو توسیع دیتے ہوئے ایسی انڈسٹریز کو بھی اس میں شامل کر لیا جو درختوں کی کٹائی میں ملوث تھیں۔ اس اقدام کا مقصد یہ تھا کہ اپنے پورٹ فولیو میں سے مزید منفی ESG رکھنے والی انڈسٹریز کو نکال دیا جائے۔ سال کے دوران HBL نے گرین ٹیکسٹائل کے ذریعے اپنی مصنوعات اور خدمات کے لیے گرین اینالیٹکس متعارف کروانے کی خاطر بندوبست کرنا شروع کیا۔ یہ HBL کی سرگرمیوں میں شفافیت فراہم کرے گا اور ساتھ ہی ایسے سرمایہ کاروں کی رہنمائی بھی کرے گا کہ جو ماحولیاتی طور پر حساس فیصلوں پر توجہ مرکوز رکھے ہوئے ہیں۔

HBL ماحولیاتی اور سماجی خطرات میں کمی کی استعداد میں استحکام کے لیے IFC کے ساتھ مصروف عمل ہے۔ WWF پاکستان کے ساتھ شراکت داری کے ذریعے HBL اور WWF ایک دیرپا سہمتی، زرعی اور ساحلی ماحول تیار کریں گے۔ HBL قابل تجدید توانائی کے منصوبوں کے حوالے سے SBP کی سہولت استعمال کرنے کے اعتبار سے صف اول میں ہے اور 2021 میں اس نے کاروباری ضروریات کے لیے دیرپا توانائی کے استعمال کی حوصلہ افزائی کے لیے 5.5 ارب روپے ادا کیے۔

بینک نے اپنی انتظامات کے ماحول پر اثرات کم کرنے کے لیے کئی مقامات پر سولر پینلز نصب کیے گئے ہیں جس کی وجہ سے HBL کے کاربن فٹ پرنٹ میں 220 میٹرک ٹن کمی واقع ہوئی۔ HBL کے مائیکرو فنانس بینک کے گلگت میں نئے ریجنل ہیڈ کوارٹرز نے EDGE اور LEED سرٹیفیکیشن حاصل کی۔ دوا علی درجے کے ایوارڈز کے ذریعے HBL کی حفاظت اور صحت کے لیے خدمات کو تسلیم کیا گیا۔ ان میں نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ کی جانب سے انوائرنمنٹل ایکی لینس ایوارڈ اور فائر پروٹیکشن ایسوسی ایشن آف پاکستان کی جانب سے دیا گیا ایک فائر سیفٹی ایوارڈ شامل ہے۔

HBL ٹریڈری نے 2021 میں اپنے صارفین سے رابطے کے لیے تین شہروں میں ”گلوبل مارکیٹس آؤٹ لک“ سیمینارز کے ایک سلسلے کا آغاز کیا۔ ان سیمینارز میں صارفین کو مارکیٹ کے موجودہ اور مستقبل کے رجحانات کے بارے میں آگہی دی گئی۔ مارکیٹ سے متعلق بروقت معلومات کی صارفین کی ضرورت کے جواب میں مارکیٹ میں رونما ہونے والے واقعات سے ان کو باخبر رکھنے کے لیے ایک مختصر ویڈیو پاپ ڈسٹ ”HBL مارکیٹ انسائٹ“ کا آغاز کیا گیا اور اسے سوشل میڈیا اور ای میل کی مدد سے صارفین اور دوسرے اسٹیک ہولڈرز تک پھیلا یا گیا۔ HBL انیٹینیٹی کو، جو بینک کا منفرد ایف ایکس پورٹل ہے، صارف کی فعالیت میں اضافے اور بڑے پیمانے پر صارفین کی HBL تک

کی اجازت دینا ہے۔ 200 شاخوں میں LED اسکرینز نصب کی گئیں تاکہ صارفین اضافی قدر والی خدمات کے بارے میں آگہی حاصل کر سکیں۔ 2021 میں HBL کی پہلی ڈرائیو تھر ATM کراچی میں اس مقصد کے تحت لگائی گئی کہ 2022 میں ملک بھر میں ایسی 15 ATMs لگائی جائیں گی۔

HBL نے اپنے پورٹ فولیو میں 20% اضافے سے، جو ریکارڈ 40 ارب روپے تک جا پہنچا، کسانوں کے لیے سرمائے کی فراہمی میں اپنے نمایاں کردار کو مزید تقویت دی۔ بینک کا دوسرے تجارتی بینکوں کے درمیان مارکیٹ شیئر 34 فیصد ہے۔ زرعی معیشت کے لیے ڈیری سیلٹر کی اہمیت کے پیش نظر بینک نے ڈیری فنانسنگ کو دوبارہ متعارف کروایا اور پہلے سال 900 سے زائد ڈیری فارمرز تک رسائی حاصل کرتے ہوئے 1.5 ارب روپے کی سرمایہ کاری کا اندراج کیا۔ HBL نے ایک ارب سے زائد روپے ایسے صارفین کو ادائیگے جنہوں نے دیہی معیشت کو اضافی قدر والی خدمات فراہم کیں جن میں بیج کی پروسسنگ اور کولڈ اسٹوریج شامل ہیں۔ کسانوں کی مدد اور موسم سے جڑے خطرات کم کرنے کے لیے HBL نے انشورنس اداروں کے ساتھ مل کر گندم، دھان کے کسانوں کے لیے ایک ایریا سیلڈ انڈیکس انشورنس پروگرام آزمائشی طور پر متعارف کروایا۔ یہ ایسی صورت میں کسانوں کو انشورنس فراہم کرتا ہے کہ جب غیر متوقع موسمی حالات کی وجہ سے ان کی فصل کی پیداوار کم ہو جائے۔

HBL نے کسان کی سہولت کے ذرائع کے طور پر ڈیجیٹائزیشن پر توجہ دیتے ہوئے ایگری کلچر ایکو سسٹم کی تیاری میں اہم کردار ادا کیا۔ 2020 میں HBL نے نعت کو لیٹرل مینجمنٹ کمپنی میں سرمایہ کاری کی جو گوداموں کی بین الاقوامی معیارات کے مطابق منظوری دیتی ہے اور ذخیرہ شدہ فصلوں کے بدلے الیکٹرانک ویئر ہاؤس ریسیدز (EWRs) جاری کرتی ہے۔ HBL، 2021 میں وہ پہلا بینک بنا جس نے دھان، مکئی اور چاول کے بدلے 400 ملین روپے کی منظوری دیتے ہوئے EWRs کو فنڈز دیے۔ مجموعی ریکارڈ نکالنے کے عمل میں 60% سے زائد کے ساتھ HBL پنجاب لینڈ ریکارڈ اتھارٹی کے پورٹل کا سب سے زیادہ سرگرم صارف رہا۔ یہ پورٹل کسانوں کو متوازی دستاویزات بندی، ریونیو دستاویزات کی بحالی اور کمپیوٹرائزڈ ریکارڈز کے ذریعے رہن رکھنے کے لیے ایک مرحلے کی سہولت فراہم کرتا ہے۔

HBL ”کسان کی آواز“ نامی فلیگ شپ انٹر ایکٹو فیڈبیک پلیٹ فارم نے کسانوں کے لیے سال بھر وچولی اختراعی مصنوعات، غیر جانبدار دیہی معیشت سے متعلق مشورے اور مالی خواندگی کے سیشن کے ذریعے خدمات فراہم کرنے کا سلسلہ جاری رکھا۔ اس کی مدد سے بینک کو کسان برادری اور اس کی مخصوص بینکنگ کی ضروریات سمجھنے میں مدد ملی۔

HBL کے فارم ٹوپروسیس پائلٹس 2021 کے دوران کامیابی سے پھیلے اور اس قسم کی فنانسنگ 2020 کی 444 ایکڑ کے مقابلے میں 2021 میں 18000 ایکڑ تک پہنچ گئی۔ مزید مربوط ایگری کلچر ایکو سسٹم کے لیے HBL ان پٹ سپلائرز، میکائنائزیشن وینڈرز اور بڑی مقدار میں خریداری کرنے والوں کے ساتھ شراکت کرتا ہے جو کسانوں کو ان کی دہلیز پر ان پٹس فراہم کرتے ہیں۔ اس عمل کے نتیجے میں گنجائش اور فصل کی پیداوار میں اضافہ ہوتا ہے۔ HBL کی بنیادی تبدیلی کی قیادت چالیس سے زائد ماہرین کاشتکاری اور فیلڈ افسران کرتے ہیں جو کسانوں کو بہترین رہنمائی فراہم کرتے ہیں۔ زرعی سرگرمیوں سے دوری کا وقت کم کرنے کے لیے HBL پے کے ذریعے ڈیجیٹل فارمز آن بورڈنگ سسٹم متعارف کروایا گیا ہے۔ HBL کے توسط سے چھوٹی لیز رکھنے والے کسانوں نے اوسط مکئی کی پیداوار میں 22% اضافہ حاصل کیا جب کہ ان کی خالص آمدنی میں 116% اضافہ ہوا۔ ان نتائج کی آزادانہ طور پر پرنسٹن یونیورسٹی کے ڈیولپمنٹ ماہرین اقتصادیات نے توثیق کی اور اس کا بینک اور کسانوں دونوں پر دگنا اثر ہوا۔

HBL کے کنیز یومر بینکنگ بزنس کے لیے یہ ایک اور اہم سال ثابت ہوا۔ 2021 میں مجموعی صارفین کے قرض دینے کے عمل میں 31% اضافہ ہوا اور اس نے 100 ارب کا سنگ میل عبور کیا۔ دو برسوں میں HBL آٹو فنانسنگ میں پانچویں پوزیشن سے انڈسٹری کی قیادت پر پہنچ گیا۔ HBL کا 6.2 ملین ڈیپٹ کارڈز کے ساتھ مارکیٹ میں سب سے زیادہ شیئر 21% ہے جس پر 2021 میں خرچ کے حجم میں 64% یعنی 77 ارب روپے اضافہ ہوا۔ کریڈٹ کارڈز کے ذریعے خرچ میں 63% تک یعنی 113 ارب روپے اضافہ ہوا۔ مجموعی اخراجات کا 25% کارڈز پر ہونے سے پتہ چلتا ہے کہ ڈیجیٹل ادائیگیوں کے شیئر میں اضافہ ہو رہا ہے۔ مرچنٹ ایکوائٹنگ بزنس نے اپنا POS نیٹ ورک 39 ہزار سے زائد مشینوں تک بڑھایا جو انڈسٹری میں سب سے زیادہ ہے۔ HBL کے ٹرمینلز میں 53% یعنی 180 ارب روپے تک اضافہ ہوا جو ملک کی کل فروخت کے حجم کے ایک تہائی سے زائد ہے۔ ریڈی کیشن پراڈکٹ کے 2021 کی آخری سہ ماہی میں متعارف کروائے جانے سے افراد کو ان کی قلیل المیعد مالی ضروریات پوری کرنے کی پیشکش کر کے غیر محفوظ پراڈکٹ سویٹ مکمل کیا گیا۔

صارفی کاروبار میں 2020 میں ڈیجیٹل اقدامات کو حرکت ملی، بینک کے ڈیجیٹل لینڈنگ پلیٹ فارم نے 31% نئے کریڈٹ کارڈز اور 20% نئے ذاتی قرضہ جات سے، جو HBL موبائل ایپ سے درج کیے گئے، تجدید شدہ منافع کا تجزیہ کیا۔ یہ پراڈکٹ صارفین کو برانچ میں آئے بغیر ہموار، بے کاغذ اور بروقت ڈیجیٹل مشاہدہ فراہم کرتی ہے۔ ”ٹیپ اینڈ پے اپ“ سسٹم، ”کو متعارف اور 10 ہزار POS ٹرمینلز پر فعال کیا گیا جس سے صارفین مشین پر اپنا کارڈ ٹیپ کر کے یا ہلکی سی دستک دے کر ادائیگی کر سکتے ہیں۔ اس کا آغاز HBL پے برانڈ کے تحت کریڈٹ کارڈز کے لیے ٹوکنائزیشن فیچر متعارف کروائے جانے کے بعد کیا گیا۔ اب صارفین POS مشین پر اپنا فون ٹیپ کر کے یا ہلکی سی دستک دے کر ادائیگی کر سکتے ہیں۔

2021 میں پاکستان بینکنگ ایوارڈ کی جانب سے مسلسل تیسرے سال HBL کو ”چھوٹے اور درمیانے درجے کے کاروبار کے لیے بہترین بینک“ قرار دیا گیا۔ نئی قیادت کے تحت کاروبار کو دوبارہ زندگی ملی اور 2021 میں قرضوں میں 17% تقریباً 74 ارب روپے اضافہ ہوا اور 3 ہزار سے زائد نئے صارفین کا اضافہ کیا گیا۔ یہ بینک SBP کے تحت چلنے والی اسکیمز میں ایک سرگرم شریک ہے اور کامیاب جوان اسکیم کے تحت 3 ارب سے زائد روپے ادا کر چکا ہے۔ HBL نے SBP کے ایک ونگ SME آسان فنانسنگ (SAAF) کے تحت ایک متوازی فری فنانسنگ متعارف کروائی ہے۔ اس اسکیم سے SME کو فروغ ملے گا۔

HBL تیزی سے بڑھتی ہوئی اسلامک بینکنگ میں بھی ایک با معنی کردار ادا کرنے کی خواہش رکھتا ہے۔ اس مقصد کے لیے ایک بڑی سطح پر موجودگی کی ضرورت ہوتی ہے اور 2021 میں اسلامی ونڈوز کو برانچز میں تبدیل کرنے کے وسیع پراجیکٹ کے بعد اسلامک برانچز کا نیٹ ورک 62 سے بڑھ کر 259 ہو گیا۔ اسلامی فنانسنگ میں 266 ارب روپے کا اضافہ ہوا اور ڈپازٹ 35% اضافے کے ساتھ 347 ارب تک پہنچ گئے۔ تجارت پر توجہ دینے کی وجہ سے حجم دگنے سے زائد ہو کر 826 ملین امریکی ڈالر تک پہنچ گیا۔

کاروباروں تک پھیلانے کی توقع ہے۔

بینک خود کو اپنے عالمی صارفین کے مطابق بنانے اور دیرپا منافع کے لیے اپنے بین الاقوامی کاروبار کی نئی صورت گری کر رہا ہے۔ سال کے دوران کسٹمر کی سرگرمی مستحکم رہی جس میں 2020 کے مقابلے میں دگنے کسٹمر آن بورڈ ہوئے اور HBL ان کی تجارت، کیش اور ورکنگ کیسٹل کی ضروریات کا انتظام کر رہا ہے۔ پورے نیٹ ورک میں کاروبار کی حرکت کو تقویت ملی اور اس کا نتیجہ بیلنس شیٹس میں ڈپازٹس میں 16% اضافے اور قرضوں میں 24% اضافے کی صورت نظر آیا۔ نیٹ ورک کی ہم آہنگی اور موثر منفعت پر مبنی مارکیٹنگ سے تجارت کے حجم میں 80% تک اضافہ ہوا۔ ڈپازٹس کو متنوع بنانے اور اکاؤنٹس آپریٹنگ کی درخواست دینے پر توجہ دینے سے کرنٹ اکاؤنٹس میں 25% اضافہ ہوا۔

سال کے دوران چینی فرنیچر نے عالمی طور پر HBL کے لیے کاروبار کے مواقع پیدا کرنے کے لیے اپنے کردار میں اضافہ کیا اور 10 ملین امریکی ڈالر سے زائد کے آمدنی کے مواقع پیدا ہوئے۔ عالمی کلائنٹ کے کاروبار میں 2021 میں بڑھوتری ہوئی، مالی اداروں، تجارتی سیگمنٹ اور بڑھتے ہوئے ترسیلات زرنے ایک ایسا پلیٹ فارم مہیا کیا کہ جس کے ذریعے ہدف بنائی گئی راہداریوں میں بین الاقوامی فرنیچر بنانے کا سلسلہ جاری رکھا جائے۔ کئی مارکیٹس میں ڈیجیٹل ایپلی کیشنز متعارف کروائی گئیں جس سے صارف کی رسائی اور خدمات کی فراہمی میں بہتری آئی۔ انفراسٹرکچر، سسٹمز اور رسک، کنٹرول اور تعمیل کے ماحول میں قابل ذکر بہتری آئی اور اس سے آنے والے برسوں میں دیرپا اور منضبط ترقی کو مدد ملے گی۔

HBL کی بیجنگ برانچ نے مارچ 2021 میں آپریشن کا آغاز کیا اور جو چینی ٹرانزیکشنز کے آغاز اور ان کی تکمیل کے لیے ایک مرکزی انجن کا کردار ادا کر رہی ہے۔ HBL نے MENA اور جنوبی ایشیا میں صرف تین بینکوں میں سے ایک کی ایسی منفرد پوزیشن برقرار رکھی ہے جو اورچی اکاؤنٹ کے ذریعے اینڈ ٹو اینڈ RMB مصلحت RMB ٹرانزیکشنز HBL کی تمام CNY ٹرانزیکشنز میں سے 45% سے زائد کو پیش کرتا ہے جو 2020 میں بمشکل 4% تھی۔ HBL کا کامیاب چائنا کوریج ماڈل اب UAE، سری لنکا، بنگلہ دیش اور مالدیپ کا بھی احاطہ کرتا ہے۔ 2021 میں بینک نے خود سے ملحقہ ڈائمنڈ ٹرسٹ بینک کے ساتھ شراکت داری کرتے ہوئے اسے مشرقی افریقہ تک توسیع دی۔ HBL اس وقت متعدد ممالک میں بعض سب سے بڑی چینی انٹرپرائزز کو خدمات فراہم کرتے ہوئے ہمارے خطے کے متعلقہ بینک کے مقصد کو آگے بڑھا رہا ہے۔

جنوری 2022 میں HBL کے ماتحت دی فرسٹ مائیکرو فنانس بینک لمیٹڈ (FMFB) کا نام تبدیل کر کے HBL مائیکرو فنانس بینک (HBLMFB) کر دیا گیا۔ یہ تبدیلی اسے HBL کو تقویت دینے کے قابل بنائے گی۔ ایک ایسا برانڈ جو اپنی اعتبار، استحکام اور مارکیٹ لیڈر شپ کی وجہ سے فوری طور پر پہچانا جانے والا اور تسلیم شدہ ہے۔ 2021 میں COVID-19 کی وجہ سے کاروباری اور اقتصادی ماحول کو درپیش چیلنجز کے باوجود HBLMFB نے تیزی سے ترقی کی۔ بینک نے اپنے قرض کے پورٹ فولیو میں 37% تک اضافہ کر کے اسے 57 ارب روپے کر دیا جس میں سے 74% دیہی علاقوں میں ہے جو بینک اکاؤنٹ نہ رکھنے والوں کی ضروریات کا خیال رکھنے کے مشن کے مطابق ہے۔ مجموعی طور پر تقریباً 4 لاکھ قرضے ادا کیے گئے جن میں سے 30% خواتین کو دیے گئے۔ مستحکم ڈپازٹ کی موبلائزیشن سے لیکوئیٹیڈ بفر پر سکون رہے۔ ڈپازٹ 48% اضافے کے ساتھ 91.4 ارب روپے تک پہنچ گئے جو CASA ڈپازٹس کے نصف سے بھی زائد ہیں۔

2021 میں HBLMFB نے 3 لاکھ 30 ہزار سے زائد موبائل والٹس کھولے۔ HBLMFB کا ان ہاؤس لون اور جنریشن سسٹم ٹیلیٹ پر مشتمل قرضے کی منظوری دینے والا سسٹم ہے جو 48 گھنٹوں کے دوران فیصلہ دیتا ہے۔ اس کا حال ہی میں 127 برانچز میں اطلاق کیا گیا ہے جو صارفین کو سہولت اور خدمات فوراً فراہم کر رہا ہے جب کہ 2022 میں اسے بینک نیٹ ورک کے بڑے حصے تک پھیلا یا جائے گا۔

HBLMFB دوسرے مائیکرو فنانس بینکوں میں سے 70% سے زائد مارکیٹ شیئر کے ساتھ مائیکرو فنانس سیکٹر میں سب سے بڑا ہاؤسنگ فنانس دینے والا بینک ہے۔ علاوہ ازیں یہ حکومت کی مارک اپ سبسڈی اسکیم میں سب سے بڑا شریک ہے۔ اس ضمن میں اس کی سرمایہ کاری 1.5 ارب روپے ہے اور اس شعبے میں اس کی برتری کو متعدد مواقع پر تسلیم کیا گیا ہے۔ HBLMFB مائیکرو فنانس انڈسٹری میں پے پاک ڈیپٹ کارڈ کا سب سے بڑا اجرا کنندہ رہا۔ SBP کے تعاون سے HBLMFB نے کامیابی کے ساتھ G2P فنڈ ٹرانسفر کے لیے راست پلیٹ فارم اور اس کے ساتھ ہی کسٹمر ڈیجیٹل آن بورڈنگ فریم ورک کو نافذ کیا جس سے صارفین کو سہولت کے ساتھ اپنے گھر سے اکاؤنٹ کھولنے کی آزادی ملی۔

HBLAMC نے 2021 میں اپنی بڑھوتری کا سلسلہ جاری رکھا اور 20% اضافے سے ایسیٹس انڈر مینجمنٹ (AUMs) کے تحت 94 ارب روپے سے زائد تک پہنچ گیا۔ کمپنی نے نہ صرف اپنے مارکیٹ شیئر 8.19% سے 8.35% تک بڑھائے بلکہ اس کی ریٹنگ بھی چھپے سے پانچویں ہو گئی۔ HBLAMC نے راولپنڈی اور حیدرآباد میں سرمایہ کاری کے مراکز کھول کر اپنی رسائی کو غیر مستعمل مارکیٹس تک رسائی دی اور ریٹیل سے متعلق حکمت عملی کی پیروی جاری رکھی۔ VIS ریٹنگ ایجنسی نے کمپنی کی موجودہ AM2++ ریٹنگ بڑھا کر مستحکم سے مثبت کر دی۔

اپنے ملک میں ڈیجیٹل فنانسنگ میں شمولیت اور انٹرپرائیزور شپ کے اقدامات کی معاونت کے مقصد کو آگے بڑھاتے ہوئے HBL نے ٹیکنالوجی اسٹارٹ اپس بشمول فن ٹیکس میں سرمایہ کاری کے لیے ایک VC فنڈ قائم کیا۔ 2021 میں VC نے فجا میں، جو SMEs کے لیے ایک ڈیجیٹل لینڈنگ پروگرام ہے اور ایک ڈیجیٹل ہیلتھ کیئر پلیٹ فارم میں سرمایہ کاری کی جس کے نتیجے میں مریضوں کے علاج معالجہ فراہم کرنے والوں تک سفر مزید آسان ہوا اور اس کے معیار میں بہتری آئی۔ VC فنڈ نے ”اختراعی بینکنگ“ کے آغاز میں بھی معاونت کی جس کا ہدف اسٹارٹ اپس جیسے زیادہ ترقی کرنے والے شعبے ہیں اور ان میں VC فنڈز اور فری لانسرز بھی شامل ہیں اور اس کے ساتھ ہی HBL کے ساتھ مختصراً اشتراک کے لیے اسٹارٹ اپس کو مواقع فراہم کیے گئے۔

کال فار ایمر جنسی کے تحت 2021 میں HBL نے ”آگہی“ آؤ فاصلے مٹائیں مہم سے صارف کو مزید سہولتیں دیں۔ اس کے نتیجے میں دو طرفہ تربیتی چینل بنا۔ برانچ ہائی جین سے

رسائی کی فراہمی کے ذریعے بہتر بنایا گیا اور ای ٹریڈنگ کی سہولت میں ایک لیڈر کے طور پر بینک کی پوزیشن کو مستحکم کیا گیا۔ سخت مقابلے کی فضا میں HBL نے کامیابی سے SBP کی رینٹنگ میں نمبر ایک پر انٹری ڈیلر کی پوزیشن دوبارہ حاصل کر لی۔

جسم میں 29% اضافے یعنی 2.7 ارب امریکی ڈالر ہونے کی وجہ سے HBL کا داخلی ترسیلات زر میں مارکیٹ شیئر 2020 میں جو 8.2% تھا، وہ 2021 میں 8.8% تک جا پہنچا جب کہ دسمبر 2021 تک ماہانہ مارکیٹ شیئر دو ہندسوں تک پہنچ گیا۔ HBL نے رقم منتقل کرنے والی نمایاں کمپنیوں سے شراکت، روایتی ترسیلات زر کی مارکیٹ میں گہرے تجارتی بینکنگ نفوذ اور نئی راہداریاں بنا کر اپنے صارفین کی تعداد میں اضافہ کیا۔ ترسیلات زر کے کاروبار کو ڈیجیٹائز کرنے کے لیے متعدد اقدامات کیے گئے اور ان سے نہ صرف رسائی میں اضافہ ہوا بلکہ صارف کا تجربہ بھی بہتر ہوا۔

ڈیجیٹائزیشن اور اختراع کے نتیجے میں HBL کے اپنے صارفین کو بہترین خدمات فراہم کرنے کے عزم کی حوصلہ افزائی ہوئی۔ بینک کا مقصد ہے کہ ڈیٹا پر مشتمل معلومات کی مدد سے درست حاضریں کو سیاق و سباق سے متعلق پراڈکٹس فراہم کی جائیں اور صارف کی ضروریات سے مخلص رہتے ہوئے پہلے بینک اکاؤنٹ نہ رکھنے والی کمیونٹیز تک یہ سلسلہ بڑھایا جائے۔ مجموعی طور پر 2021 میں HBL کے ڈیجیٹل چینل نے ریٹیل صارفین کے لیے 2.3 کھرب روپے سے زائد پروسیس کیے۔

اپنی ”موبائل فرسٹ“ اسٹریٹجی کے مطابق HBL نے متعدد فن ٹیکس اور ای کامرس کے اداروں سے شراکت داری کرتے ہوئے اپنی موبائل ایپ کو بڑھانے اور انضمام کو سادہ بنانے کے لیے APIs بنانے کا سلسلہ جاری رکھا۔ ایپ کے ذریعے مستقل نئی خصوصیات اور شراکت دار متعارف کروا کر HBL نے اپنے صارفین کو بااختیار بنایا۔ 7 لاکھ سے زائد نئے صارفین ایپ پر سائن اپ ہوئے جس سے انٹرنیٹ پر موجود صارفین کی تعداد 2.5 ملین تک پہنچ گئی جو پاکستان میں کسی تجارتی بینک کے لیے سب سے بڑی تعداد ہے اور ان میں سے 60% سے زائد ماہانہ فعال صارف ہیں۔ HBL موبائل بھی 6 بین الاقوامی مقامات پر پھیلا یا گیا۔ 2021 میں HBL موبائل اور انٹرنیٹ بینکنگ کے ذریعے ایک کھرب روپے سے زائد کالین دین ہوا۔

2021 میں HBL ڈیجیٹل نے دو نئے ذرائع سے مکالماتی بینکاری متعارف کروائی: واٹس ایپ اور فیس بک چیٹ میسنجر۔ HBL کے صارفین اب ایپ پر لاگ ان ہوئے بغیر ان مشہور سوشل میڈیا پلیٹ فارمز کی مدد سے اپنی بینکنگ کی بنیادی ضروریات پوری کر سکتے ہیں۔ یہ توقع بھی کی جاتی ہے کہ یہ ذرائع صرف معلومات پر مشتمل ٹریفک کا 20 فیصد کال سینٹر سے دور موڑنے میں مدد کریں گے اور اس طرح زیادہ پیچیدہ لین دین کے لیے گنجائش نکلے گی۔

HBL نے 2021 میں ای کامرس اسپیس کی صورت گری کرتے ہوئے مارکیٹ کی قیادت کا سلسلہ جاری رکھا۔ HBL کا ای کامرس ادائیگیوں کے لیے سہولت HBL پے چیک آؤٹ نے 4.4 ملین ٹرانزیکشنز کے ساتھ زبردست بہتری دکھائی اور 2021 میں کل 28 ارب روپے کالین دین ہوا۔ یہ اعداد و شمار 2020 کے مقابلے میں تقریباً دو گنے ہیں اور یہ نہ صرف صارفین کی تبدیلی ہوتی ترقیات کا پتہ دیتے ہیں بلکہ مارکیٹ کی ضروریات کے پیش نظر HBL کی جوابی کارروائی کا بھی مظہر ہیں۔ 10 سے زائد مقامی بینکوں اور مقامی طور پر چلائے جانے والے ڈیجیٹل والٹز کے صارفین کے لیے کارڈ کے بغیر ای کامرس لین دین بھی آسان بنایا اور اس کے سبب بڑھتے ہوئے تاجر ان نئے صارفین تک پہنچے جو پہلے اس ایکوسیستم میں شامل نہیں تھے۔

HBL پاکستان کا وہ پہلا بینک بن گیا جس نے ویزا کے ساتھ شراکت داری کرتے ہوئے ڈائنامک QR کو ڈائنامک پرموشن پروسیس متعارف کروایا اور جس کا یہ اکیلا حاصل کنندہ رہا۔ یہ نیا ٹرانزیکشن پروسیس ایک ہموار، محفوظ اور سہولت ادائیگی کا میکزم فراہم کرتا ہے۔ HBL 54 ہزار سے زائد QR تاجروں کا ایک نیٹ ورک رکھتا ہے جو شہری اور دیہی علاقوں میں پھیلے ہوئے ہیں۔ QR ادائیگی کا حجم 2020 سے دو گنا ہو کر 700 ملین سے زائد ہو گیا۔

HBL کی پراڈکٹ کنیکٹ بینک اکاؤنٹ نہ رکھنے والے اور بینک پر کم انحصار کرنے والے افراد کو آسان رسائی دینے کا اولین ذریعہ رہی جس میں صارفین کی تعداد میں خواتین کا حصہ 24% ہے۔ اس وقت کنیکٹ کے 7.1 ملین اکاؤنٹس ہیں اور ان میں سے ایک ملین سے زائد ماہانہ فعال صارف ہیں۔ سال کے دوران ہم نے فریقین ثالث کو اس قابل بنانے کا سلسلہ جاری رکھا کہ وہ کنیکٹ پلیٹ فارم APIs کو استعمال کر سکیں تاکہ انہیں بنیادی بینکاری خدمات اپنی سطح پر اپنے کاؤنٹرز کے ذریعے مہیا ہوں۔

HBL ڈیجیٹل کی صلاحیت کے عملی مظاہرے کے باعث G2P ادائیگیوں میں غالب رہا۔ کنیکٹ نے سبڈی ادائیگیوں اور ایک ملین سے زائد کسانوں کو 11 ارب روپے ادا کرنے کے لیے اس کی پنجاب اور کے پی کے کے ایگری کلچر ڈپارٹمنٹ کے ساتھ شراکت داری کو مستحکم کیا۔ دریں اثنا ان کسانوں کے لیے 7 لاکھ 50 ہزار اکاؤنٹس کھولے گئے اور ان تمام کسانوں کو کسان کارڈز کے لیے بھی سبسکرائب کیا گیا جس کے نتیجے میں کنیکٹ ملک میں پے پاک کریڈٹ کارڈز کا سب سے بڑا اجرا کنندہ بنا۔ احساس کفالت پروگرام کے تحت 127 ارب روپے 5.7 ملین باقاعدہ مستفید ہونے والوں کو ادا کیے گئے۔ علاوہ ازیں کنیکٹ نے ایک لاکھ طالبات کو تعلیمی وظائف کی ادائیگی کے لیے سندھ حکومت کی بھی معاونت کی۔

HBL نے اپنے ایجنٹ نیٹ ورک کو 43% تک بڑھایا اور اس وقت پاکستان بھر میں اس کے 66 ہزار سے زائد ایجنٹس موجود ہیں۔ بینک اعلیٰ درجے کے تقسیم کاروں کے ساتھ شراکت داری کر رہا ہے تاکہ ایجنٹس سے کیش کی وصولی میں انہیں سہولت فراہم کی جاسکے اور یوں برانچز سے ٹریفک کو دور کیا جائے۔ اس کی وجہ سے ہم نئے تقسیم کاروں کو آن بورڈ بھی لے سکتے ہیں کیوں کہ ان کے کیش جمع کرنے والے ایجنٹس برانچ کے اوقات اور مقامات تک محدود رہنے کے بجائے دن بھر میں متعدد مقامات پر کم مقدار میں کیش جمع کر سکتے ہیں۔ کنیکٹ 6 ارب سے زیادہ کے ماہانہ حجم کے ساتھ متعدد کاروباری اداروں اور مائیکرو فنانس اداروں کو بھی رقوم جمع کرنے کی سروس پیش کرتا ہے۔

2021 کی ابتدا میں کانسیپٹ ڈیپوریز کے کامیاب ثبوت کے ساتھ روبوٹک پروسیس آٹومیشن (PRA) متعارف کروایا گیا اور 50 کارروائیوں کو PRA میں تبدیل کیا گیا۔ PRA کے ذریعے 24x7 جاری رہنے والے آپریشنز سے ٹرانزیکشنز ٹائم میں ہونے والی تخفیف سے کسٹمر سروس میں بہتری واقع ہوگی اور اس پروگرام کو 2022 میں متعدد مقامات اور

کے بھی وائرس سے متاثر ہونے کی صورت میں اُن کا خیال رکھنے کے لیے بینک نے عملے کو سود سے پاک قرضے فراہم کیے۔ 2021ء میں، اپنے #HBLCares منصوبے کے تحت، بینک نے اپنے 100% عملے اور اُن کے اہل خانہ کے ساتھ کانٹریکٹ پر کام کرنے والے عملے، بشمول سکیورٹی گارڈز کے لیے اپنے خرچے پر نجی اسپتالوں کے ذریعے ویکسی نیشنز کا انتظام کر کے ایک بار پھر انڈسٹری میں سبقت حاصل کی۔ جب ویکسین بڑے پیمانے پر دستیاب ہو گئی تو HBL نے اپنی عمارت میں محفوظ اور باسہولت انداز میں ویکسی نیشن کے متعدد انتظامات کیے۔ مجموعی طور پر، HBL نے اپنے 25,000 سے زائد عملے، تھرڈ پارٹی عملے اور اُن کے اہل خانہ کو ویکسین فراہم کی؛ بعد ازاں، بوسٹرز کے لیے بھی یہی طریقہ کار اپنایا گیا۔ اب بینک کے عملے کو آن لائن طبی مشاورت (HBL صحت کہانی)، کاؤنسلنگ، اور دیگر متعدد معاونتی پروگرام بھی فراہم کیے جا رہے ہیں۔ غیر یقینی کی اس صورت حال میں، HBL نے لائف انشورنس کے علاوہ تمام عملے کے لیے تنخواہ جاری رکھنے کا منصوبہ بھی متعارف کروایا۔ عالمی طریقوں سے خود کو ہم آہنگ کرتے ہوئے، HBL پاکستان میں کام کے چلک دار انتظامات متعارف کروانے والا پہلا بینک بن گیا، جس کے تحت گھر سے کام کرنے، جزوقتی کام کرنے اور کام کے چلک دار اوقات کی سہولت شامل ہے۔

HBL اپنے عملے، طریقہ کار اور کلچر میں تنوع، مساوات اور شمولیت (DEI) شامل کرنے کے لیے پُر عزم ہے۔ بینک نے فخریہ طور پر ایسی جائے کار تیار کی ہے جہاں معذوری کے حامل افراد کو خوش آمدید کہا جاتا ہے، اُن کا ساتھ دیا جاتا ہے اور اُنہیں بااختیار بنایا جاتا ہے، نیز تربیت، انٹرن شپ اور بڑی پروگراموں کے تحت سہولت اور ملازمت کے مواقع فراہم کیے جاتے ہیں۔ HBL نے خواتین کو بھرتی کرنے اور اُنہیں ملازمت پر برقرار رکھنے کے لیے ٹھوس اقدامات کیے ہیں۔ جن میں 56 خواتین ٹیلرز کی بھرتی بھی شامل ہے۔ اور تنوع کی شرح 19% سے اوپر لے جانے میں کامیاب رہا ہے۔ 2021ء میں، گلوبل ڈائیورسٹی اینڈ انکلیوژن انیٹیا (GDIB) میں آٹھویں عالمی ایوارڈز برائے ڈائیورسٹی، انکلیوژن اور انکلیوژن کے ذریعے HBL کے صنفی بنیادوں پر اقدامات کا اعتراف کیا گیا۔

تین سال کے عرصے کے بعد مر سر ایمپلائئی انگیجمنٹ سروے دہرایا گیا جس میں 83% سے زائد عملے نے شرکت کی۔ سروے کے نتائج میں ایمپلائئی انگیجمنٹ کا انتہائی صحت مندانہ اسکور 86% سامنے آیا جو 2018ء میں 78% تھا، جہاں 90% عملے کا کہنا تھا کہ اُنہیں HBL کے لیے کام کرنے پر بے حد فخر ہے۔ انگیجمنٹ کے پہلوؤں سے متعلق اسکورز نہ صرف HBL کے 2018ء کے اسکور سے، بلکہ مالیاتی اداروں کے لیے مر سر کے عالمی معیار سے بھی زیادہ تھے۔ یہ نتائج اُن اس شعبے میں کی جانے والی بھرپور کوششوں کی عکاسی کرتے ہیں جن کا نتیجہ ایمپلائئی انگیجمنٹ، عزم، اور وابستگی کی صورت میں آیا ہے۔

نئے طریقہ کار کے مطابق، عملے کی تربیت اور نشوونما کا سلسلہ ورچوئل انداز میں فراہم کردہ پروگراموں کے ذریعے جاری رہا۔ 321 پروگراموں کے لیے 2,500 سے زائد سیشن کا انعقاد کیا گیا؛ مجموعی طور پر عملے کی تربیت میں 570,000 افراد کی گھنٹوں کی سرمایہ کاری کی گئی۔ بینک نے ملک بھر میں جامعات کے ساتھ شراکت داری کے بلند حوصلہ منصوبے کا آغاز کیا تاکہ مستقبل کے ٹیلنٹ کو تیار کیا جائے نیز تعلیمی اداروں اور انڈسٹری کے درمیان فاصلے کم کیے جائیں۔ 2021ء میں HBL نے اپنے شاندار 'دی لیگ' پروگرام کے تحت سر فہرست پاکستانی اور بین الاقوامی جامعات سے 34 مینجمنٹ ٹرینیز بھرتی کیے۔ اس کے علاوہ، ٹیلنٹ مینجمنٹ کے عمل کے تحت، بینک نے انتہائی قابل عمل کے لیے مخصوص ترقی، نشوونما اور کیریئر کے مواقع فراہم کرنا جاری رکھا۔

صارفین کو مرکزی حیثیت دینے والے، ڈجیٹل اور اخلاقی کلچر کی تشکیل بینک کی توجہ کا مرکز رہی اور سال کے دوران اس شعبے میں پیش رفت کے لیے متعدد اقدامات کیے گئے۔ HBL کی اقدار کی بنیاد پر مثبت اور مددگار کلچر کی تشکیل کے لیے، پہلی بار تمام عملے کو نہ صرف اس معیار پر جانچا گیا کہ اُنہوں نے کیا کامیابیاں حاصل کیں، بلکہ یہ بھی دیکھا گیا کہ اُنہوں نے یہ کامیابیاں 'کیسے' حاصل کیں۔ سینئر مینجمنٹ کو اُن کے اقدار سے متعلق رویوں کی بنیاد پر 360 ڈگری کے فیڈبیک کے عمل سے گزارا گیا اور تمام عملے کو تربیت دی گئی کہ وہ روزمرہ زندگی میں یہ اقدار کیسے اپنا سکتے ہیں۔

رِسک مینجمنٹ فریم ورک

بینک بھر میں خطرات سے نمٹنے کا جامع انتظام یقینی بنانے کے لیے، HBL ایک رِسک مینجمنٹ فریم ورک رکھتا ہے جو بورڈ کی بھرپور رہنمائی، مینجمنٹ کے کئی درجوں کی طرف سے نگرانی، اور موثر سسٹمز کے ساتھ ادارے کی تمام سطحوں پر نافذ العمل ہے۔ یہ فریم ورک بینک کے آپریشنز کی پیچیدگی، حجم، اور جغرافیائی وهدف مارکیٹ کے تنوع کو پیش نظر رکھتے ہوئے ترتیب دیا گیا ہے؛ اور اسے مارکیٹ کی حرکیات، ریگولیٹری تبدیلیوں اور بینک کی حکمت عملی کے مطابق ڈھلنے کے لیے چلک دار رکھا گیا ہے۔

انتظامی ڈھانچے کے تحت، بورڈ رِسک مینجمنٹ کمیٹی (BRMC) مستقل بنیادوں پر بینک کی رِسک پر وفاق کی نگرانی، تشخیص اور انتظام کی ذمہ داری سنبھالتی ہے۔ روزمرہ کی رِسک مینجمنٹ سرگرمیاں مختلف سطح پر تفویض کرتے ہوئے، متعدد درجات پر مشتمل مینجمنٹ کی نگرانی اور واضح بیان کردہ پالیسیوں اور طریقہ کار کے ذریعے سینئر مینجمنٹ کی سطح پر بہت سی رِسک کمیٹیاں رہنمائی اور عمل درآمد کی ذمہ دار ہیں۔ 2021ء میں، رِسک گورننس کا شعبہ متعارف کروایا گیا جس کی ذمہ داری ہے کہ کریڈٹ پالیسیاں اور طریقہ ہائے کار ترتیب دیے جائیں اور پورٹ فولیو مینجمنٹ اور آڈیٹیشن سے متعلق نگرانی فراہم کی جائے۔

بینک میں کریڈٹ مینجمنٹ سے متعلق مستحکم طریقہ کار ہیں جن میں 'Early Alert' کمیٹی کے اجلاس اور پورٹ فولیو کے تیز رفتار جائزے شامل ہیں تاکہ ان کے کریڈٹ پورٹ فولیو کا استحکام اور چلک دار کی استعداد یقینی بنانے میں مدد مل سکے۔ وبا کے آغاز سے، پورٹ فولیو کے معیار پر کسی ممکنہ اثرات پر نظر رکھنے کے لیے، بینک باقاعدگی سے کورونا وائرس کے اثرات سے متعلق جانچ کی سرگرمی انجام دیتا ہے۔

اپنی مضبوط استعداد کو مزید بہتر بنانے اور رِسک مینجمنٹ سے متعلق منظم تربیت فراہم کرنے کے لیے، بینک نے ایک جامع ماڈیولر ٹریننگ پروگرام متعارف کروایا ہے۔ اس کا مقصد کریڈٹ کے خطرات کا جائزہ لینے کے لیے ایک یکساں طرز فکر تشکیل دینا ہے جو مستقبل کے خطرات کے اسباب پر توجہ دے، اور پھر ماضی کے ڈیٹا کو پیش نظر رکھتے ہوئے رد عمل کا طریقہ اپنانے کی بجائے پیش قدمی کا طرز عمل اپنائے۔ یہ پروگرام HBL نے ہی تیار کیا ہے اور اسے بینک کے سینئر عملے کو فراہم کیا جا رہا ہے۔

لے کر گورنمنٹ تک متعدد شعبوں کے حوالے سے سادہ، وژوئل، دوزبانوں میں ابلاغ اور ویڈیوز استعمال کی گئیں۔ ان تمام اقدامات کا مقصد برانچ اسٹاف سے رابطہ اور صارف کے تجربے کو بہتر بنانا تھا۔ اس پروگرام کی وجہ سے صارفین اور اسٹاف کے درمیان فاصلے کم کرنے میں مدد ملی۔

صارفین کو سہولت دینے والی آرگنائزیشن کی حیثیت سے صف اول کے اسٹاف کو اس کا مجاز بنایا گیا کہ وہ صارفین کی درخواست پر فوری جواب دیں اور اعلیٰ درجے کی خدمات فراہم کریں۔ صارف کی تشفی کی مجموعی شرح کو 80% سے زائد تک برقرار رکھا گیا جس میں مسائل حل ہونے پر تشفی کا تناسب 50% ہے۔ 2021 کے دوران بینک کو مجموعی طور پر 204577 شکایات موصول ہوئیں۔ یہ شکایات اوسطاً 5 دن کے اندر نمٹائی گئیں جب کہ 50% شکایات دو روز کے اندر نمٹائی گئیں۔

HBL کی کنیکٹ سینٹر نے بینک کے صارفین کو بلا تعطل 24x7 خدمات فراہم کیں اور ایک سال کے دوران 13 ملین انٹراکشنز کو سنبھالا۔ کسٹمر ٹچ پوائنٹس کے مینو میں توسیع کرتے ہوئے ان میں وائس ایپ اور سوشل میڈیا کو شامل کیا گیا جس نے مجموعی طور پر ماہانہ 50 ہزار سے زائد صارفین کو انٹراکشنز کی سہولت فراہم کی۔ IVR خدمات کو نئے سیلف سروس فیچرز کے ہوسٹ کے ذریعے اپ گریڈ کیا گیا جس کے ذریعے صارفین نے ایک ملین سے زائد ٹرانزیکشنز کیں۔

بینک نے صارفین کا ٹرن اراؤنڈ ٹائم (TATs) کم کرنے کے لیے کئی اقدامات کیے۔ ان میں پر سٹیج بینکنگ کے لیے اکاؤنٹ اوپننگ ڈیسک بھی شامل ہیں جن کی وجہ سے TAT 30~ سے نصف ہو کر 15 منٹ ہو گیا۔ علاوہ ازیں تمام برانچز کو ایک خود کار کسٹمر کمپلین سسٹم تک رسائی دی گئی جس سے صارف کی شکایات کی نگرانی، رپورٹنگ اور موثر انداز سے جمع کرنے کا کلچر پروان چڑھا۔ اس کے نتیجے میں صارفین کی شکایات بروقت حل ہوئیں اور صارف کے تجربے میں بہتری آئی۔

صارفین کی حفاظت اور ان کے حالات میں درستی اور شفافیت کا بلند معیار قائم رکھنے کے لیے ٹریڈنٹ فار کسٹمرز کی پالیسی کو آگے بڑھایا گیا۔ سروس کی برتری کے ماحول کو تربیت اور باقاعدگی سے خدمت پر مبنی کہانیاں شائع کر کے فروغ دیا گیا۔ ان میں اسٹاف کی غیر معمولی کاوشوں کو سراہا گیا۔ دوسری جانب ایک بہت زیادہ مطلوب سالانہ صدارتی ایوارڈ برائے سروس ایکسی لینس نے خدمات کا معیار مستقل بلند رکھنے کے پیغام کو تقویت دی۔

صارفین کو برانچ کاؤنٹرز سے متبادل ذرائع جیسا کہ HBL، ATMs، موبائل اور کنیکٹ کی جانب منتقل کرنے کے لیے کوششیں کی گئیں۔ اس اقدام کے نتیجے میں صارفین کو سہولت ملی، برانچوں میں رش میں کمی واقع ہوئی اور اسٹاف کو پیچیدہ لین دین کے حوالے سے اپنی سروس بہتر بنانے میں آسانی ملی۔ معذور افراد کے لیے بینکاری کی خدمات قابل رسائی بنانے کے لیے 600 برانچز اور ATMs پر ڈھلوان بنائی گئیں۔ تمام ڈائی بولڈ اور وکٹوریس ATMs کی دستیابی کو مزید بہتر بناتے ہوئے اس کا پ ٹائم 97% تک کر دیا گیا۔

HBL کی بینکنگ کی بنیادی سہولت MISYS کو جدید ترین ورژن کے ساتھ اپ گریڈ کیا گیا اور ڈجیٹل اسپیس کی ضروریات پوری کرنے کے لیے اس کی صلاحیت میں اضافہ کیا گیا۔ رجوع اور بھروسے کو بہتر بنانے کے لیے انفراسٹرکچر میں شخصی آلات لگائے گئے تاکہ مسائل کا موثر انداز میں اور آسانی سے پتہ لگا کر ان کے حل پر توجہ دی جائے۔ بینک نے اب ایک نئی اور اہم بینکنگ کی سہولت کی جانب منتقل ہونے کا فیصلہ کیا ہے جو اگلے عشرے تک مطالبات کی تعمیل کے قابل ہو گا۔ کافی غور و خوض کے بعد، جو آٹھ ماہ سے زائد پر مشتمل تھا، ٹینوس، جو اس شعبے میں ایک عالمی لیڈر ہے، HBL کے ترقی کے منصوبوں کی تکمیل کے لیے موزوں تسلیم کیا گیا۔ اس حوالے سے ایک رسمی معاہدہ حال ہی میں ہوا ہے اور یہ پروگرام اگلے تین برسوں میں مکمل ہو جائے گا۔

2021 میں HBL کا فلیگ شپ پلیٹ فارم HBLPSL پاکستان اور ابوظہبی میں ہوا۔ یہ ملک میں HBL کے تعاون سے سب سے بڑے اسپورٹس ایونٹ کا چھٹا ایڈیشن تھا۔ کھیل کے جذبے کو ابھارنے کے لیے بینک نے ایک تشہیری مہم چلائی ”جہاں فیز، وہاں اسٹیڈیم“ جس کے ذریعے دنیا بھر میں لاکھوں شائقین نے کرکٹ کو خراج تحسین پیش کیا گیا۔ HBL نے اپنے اس عزم کی بھی تجدید کی کہ یہ اگلے چار برس 2025 تک پاکستان سپر لیگ کا نمایاں اسپانسر رہے گا اور یوں اس قومی پروگرام کی مدد و حمایت کا سلسلہ 10 برس تک پہنچ جائے گا۔ HBL ”بیسٹ انفلوئنسر مارکیٹنگ ٹیمپین“ HBLPSL6 کے لیے ایف ایوارڈ 2021 اور پاکستان ڈجیٹل ایوارڈز میں ”وب سیریز آف دی ایئر“ HBLPSL جیت کی جنگ“ جیسے گراں قدر ایوارڈز جیتنے پر فخر محسوس کر رہا ہے۔ HBLPSL کی اسپانسر شپ کے ذریعے HBL کو برانڈ بنانے کے لیے بینک کی جانب سے کیے گئے اقدامات کی یہ آزادانہ توثیق ہے۔

2021 میں HBL کی ویب سائٹ متعارف کروائی گئی جس کی ٹریفک میں 84% اضافہ ریکارڈ کیا گیا اور ویب سائٹ کے لوڈ ٹائم میں بھی قابل ذکر بہتری رونما ہوئی۔ پاکستان ڈجیٹل ایوارڈز میں HBL نے ”بیسٹ ویب سائٹ آف دی ایئر“ کا ایوارڈ حاصل کیا۔ بینک نے اپنی مصنوعات اور خدمات کو مارکیٹ کرنے کے لیے سوشل میڈیا کے استعمال میں اضافہ کیا اور تین ارب سے زائد ایمپرائزمنٹ حاصل کیے جو 2020 کے مقابلے میں 62% زیادہ بڑھوتری ہے۔

ملک کا نمایاں بینک ہونے کی وجہ سے HBL اور پاکستان الٹھ طور پر جڑے ہوئے ہیں۔ یہ وابستگی بالخصوص یوم پاکستان اور یوم آزادی کے مواقع پر روایتی اور سوشل میڈیا پر واضح طور پر دیکھی جاسکتی ہے۔ رواں برس HBL ایکسپو 2020، دہلی میں پاکستان پولین کو اسپانسر کرنے پر فخر محسوس کر رہا ہے۔ 2021 میں HBL نے آن لائن HBL پلازہ، جو کراچی کے افق کی ایک علامت ہے، کی پچاسویں سالگرہ منانے کے لیے ایک بڑی مہم متعارف کروائی۔

ہیومن ریسورسز

2021ء کے دوران، عملے کی صحت اور ترقی پر توجہ مرکوز رہی۔ کورونا وائرس کے باعث مقررہ پیمانوں کے تحت کام ’نیا معمول‘ بن چکا ہے اور بینک نے طبی سہولتوں کی فراہمی کے ذریعے اپنے عملے کی مدد جاری رکھی ہے۔ اس غیر معمولی وقت میں، HBL نے اپنے تمام کام کرنے والوں کو غیر معمولی سہولتیں فراہم کیں۔ 2020ء میں HBL نے کورونا وائرس سے متاثر ہونے والے عملے کو لا محدود طبی سہولتوں کی ضمانت دی جو پاکستان میں ایک منفرد پیشکش تھی؛ عملے کے اہل خانہ میں ایسے افراد جو ان پر انحصار نہیں کرتے، ان

جن کے ذریعے عملہ محفوظ اور ہموار انداز میں کام جاری رکھ سکا، اور یوں بزنس کے تسلسل کو یقینی بنایا گیا۔ انفارمیشن سکیورٹی سے متعلقہ معاملات کے لیے مخصوص تربیت اور رہنمائی فراہم کرنے کے لیے اندرونی طور پر ایک بھرپور آگاہی مہم کا آغاز کیا گیا۔ اس کے ساتھ کسٹمرز کے لیے بھی خصوصی آگاہی مہم چلائی گئی۔ ڈیجیٹل چینلوں پر صارفین کی ٹرانزیکشنز کی کڑی تصدیق اور روپوں کی اینالٹیکس سائبر / دھوکا دہی کے بڑھتے ہوئے خطرات کے خلاف اہم کنٹرول ہیں۔ اس ضمن میں خصوصی کوششوں کی مدد سے بینک کو ایسے واقعات کی تعداد میں کمی لانے میں مدد ملی۔ بینک نے ایک آزادانہ، مستند SWIFT ادارے کے ذریعے SWIFT کسٹمر سکیورٹی پروگرام پر عمل درآمد کے مظاہرے کی سالانہ شرط کو بھی کامیابی کے ساتھ انجام دیا۔

سماجی بہبود کی ذمہ داری (CSR)

ہم جس ملک اور معاشرے میں کام کرتے ہیں، اس کی خدمت کرنا HBL کے اسٹریٹجک ایجنڈا کا حصہ ہے۔ اپنے معاشرے کی پائیدار معاشی و سماجی ترقی کے فروغ کے لیے، بینک اپنے بعد از محصول سالانہ منافع کا 1% حصہ HBL فاؤنڈیشن کو دیتا ہے۔ یہ فاؤنڈیشن 2009ء میں معاشرے کے مستحق اور پسماندہ طبقات کی ترقی اور اُن کا معیار زندگی بہتر بنانے کے لیے قائم کی گئی تھی۔ یہ ایسے اداروں کی معاونت کرتی ہے جو مرکزی طور پر صحت، تعلیم، اور سماجی بہبود کے لیے کام کر رہے ہوں، اور 2021ء میں، پاکستان بھر میں 26 تنظیموں کے درمیان 313 ملین روپے تقسیم کیے گئے۔

صحت کے شعبے میں، HBL فاؤنڈیشن نے مجموعی طور پر 243 ملین روپے کے عطیات دیے۔ یہ عطیات شوکت خانم اسپتال کو کراچی میں اپنے نئے مرکز کی تعمیر کے لیے دیے گئے۔ ملک کے دور دراز علاقوں میں آنکھوں کی مفت سرجری اور میڈیکل کمپ کی سہولت فراہم کرنے والے میری ایڈیلڈ لیسر سی سینٹر کو بھی مدد فراہم کی گئی۔ فاؤنڈیشن نے ضرورت مند علاقوں میں مفت علاج فراہم کرنے کے لیے سرطان کے علاج کی مشینوں کی خریداری کے سلسلے میں JPMC کی پیسنٹس ایڈ فاؤنڈیشن کو، اور بچوں کے ICU کے لیے انڈس اسپتال کو بھی رقم عطیہ کی۔

HBL نے، HBL فاؤنڈیشن کے ساتھ تعلیم کے شعبے میں مختلف اداروں کو 133 ملین روپے کے عطیات دیے، جس میں نورانی فاؤنڈیشن ٹرسٹ، معذوری کے حامل افراد کے لیے کام کرنے والی تنظیموں کا نیٹ ورک، سٹیزن فاؤنڈیشن اور آغا خان یونیورسٹی قابل ذکر ہیں۔ فاؤنڈیشن نے ایسے اداروں کو عطیات دینے پر بھی توجہ مرکوز رکھی جو مستحق صوبوں میں اعلیٰ کام کر رہی ہیں؛ اور اس مقصد کے تحت، مانسہرہ (خیبر پختونخوا) میں لڑکیوں کی تعلیم کے لیے کام کرنے والی تنظیموں، اور خضدار، بلوچستان میں یونیورسٹی آف انجینئرنگ کو عطیات دیے گئے۔ ماحولیاتی اور موسمیاتی تبدیلیوں کے مسئلے پر توجہ کے پیش نظر، HBL اور HBL فاؤنڈیشن، دونوں نے کراچی میں اربن فورسٹ کو عطیات دیے جو شہری علاقوں میں شجر کاری کی سرگرمیاں انجام دے رہا ہے۔

لوگوں کی زندگیوں میں آرٹ اہم کردار ادا کرتا ہے اور معاشرے پر اس کے اثرات مرتب ہوتے ہیں۔ پاکستان میں آرٹ کی سرپرستی کرنے والے ادارے کے طور پر HBL ملک کے زبردست فن کاروں کا ساتھ دینے اور عوام کو آرٹ کے ساتھ جوڑنے والے مواقع فراہم کرنے کے لیے پُر عزم ہے۔ بینک ماہانہ انٹر ایکٹیو آرٹ سیریز کا انعقاد کرتا ہے جو HBL کے آرٹ کنسلٹنٹ کی جانب سے اس کے عملے، اُن کے اہل خانہ اور دوستوں کے لیے آن لائن منعقد کی جاتی ہے۔ HBL کا آرٹ کلینک پاکستان سے تعلق رکھنے والے معاصر فن کاروں کے فن پاروں پر مشتمل ہے اور بینک کی املاک اور اس کی پرنسپل برانچوں میں آویزاں ہے۔ HBL نے لاہور بینا لے کے ساتھ اس کے قیام سے شراکت داری کی ہے۔ 2021ء میں بینک نے پاکستان کے بین الاقوامی شہرت یافتہ فن کاروں میں سے ایک، وقاص خان کے فن پارے حاصل کیے جنہیں HBL کے عملے اور کسٹمرز کے ساتھ عوام الناس کو بھی نمائش کے لیے پیش کیا گیا جو وقت حاصل کر کے انھیں ملاحظہ کر سکتے تھے۔ حال ہی میں، HBL نے فریز ہال میں عائشہ خالد کی اہم عوامی نمائش کو اسپانسر کیا، جس میں تمام شعبہ ہائے زندگی سے تعلق رکھنے والے 30,000 سے زائد افراد نے شرکت کی۔ اس نمائش کے تحت، HBL نے فریز ہال میں گیلری صادقین کی بحالی و تزئین و آرائش میں بھی معاونت کی جس کے تحت اسے ایک مستقل، عالمی معیار کی عوامی نمائش گاہ بنایا گیا۔

بینک نے کورونا وائرس کی وبا پر قابو پانے کے لیے حکومت کی کوششوں میں نمایاں کردار ادا کیا اور ویکسی نیشن کی حوصلہ افزائی کی۔ حکومت سندھ کے ساتھ مل کر کام کرتے ہوئے، HBL نے کراچی میں ایک ڈرائیو تھرو ویکسی نیشن مرکز قائم کیا جہاں 31,000 سے زائد شہریوں کو ویکسین لگائی گئی۔

HBL فاؤنڈیشن اور دیگر کو دیے گئے عطیات مجموعی مالیاتی بیان کے نوٹ 28.3 میں درج ہیں۔

کریڈٹ ریٹنگ

جون 2021ء میں، بینک کی کریڈٹ ریٹنگ کی دوبارہ تصدیق VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کے ذریعے بالترتیب طویل المیعاد اور قلیل المیعاد کے لیے AAA/A-1 ہوئی۔ اضافی Tier 1 سرمائے کے طور پر جاری کردہ TFCs کی ریٹنگ کی بھی AA کے طور پر دوبارہ تصدیق کی گئی۔ تمام ریٹنگ میں منظر نامہ مستحکم ہے۔ یہ ریٹنگ ملک کے سب سے بڑے کمرشل بینک کی حیثیت سے HBL کے مقام کی توثیق کرتی ہے اور اس کی مستحکم فنانس پر وفاق اور انتظامی اہمیت کی عکاس ہے۔ VIS نے اس بات کی نشاندہی بھی کی کہ HBL کی اپنے ڈیجیٹل نقش قدم میں اضافے کی حکمت عملی بینک کے لیے ایک مسابقتی فائدے کی حیثیت رکھتی ہے۔ Moody's نے بھی HBL کے ملکی اور غیر ملکی کرنسی ڈیپازٹ کی ریٹنگ B3 ہونے اور بیس لائن کریڈٹ ایسمنٹ caa1 ہونے کی دوبارہ تصدیق کی۔

مستقبل کی صورت حال

پاکستان 2022 میں 2021 کے مقابلے میں خاطر خواہ بے ضرر صورت حال میں داخل ہو رہا ہے۔ زیادہ معاون پالیسی فریم ورک کے ساتھ ترقی کی رفتار جاری ہے، ہیڈ لائن 4.5% - 4.0% GDP کی حد کی طرف گامزن ہے اور کاروباری اعتماد بلند سطح پر ہے؛ تاہم 2021 میں پیدا ہونے والی ساختی عدم توازن کے کئی پہلوؤں پر، جن میں ایکسٹرمل اکاؤنٹ

2021ء میں، رسک مینجمنٹ نے اپنا اندرونی کریڈٹ رسک ریٹنگ فریم ورک مستحکم کیا۔ چھوٹے کاروباروں کے فنانس کے لیے، SME قرضہ جات کے دائرہ کار کے تحت، ایک نیا، ڈیٹا پر مبنی رویہ جاتی اسکور کارڈ ماڈل تیار کیا گیا، جبکہ کنزیومر کاروبار کے لیے ایک نیا مقدراری کنزیومر رسک ریٹنگ ماڈل تیار اور نافذ کیا گیا۔ حکومت اور SBP کے ہاؤسنگ فنانس منصوبے میں معاونت کے لیے، HBL نے آمدنی کے تخمینہ کا ٹول تیار کیا جسے اب پوری بینکاری صنعت استعمال کر رہی ہے۔ کاروباری ترقی میں سہولت لانے جبکہ باقی ماندہ خطرات کے اثرات محدود رکھنے کے لیے رسک مینجمنٹ سسٹمز میں بہتری کا عمل جاری رہا۔

مارکیٹ اینڈ لیکویڈیٹی رسک کمیٹی اور ALCO کی جانب سے مارکیٹ اور لیکویڈیٹی رسک کے اشاریوں کا ماہانہ بنیادوں پر جائزہ لیا جاتا ہے۔ اس بات کو یقینی بنانے کے لیے ایک جامع اسٹرکچر قائم کیا گیا ہے کہ بینک مارکیٹ رسک کے لیے اپنی استعداد سے تجاوز نہ کر جائے۔

منظم اور یکساں انداز میں آپریشنل رسک مینجمنٹ کے طریقوں کے انتظام کے لیے پالیسیاں اور طریقہ کار ترتیب دیے گئے ہیں۔ آپریشنل رسک کے واقعات کے امکانات اور شدت کی پیمائش کے لیے اہم ذرائع جیسے کہ رسک اینڈ کنٹرول سیلف ایسیسمنٹ، رسک کے کلیدی اشاریے اور آپریشنل خسارے کی ڈیٹا مینجمنٹ کا استعمال کیا جاتا ہے۔ بینک کی آپریشنل رسک پروفائل اور فراڈ رسک ایسیسمنٹ باقاعدگی کے ساتھ سینئر مینجمنٹ اور BRMC کو فراہم کی جاتی ہے۔

2020ء میں قائم ہونے والا انٹرپرائز رسک مینجمنٹ (ERM) فنکشن HBL میں تمام شعبوں پر لاگو ہوتا ہے، جو یقینی بناتا ہے کہ ادارے کے تمام درجات پر رسک مینجمنٹ کے لیے مضبوط اور یکساں طریقہ کار ہو۔ HBL کے ERM فریم ورک میں ERM کے عناصر، بنیادی اصول اور تصورات بیان کیے گئے ہیں؛ یہ رسک کی عمومی زبان تجویز کرتا ہے؛ اور بینک میں باہمی رسک مینجمنٹ کے لیے واضح ہدایات اور رہنمائی فراہم کرتا ہے۔ توقع ہے کہ یہ بینک میں رسک مینجمنٹ کے مختلف عناصر میں ہم آہنگی لائے گا اور رسک کی شناخت، نگرانی اور کنٹرول کے طریقہ کار میں استحکام کا باعث ہو گا۔ ERM کے شعبے میں ایک ماڈل رسک مینجمنٹ یونٹ بھی شامل ہے جس کا مقصد رسک مینجمنٹ میں استعمال ہونے والے تمام ماڈلز کا آزادانہ جائزہ اور توثیق ہے۔ سال کے دوران، ERM نے ایک نیا پروڈکٹ انیشی ایٹو ایسیسمنٹ طریقہ کار نافذ کیا جس کا مقصد نئی پروڈکٹس اور خدمات میں تمام خطرات کی جامع شناخت، تجزیہ اور خاتمہ شامل ہے تاکہ ان کی پیشکش سے پہلے ہی تمام خطرات سے مناسب طور پر نمٹنا یقینی بنایا جائے۔

HBL محتاط تخفیف کی حکمت عملی کے طور پر کمپلائنس رسک مینجمنٹ (CRM) پر انحصار کرتا ہے۔ آزادانہ شعبے کے طور پر، گلوبل کمپلائنس تمام متعلقہ خطوں میں متعلقہ کاروباروں کے ساتھ مل کر CRM فریم ورک کی ترتیب، نفاذ، اور سرگرمی میں سینئر مینجمنٹ کی مدد کرتا ہے۔ اس فریم ورک کا مقصد ریگولیٹری توقعات کا فعال طریقے سے انتظام سنبھالنا اور ابھرتے ہوئے کمپلائنس اور اینٹی منی لانڈرنگ کے خطرات کی شناخت کرنا بھی ہے۔ HBL کی CRM حکمت عملی بینک کی حکمت عملی سے ہم آہنگ ہے اور انڈسٹری کے رجحان، بدلتی ہوئی ریگولیٹری شرائط اور عالمی بہترین طریقوں کا اشتراک ہے۔

گلوبل کمپلائنس نے کاروباروں کے ساتھ ہموار روابط اور ریگولیٹرز کے ساتھ ضروری چٹ پوٹس کے لیے مناسب ادارہ جاتی اسٹرکچر نافذ کیا ہے، جن کے ساتھ یہ قریبی تعلق رکھتے ہوئے کام کرتا ہے۔ مزید موزوں اور مددگار فریم ورک تفصیل دینے کے لیے متعدد پالیسیوں میں بہتریاں لائی گئیں۔ اضافی ڈیوڈ لیجنس کا طریقہ کار HBL کے تمام جغرافیائی اداروں میں معیاری بنایا گیا۔ ہائی رسک شعبوں میں ملکی برانچوں کے لیے جامع تشخیص مکمل کی گئی تاکہ فطری، تبدیل ہوتے ہوئے جغرافیائی خطرات کا اندراج کیا جاسکے اور SBP کی سفارشات کی روشنی میں کنٹرول ڈیوڈ لیجنس کا موجودہ طریقہ کار مستحکم ہو۔ ایک ریگولیٹری رسک اینڈ کنٹرول سیلف ایسیسمنٹ (RCSA) کی سرگرمی بھی جاری ہے جس میں مختلف ریگولیٹری ہدایات کی بنیاد پر RCSAs نافذ کیے جا رہے ہیں۔ سال کے دوران، ایک ریگولیٹری رپازیریٹی مینجمنٹ کے عمل کا آغاز بھی کیا گیا تاکہ ریگولیٹری ہدایات پر عمل درآمد کی نگرانی ہو سکے۔

2021ء میں، بینک نے ایک بیرونی کنسلٹنٹ کی معاونت کے ساتھ کمپلائنس سے وابستہ تمام ملکی اور بین الاقوامی عملے کے لیے مہارتوں کی جانچ اور تربیت کا پروجیکٹ انجام دیا۔ پہلی اور دوسری صف دفاع کے لیے کمپلائنس سے آگاہی کا پروگرام بھی شروع کیا گیا۔ موجودہ متحرک معاشی صورت حال اور بدلتے ہوئے جغرافیائی-سیاسی حالات کے دوران، فنانشل کرائم رسک کمپلائنس کا اہم ترین پہلو رہا۔ بین الاقوامی ٹیموں کے لیے خصوصی تربیتی پروگراموں کا انعقاد کیا گیا جن میں فنانشل کرائم کمپلائنس کے نفاذ اور طریقہ ہائے کار پر زور دیا گیا، نیز معروف بین الاقوامی ماہرین کی نگرانی میں فنانشل کرائم اور پابندیوں کے نفاذ پر ویبنارز بھی منعقد کیے گئے۔

بورڈ کمپلائنس اینڈ کنڈکٹ کمیٹی (BCNCC) اور کمپلائنس کمیٹی آف مینجمنٹ، صدر کی سربراہی میں، کمپلائنس اور ضابطے سے متعلق معاملات کی نگرانی، جائزہ اور انتظام سنبھالتی ہے۔ HBL کا وسیلہ بلونگ پروگرام بینک کی سالمیت اور ساکھ کا تحفظ کرتا ہے اور اس کا مقصد دھوکا دہی، غبن، ہراسانی اور بینک کے ضابطہ اخلاق کی دیگر سنگین خلاف ورزیوں کے مشتبہ واقعات رپورٹ کرنے کے لیے عملے کے اختیارات میں اضافہ ہے۔ BCNCC اخلاقیات اور ضابطے سے متعلقہ معاملات، بشمول وسیلہ بلونگ کا انتظام بھی دیکھتی ہے؛ دیگر متعلقہ تحقیقات بورڈ آڈٹ کمیٹی (BAC) انجام دیتی ہے اور بورڈ ہیومن ریسورس اور ریموڈیشن کمیٹی انضباطی کارروائیوں کا جائزہ لیتی ہے۔ سال کے دوران، شکایات کے اندراج کے لیے دستیاب ابلاغ کے متعدد چینلوں کے بارے میں آگاہی عام کرنے کے لیے مزید کوششیں کی گئیں۔

سائبر حملوں اور ڈیٹا میں خلل سے اپنے کسٹمرز اور ڈیٹا کا تحفظ HBL کے لیے انتہائی اہم ہے۔ بیرونی خطرات کا مقابلہ کرنے کی صلاحیت رکھنے والے حفاظتی اور سراغ رساں کنٹرول سے لیں موثر سائبر سیکیورٹی رسک مینجمنٹ کے ذریعے، انفارمیشن سیکیورٹی HBL کے ڈیٹا کو اندرونی اور بیرونی خطرات سے محفوظ رکھنے میں مرکزی کردار ادا کرتی ہے۔ بینک کے سیکیورٹی آپریشنز سینٹر 24x7 کام کرتے ہوئے نگرانی، کھوج اور تحفظ کے مختلف میکانزم کے ذریعے سخت سیکیورٹی برقرار رکھنے میں اپنا کردار ادا کرتے ہیں۔

وبا کی صورت حال میں دفاتر کے علاوہ مقامات سے کام کرنے کے نئے ماڈل نے سائبر مجرموں کو مواقع فراہم کیے۔ بینک کی جانب سے ڈیجیٹائزیشن کے منصوبے، خطرات کے بدلتے ہوئے منظر نامے اور سوشل انجینئرنگ فراڈ میں اضافے کے باعث یہ مزید سنگین ہو گیا۔ دفاتر کے علاوہ مقامات پر کام کرنے کے لیے سیکیورٹی پروٹوکول نافذ کیے گئے

محترم خلیل احمد مالیاتی شعبے کا 40 سال سے زائد کا تجربہ رکھتے ہیں۔ وہ IFC ورلڈ بینک گروپ میں چیف انویسٹمنٹ افسر تھے، جہاں انھوں نے 30 برسوں تک ابھرتی ہوئی معیشتوں پر کام کیا، اور IFC کے گلوبل فنانشل انسٹیٹیوٹس گروپ سے وابستہ رہے۔ محترم خلیل چارٹرڈ اکاؤنٹنٹ ہیں، انھوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف انگلینڈ اینڈ ویلز سے تعلیم حاصل کی، نیز وہ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس، پاکستان کے فیلو بھی ہیں۔ انھیں ماضی میں پرائس واٹر ہاؤس (یو کے) اور نیشنل ڈویلپمنٹ فننس کارپوریشن، پاکستان میں کام کرنے کا تجربہ بھی ہے۔

بورڈ محترمہ صبا اور محترم خلیل کا خیر مقدم کرتا ہے اور ان کی کاوشوں کا منتظر ہے۔

بورڈ کے اجلاس

بورڈ اجلاس		
حاضری	دوران مدت منعقدہ اجلاس	
9	9	محترم سلطان علی الانہ
5	5	محترم خلیل احمد
1	1	محترم سلیم یحییٰ چنائے*
9	9	محترم شفیق دھرمشی
9	9	محترم معیز احمد جمال
5	5	محترمہ صبا کمال
1	1	محترمہ ڈیان الزبتھ مور*
9	9	محترم سلیم رضا
9	9	ڈاکٹر نجیب سمیع
9	9	محترم محمد اورنگزیب

بورڈ کمیٹیوں کے اجلاس

بورڈ آڈٹ کمیٹی**		بورڈ ریسک مینجمنٹ کمیٹی		بورڈ ہیومن ریسورس اینڈ ریمونریشن کمیٹی**		بورڈ کمپلائنس اور کنڈکٹ کمیٹی**		
حاضری	دوران مدت منعقدہ اجلاس	حاضری	دوران مدت منعقدہ اجلاس	حاضری	دوران مدت منعقدہ اجلاس	حاضری	دوران مدت منعقدہ اجلاس	
N/A	N/A	5	5	N/A	N/A	N/A	N/A	محترم سلطان علی الانہ
5	5	3	3	N/A	N/A	5	5	محترم خلیل احمد
1	1	N/A	N/A	N/A	N/A	1	1	محترم سلیم یحییٰ چنائے*
7	7	5	5	6	6	N/A	N/A	محترم شفیق دھرمشی
8	8	N/A	N/A	N/A	N/A	8	8	محترم معیز احمد جمال
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	محترمہ صبا کمال
1	1	N/A	N/A	N/A	N/A	N/A	N/A	محترمہ ڈیان الزبتھ مور*
N/A	N/A	1	1	6	6	2	2	محترم سلیم رضا**
N/A	N/A	5	5	N/A	N/A	8	8	ڈاکٹر نجیب سمیع
N/A	N/A	N/A	N/A	6	6	N/A	N/A	محترم محمد اورنگزیب

اہم ہے، توجہ دینا ضروری ہے۔ پالیسی ساز مختلف انتظامی اقدامات کے ذریعے ان سے نمٹ رہے ہیں جیسا کہ ٹیکس کے استثنائی واپسی اور صارفین کی فنانسنگ پر پابندی۔ از سر نو شروع کیے گئے EFF پروگرام کے تحت ڈیلیوریبلز، جیسا کہ توانائی کے ٹیرف میں مزید اضافہ، تعمیراتی شعبے کے لیے محرکات میں کمی اور سبسڈائزڈ ری فنانس فیسلٹی ختم کرنے سے ترقی کے لیے اضافی مخالفت پیدا کریں گے۔ مالیاتی اور زری دونوں شعبوں میں درکار مطابقت سے مالی سال 22 میں میانہ نمونہ متوقع ہے۔

مصالحاتی مالی سال 21 سے کرنٹ اکاؤنٹ میں تیزی سے ریورسل کے پس منظر میں کارفرما عوامل میں کسی حد تک تخفیف ہو رہی ہے کیونکہ SBP کے سخت اقدامات کی وجہ سے درآمدات میں میانہ روی آرہی ہے۔ سال کے آخر میں ملک GDP کے 3% کے زیادہ پائیدار خسارے پر واپس جاسکتا ہے۔ اگرچہ ساختی اصلاحات قلیل المیعاد باؤ پیدا کر سکتی ہیں، لیکن حتمی طور پر یہ ملک کی ترقی مستحکم رکھنے میں مدد کریں گی۔ مختصراً، 22 کی پہلی چیلنجنگ ششماہی کے بعد، سال کے اگلے نصف میں ترقی کا زیادہ سازگار ماحول برقرار رہے گا۔

قائدانہ عہدوں کے حصول یا وسیع علاقوں میں ان کی برقراری کے ساتھ یہ HBL کا ایک ریکارڈ سال رہا ہے۔ اس سال، ہمیں بالخصوص خوشی ہے کہ گزشتہ چند سالوں میں ہماری کامیابیوں کو IBP بینکنگ ایوارڈز میں پاکستان میں بہترین بینک کا ایوارڈ جیتنے سے تسلیم کیا گیا ہے۔ ہمارے ٹرانزیکشن بینکنگ کے کاروبار نے متعدد ایوارڈز جیتے، جو مزید تشکر آمیز ہے کیونکہ وہ ہمارے کلائنٹس کی رائے پر مبنی ہیں۔ ہم یہ نتائج اپنے صارفین سے منسوب کرتے ہیں، جن میں سے کئی نے نسل در نسل ہمارے ساتھ بینکنگ کی ہے اور جو ہمارے ہر کام کا مرکز ہیں۔

قرض دینے کے عمل کی ڈجیٹلائزیشن سے لے کر فیڈبیک سیشنز کے ذریعے بھرپور زری مشاورت کی فراہمی اور رولر ویلیو چین کے ہر پہلو کو مربوط کرنے تک HBL زری معیشت کے ہر شعبے میں سرمایہ کاری کر رہا ہے۔ یہ پہلا کمرشل بینک ہے جس نے وسائل کو اس حد تک منظم طریقے سے پاکستان کی معیشت کے لیے مختص کیا ہے۔ ہماری آزمائشی مداخلتیں ہر پہلو سے کسانوں کی زندگی میں تبدیلی لارہی ہیں۔ اعلیٰ معیاری معلومات کی فراہمی، سائیکل کے دورانیے میں کمی، برانچ کو فارم میں لانا اور اس کے نتیجے میں کسانوں کی آمدنی میں دوگنا اضافہ۔ جیسے جیسے ہم اسے آگے بڑھائیں گے، قوی امکان ہے کہ پاکستان کے زری منظر نامے کو یکسر بدل کر لاکھوں افراد کو غربت سے نکال لے گا۔

سالہا سال سے ٹیکنالوجی میں سرمایہ کاری کے نتیجے میں اب ٹھوس فوائد حاصل ہو رہے ہیں کیونکہ اب دنیا زیادہ ورچوئل طرز زندگی اپناتی جا رہی ہے۔ ہم اپنے تمام کاروباروں میں ڈجیٹلائزیشن کو ایک مسلسل بڑھتا ہوا کردار ادا کرتے دیکھ رہے ہیں اور یہ دنیا کو پیچھے چھوڑنے میں ہماری مدد کر رہا ہے۔ HBL موبائل سے کنیکٹ تک، ای کامرس سے QR ادائیگیوں تک، HBL ڈیجیٹل طرز کار اپنانے اور کسٹمر کو آگے بڑھانے میں اپنا نقش قدم چھوڑتا جا رہا ہے۔ جیسے جیسے ہم 2021 سے پردہ ہٹا رہے ہیں اسی کے ساتھ ساتھ، HBL اپنی موجودہ کامیابیوں کو آگے لے کر جانے کا عزم رکھتا ہے، 2022 میں اپنی ڈیجیٹل رفتار کو تیز کرتے ہوئے HBL کو بینکاری لائنس کے ساتھ ایک ٹیکنالوجی کمپنی کے طور پر دیکھنے کے وژن کی تکمیل اور پاکستان کو ایک ڈیجیٹل بینکاری انقلاب سے ہم کنار کرنا ہے۔

HBL ملک کے تانے بانے کا ایک لازمی حصہ ہے۔ ملک کے اہم مالیاتی ادارے کی حیثیت سے HBL پہلے اور آج تک ملک کی مدد کے لیے ہر شعبے میں ساتھ رہا ہے اور ہمیشہ ساتھ رہے گا۔ ہم اپنے تمام کاروباروں میں پُرسوج قیادت فراہم کرتے رہتے ہیں، وفاقی اور صوبائی حکومتوں کے ساتھ پبلک پرائیویٹ پارٹنرشپ ماڈل کے تحت کام کرتے ہوئے بڑے پیمانے پر انفراسٹرکچر پروجیکٹس سے لے کر اقتصادی تئوں کے زیریں حصے تک اپنے سبسڈائزڈ ہدف کے مطابق کام کرنے تک۔ ہم نے حال ہی میں HBLPSL کے لیے ایک پوری دہائی کا تعاون فراہم کیا ہے۔ جو اس مشکل وقت میں کرکٹ کی دیوانی قوم کے لیے ایک مرہم ہے۔ HBL طویل عرصے سے فنون کا سرپرست رہا ہے اور اس سال عوامی آرٹ کی جگہوں کی تزئین و آرائش، اہم پاکستانی فنکاروں کی اسپانسرشپ اور معاشرے کے ہر طبقے سے تعلق رکھنے والے افراد کو فن سے لطف اندوز ہونے اور اسے سراہنے کے مواقع فراہم کر کے ہم نے آرٹ کو سب کے لیے برابری کا درجہ دے دیا ہے۔ HBL دنیا کے سب سے اہم مسئلے موسمیاتی تبدیلی کے حل کے لیے مسلسل معیاری بلندی، یہاں تک کہ کاروبار کی قیمت پر جرات مندانہ اقدامات کر رہا ہے۔ ہم تمام پاکستانیوں کا روشن مستقبل یقینی بنانے کے لیے تمام شعبوں میں مالی شمولیت جاری رکھتے آرہے ہیں۔ HBL نساء کے ذریعے خواتین کی شمولیت، اپنے مضبوط مائیکرو فنانس کاروبار کے ذریعے پس ماندہ طبقے کی شمولیت، ڈیجیٹل بینکنگ کے ذریعے مینیئلز کی شمولیت۔

منافع منقسمہ

بورڈ نے سال محترمہ 31 دسمبر 2021ء کے لیے 2.25 روپے فی حصص (شیر) کے حتمی نقد منافع منقسمہ کی تجویز دی، جس سے سال کا مجموعی نقد منافع منقسمہ 7.50 روپے فی حصص (شیر) تک پہنچ گیا۔ اس سے قبل بورڈ مجموعی طور پر 5.25 روپے فی حصص کے عبوری منافع منقسمہ کا اعلان اور ادائیگی کر چکا تھا۔

ڈائریکٹرز میں تبدیلی

محترمہ ڈیوان مور اور محترم سلیم چنائے گزشتہ بورڈ کے موقع پر اپنے دور کے اختتام کے ساتھ 26 مارچ 2021ء کو بورڈ آف ڈائریکٹرز سے ریٹائر ہو گئے۔ بورڈ میں اپنے عہدے کے دوران ان کی قابل قدر کاوشوں پر بورڈ انھیں خراج تحسین پیش کرتا ہے۔ 26 مارچ 2021ء کو، سالانہ اجلاس عام کے موقع پر HBL کے بورڈ پر نئی تین سالہ مدت کے لیے سات ڈائریکٹرز کو منتخب کیا گیا جن میں محترمہ صبا کمال اور محترم خلیل احمد شامل تھے۔

محترمہ صبا انفارمیشن ٹیکنالوجی میں 3 دہائیوں سے زیادہ کا تجربہ رکھتی ہیں جس میں پاکستان میں اور بین الاقوامی سطح پر IBM میں لیڈرشپ عہدوں کا بیس سالہ تجربہ شامل ہے۔ انھوں نے انسٹیٹیوٹ آف بزنس ایڈمنسٹریشن (IBA)، کراچی سے MBA کیا، اور IBM سینٹر، Insead، بوسٹن یونیورسٹی اور چائنا یورپ انٹرنیشنل بزنس اسکول (CEIBS) سے کئی سرٹیفکیٹس اور ٹریننگ حاصل کیں۔ محترمہ صبا نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس سے اپنی ڈائریکٹر سرٹیفیکیشن مکمل کی اور اس وقت وہ پیکیجز لمیٹڈ کے بورڈ میں خدمات انجام دے رہی ہیں۔ وہ IBA کے بورڈ آف گورنرز کی رکن بھی ہیں۔

- (e) ایک مستقل عمل کے طور پر انٹرئل کنٹرول سسٹم پر موثر انداز میں عمل درآمد کرنے کی کوششیں کی جارہی ہیں۔ HBL، اسٹیٹ بینک آف پاکستان کی انٹرئل کنٹرول کی ہدایات سمیت انٹرئل کنٹرولز اور فنانشل رپورٹنگ (ICFR) کی ہدایات اور روڈ میپ پر عمل کرتا ہے۔ بینک نے ICFR کی مینجمنٹ کے لیے فریم ورک تیار کیا ہے۔
- (f) بینک کے اپنے امور کو جاری رکھنے کی صلاحیت پر کسی قسم کے شکوک و شبہات نہیں ہیں۔
- (g) ضابطے میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا بنیادی انحراف نہیں کیا گیا ہے۔
- (h) مالیاتی گوشواروں کے سیکشن ”گروتھ 2016 تا 2021ء“ مجموعی ”میں گزشتہ 6 سالوں کے اہم عملیاتی اور مالیاتی گوشوارے پیش کیے گئے ہیں۔
- (i) ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکریٹری نے تصدیق کی ہے کہ وہ اور ان کے ازواج کسی طرح کے بھی اسٹاک بروکر تاج کے کاروبار میں شامل نہیں ہیں۔
- (j) بورڈ کی طرف سے قائم کردہ آڈٹ، ہیومن ریسورس اور ریمونریشن، رسک مینجمنٹ، IT، کمپلائنس اور کنڈکٹ، ڈویلپمنٹ فنانس، بورڈ اور سائٹ فار انٹر نیشنل گورننس، بورڈ اور سائٹ برائے نیویارک اور ریمونریشن کمیٹیاں اپنے اختیارات کے مطابق موثر انداز میں کام کر رہی ہیں۔ بورڈ باقاعدگی سے اس سال کے دوران 9 اجلاس کرچکا ہے، جن میں ہر سہ ماہی میں کم از کم ایک اجلاس شامل ہے۔

بورڈ انٹرئل کنٹرولز سے متعلق انتظامیہ کی جانب سے دیے گئے بیان کی توثیق کرتے ہوئے خوشی محسوس کر رہا ہے۔ انٹرئل کنٹرول کا گوشوارہ، ضابطے پر عمل درآمد کا گوشوارہ برائے جائزہ رپورٹ، آڈیٹر کی رپورٹس، مالیاتی گوشوارے کے ساتھ منسلک ہیں۔

ایمپلائز ریٹائرمنٹ بینیفٹ فنڈز میں سرمایہ کاریوں کی رقم

31 دسمبر 2021ء کے مطابق بینک کی جانب سے برقرار پروویڈنٹ، پنشن، گریجویٹ اور بینولنٹ فنڈز میں سرمایہ کاریوں کی رقم، آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر درج ذیل جدول میں ظاہر کی گئی ہے:

ملین روپے	
5,342	ایمپلائز پروویڈنٹ فنڈ
6,140	ایمپلائز پنشن فنڈ
2,476	ایمپلائز گریجویٹ فنڈ
1,781	ایمپلائز بینولنٹ فنڈز - ایگزیکٹوز اور افسران
903	ایمپلائز بینولنٹ فنڈز - کلریکل اور نان کلریکل

پیٹرن آف شیئر ہولڈنگ

31 دسمبر 2021ء کو پیٹرن آف شیئر ہولڈنگ اور ایگزیکٹوز کی جانب سے بینک کے حصص میں کاروبار، جس کی بورڈ آف ڈائریکٹرز نے ضابطے کے تحت وضاحت کی ہے، ضابطے پر عمل درآمد کرتے ہوئے سالانہ رپورٹ میں دی گئی ہے۔

پیرنٹ کمپنی

جیسا کہ مالیاتی گوشوارے کے نوٹ 1.1 میں بیان کیا گیا ہے، آغا خان فنڈ فار اکنامک ڈویلپمنٹ (AKFED) S.A، بینک کی پیرنٹ کمپنی ہے اور اس کا رجسٹرڈ دفتر جنیوا، سوئٹزرلینڈ میں ہے۔

تربیتی پروگراموں میں ڈائریکٹرز کی شرکت

ڈائریکٹرز کی اکثریت SECP سے منظور شدہ ڈائریکٹر کے تربیتی پروگرام میں پہلے ہی شرکت کر چکی ہے اور ضابطے کے مطابق ڈائریکٹر کی حیثیت سے سند یافتہ ہے۔

2021ء میں بورڈ نے دو ٹریننگ سیشن میں شرکت کی۔ ایک سیشن، ملکی اور عالمی اسلامک فنانس پر تھا، جبکہ دوسرا سیشن AML / CFT کے شعبے میں تازہ ترین پیش رفت اور اس شعبے میں HBL کے لیے استحکام اور پائیداری حاصل کرنے کے طریقوں سے متعلق تھا۔ یہ سیشن معروف بیرونی ماہرین کی جانب سے منعقد کیے گئے۔

بورڈ کی کارکردگی کا جائزہ

HBL کے بورڈ نے اپنے بورڈ اور اس کی کمیٹیوں کے لیے سالانہ جائزے کا انتخاب کیا جو پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) نے 2021ء میں سرانجام دیا۔ جائزے میں بورڈ اور انفرادی دونوں حیثیتوں کے مد نظر کارکردگی کا تجزیہ کیا گیا اور بورڈ کے مشمولات، لائحہ عمل اور منصوبہ بندی، بورڈ اور سی ای او کی اثر انگیزی، بورڈ کی معلومات، بورڈ کمیٹیوں، بورڈ کا طرز کار اور ضابطوں کی صورت حال کا احاطہ کیا گیا۔

بورڈ آف وٹریبلٹی فنانس کمیٹی **		بورڈ آف وٹریبلٹی فنانس کمیٹی **		بورڈ آف وٹریبلٹی فنانس کمیٹی **		بورڈ آف وٹریبلٹی فنانس کمیٹی **		بورڈ آف وٹریبلٹی فنانس کمیٹی - انٹرنیشنل گورننس
حاضر	دوران مدت منعقدہ اجلاس	حاضر	دوران مدت منعقدہ اجلاس	حاضر	دوران مدت منعقدہ اجلاس	حاضر	دوران مدت منعقدہ اجلاس	
2	2	N/A	N/A	N/A	N/A	4	4	محترم سلطان علی الانہ
1	1	N/A	N/A	N/A	N/A	N/A	N/A	محترم خلیل احمد
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	محترم سلیم یحییٰ چنائے *
N/A	N/A	3	3	N/A	N/A	N/A	N/A	محترم شفیق دھرمشی
N/A	N/A	3	3	3	3	N/A	N/A	محترم معین احمد جمال
3	3	N/A	N/A	N/A	N/A	3	3	محترمہ صبا کمال
N/A	N/A	1	1	N/A	N/A	N/A	N/A	محترمہ ڈیان الزبتھ مور *
3	3	4	4	3	3	N/A	N/A	محترم سلیم رضا ***
N/A	N/A	N/A	N/A	3	3	4	4	ڈاکٹر نجیب سمیع
3	3	N/A	N/A	N/A	N/A	1	1	محترم محمد اورنگزیب

* محترم سلیم یحییٰ چنائے اور محترمہ ڈیان الزبتھ مور اپنی مدت کی تکمیل پر 26 مارچ 2021ء کو بورڈ سے ریٹائر ہو گئے۔

** یہ بورڈ کمیٹیاں 29 اپریل 2021ء سے دوبارہ تشکیل دی گئی۔ یکم دسمبر 2021ء کو بورڈ آف وٹریبلٹی فنانس کمیٹی کی مزید ترتیب نوکی گئی۔

*** کورم کے تقاضے پورے کرنے کے لیے، محترم سلیم رضا 29 مارچ 2021ء اور 19 اپریل 2021ء کو منعقدہ BAC کے دو اجلاسوں میں اور 20 اپریل 2021ء کو منعقدہ BHRRC کے ایک اجلاس میں شریک ہوئے۔

شریعہ بورڈ کے اجلاس

شریعہ بورڈ اجلاس		حاضری	دورانِ مدت منعقدہ اجلاس
ڈاکٹر محمد زبیر عثمانی (چیرمین)		4	4
ڈاکٹر اعجاز احمد صدیقی (رکن)		4	4
مفتی محمد یحییٰ عاصم (ریزیڈنٹ شریعہ بورڈ رکن)		4	4

آڈیٹرز

موجودہ آڈیٹرز، میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے اہل ہونے کے ناتے انھوں نے سالانہ اجلاس عام کے موقع پر اپنی دوبارہ تقرری کی پیشکش کی ہے۔ چنانچہ بورڈ آف ڈائریکٹرز نے، بورڈ آف کمیٹی کی تجویز پر، میسرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کے 37.086 ملین روپے کی فیس پر مالی سال 2022ء کے لیے بینک کے آڈیٹرز کے طور پر انتخاب کی سفارش کی ہے، جبکہ دیگر اخراجات اور ٹیکس حقیقی بنیاد پر ادا کیے جائیں گے۔

کارپوریٹ اور مالیاتی رپورٹنگ پر بیان

بورڈ اس بات کے لیے پُر عزم ہے کہ سیورٹیز اینڈ ایچ جی کمیشن آف پاکستان کی جانب سے مرتب کردہ کارپوریٹ گورننس کی ضروریات کو پورا کیا جائے اور ڈائریکٹرز یہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں کہ:

- بینک کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، بینک کے معاملات کی صورت حال، انتظامی نتائج، کیش فلو اور ایکویٹی میں تبدیلی صحیح اور منصفانہ انداز میں پیش کیے گئے ہیں۔
- بینک کے اکاؤنٹس کی بکس باقاعدہ طور پر برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ پالیسیوں کا یکساں اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے مناسب اور محتاط اندازے پر مبنی ہیں۔
- بینک نے مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (جو پاکستان میں بینکوں پر لاگو ہیں) کی پیروی کی ہے اور کہیں بھی مذکورہ معیارات کی خلاف ورزی نہیں کی گئی۔

بورڈ نامینیشن اینڈ ریمونریشن کمیٹی (BNRC): یہ کمیٹی HBL کی پابند ارتقٰی کے لیے موزوں ڈھانچے، حجم اور مہارتوں کے توازن کی شناخت میں بورڈ کی معاونت کرتی ہے جو بورڈ کے لیے لازمی تصور کیے جاتے ہیں۔ BNRC ریگولیٹری فریم ورک کے مطابق ڈائریکٹرز کی ریمونریشن کے انتظامات کے لیے ہدایات بھی فراہم کرتی ہے۔

شریعہ بورڈ کی تقرری اور تشکیل

شریعہ اسکالر کی تقرری کے لیے، مینجمنٹ پہلے SBP فٹ اینڈرپر اپر کرائسٹریا (FAPC) کے مطابق مجوزہ شریعہ بورڈ رکن کی اسکریننگ کرتی ہے۔ بعد ازاں، اسے منظوری کے لیے HBL بورڈ آف ڈائریکٹرز کے پاس بھیجا جاتا ہے جس کے بعد اسے پُر FAPC فارم اور بورڈ کی منظوری نیز معاون دستاویزات کے ساتھ SBP میں جمع کروایا جاتا ہے۔ SBP کی جانب سے کلیئرنس ملنے کے بعد، مینجمنٹ شریعہ بورڈ کے رکن سے رابطہ کرتی ہے، معاہدہ کرتی ہے اور SBP کو اطلاع دیتی ہے۔

HBL کا شریعہ بورڈ تین اراکین پر مشتمل ہے:

ڈاکٹر محمد زبیر عثمانی، شریعہ بورڈ کے سب سے تجربہ کار رکن ہیں۔ انھوں نے اپنا تخصص فی الفقہ (اسلامی فقہ) اور شہادۃ العالمیہ جامعہ دارالعلوم، کراچی سے مکمل کیا۔ آپ جامعہ کراچی سے اسلامک فنانس میں پی ایچ ڈی اور بین الاقوامی تعلقات میں ماسٹرز کی ڈگری بھی رکھتے ہیں۔ آپ 1999ء سے بینکاری اور مالی خدمات کے شعبے سے وابستہ ہیں اور متعدد مالیاتی اداروں کو شرعی مشاورت کی خدمات فراہم کر چکے ہیں۔ آپ نے اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کے رکن کی حیثیت سے بھی خدمات انجام دیں۔

ڈاکٹر اعجاز احمد صدیقی ممتاز شریعہ اسکالر ہیں۔ آپ نے تخصص فی الفقہ (اسلامی فقہ) اور شہادۃ العالمیہ کی اسلامی تعلیم جامعہ دارالعلوم، کراچی سے حاصل کی۔ آپ جامعہ کراچی سے اسلامک بینکنگ اور غرر (عدم یقین) پر پی ایچ ڈی ہیں، بہاول الدین زکریا یونیورسٹی سے اسلامک اسٹڈیز میں ماسٹرز اور سندھ مسلم گورنمنٹ کالج سے LLB کی اسناد بھی رکھتے ہیں۔ آپ 2004ء سے بینکاری اور مالیاتی خدمات کے شعبے سے وابستہ ہیں اور متعدد مقامی اور عالمی مالیاتی اداروں کے شریعہ بورڈ کو شرعی مشاورت کی خدمات فراہم کر چکے ہیں۔

مفتی محمد یحییٰ عاصم نے تخصص فی الفقہ (اسلامی فقہ) اور شہادۃ العالمیہ کی دینی تعلیم جامعہ دارالعلوم، کراچی سے حاصل کی۔ آپ بین الاقوامی تعلقات، عربی اور اسلامک اسٹڈیز میں ماسٹرز کی ڈگری بھی رکھتے ہیں۔ آپ اس وقت جامعہ کراچی سے پی ایچ ڈی کر رہے ہیں۔ آپ اسلامی بینکاری اور مالیاتی خدمات کے شعبے سے 2004ء سے وابستہ ہیں اور HBL، حبیب میٹروپولیٹن بینک، اٹلس ایسیٹ مینجمنٹ، HBL ایسیٹ مینجمنٹ، TPL ونڈو تکافل کو شرعی مشاورت کی خدمات فراہم کر چکے ہیں۔ فی الحال آپ HBL شریعہ بورڈ کے ریزینڈنٹ شریعہ بورڈ رکن کے طور پر کام کر رہے ہیں۔

SBP کی جانب سے متعارف کروائی گئی تبدیلیوں کی روشنی میں، جو یکم جولائی 2021ء سے نافذ العمل ہیں، ایک شریعہ بورڈ رکن کو صرف ایک کمرشل بینک کے ساتھ مخصوص ہونا چاہیے۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہے کہ ہمارے تمام شریعہ بورڈ نے ہمارے ساتھ کام کرنے کا فیصلہ کیا ہے اور دیگر اداروں میں اپنے عہدوں سے دستبردار ہو گئے ہیں۔

شریعہ بورڈ (SB) کے حوالے کی شرائط SBP کے جاری کردہ شریعہ گورننس فریم ورک کے مطابق ہیں۔ ان میں، دیگر امور کے ساتھ ساتھ، درج ذیل شامل ہیں:

- شریعہ بورڈ کو HBL کے شریعہ سے متعلق تمام معاملات پر غور، فیصلے اور نگرانی کا اختیار دیا گیا ہے۔ بینک، شریعہ بورڈ کی تمام آراء، فیصلے اور فتاویٰ کا پابند ہو گا جبکہ شریعہ بورڈ شریعہ سے متعلق اپنے تمام فیصلوں کا ذمہ دار اور جواب دہ ہو گا۔
- شریعہ بورڈ HBL اسلامک بینکنگ کے آپریشنز کے تمام شعبوں کے لیے جامع شریعہ کمپلائنس فریم ورک کی تیاری یقینی بنائے گا۔ HBL اسلامک بینکنگ کی پیش کردہ تمام مصنوعات یا خدمات کے لیے شریعہ بورڈ کی پیشگی منظوری درکار ہوگی۔
- شریعہ بورڈ تمام پروسیجر مینول، پروڈکٹ پروگرامز / اسٹرکچرز، پروسیس فلووز، متعلقہ معاہدے، مارکیٹنگ ایڈورٹائزمنٹ، سیلز اسٹریشن اور برودشرز کی منظوری دے گا تاکہ یہ شرعی اصولوں کے مطابق ہوں۔

ڈائریکٹرز کا معاوضہ

30 مارچ 2020ء کو ہونے والے سالانہ اجلاس میں بینک کے حصص یافتگان نے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز کو ادائیگی والی فیس کے طور پر 600,000 روپے کی منظوری دی تھی۔ پالیسی میں نان ایگزیکٹو ڈائریکٹرز کے دفتری سفر کے لیے سفری اخراجات اور روزانہ الاؤنسز بھی بیان کیے گئے ہیں۔

ڈائریکٹرز کو مجموعی ادا شدہ فیس اور CEO کو ادا کردہ معاوضے کی تفصیلات مجموعی مالیاتی رپورٹ کے نوٹ 39.1 میں ظاہر کی گئی ہیں۔

شریعہ بورڈ کے اراکین کا معاوضہ

ہیڈ، اسلامک بینکنگ شریعہ بورڈ کے اراکین کا معاوضہ انڈسٹری پریکٹس کی بنیاد پر صدر کو تجویز کرتا ہے۔ صدر کی منظوری کے بعد، اسے ہیڈ HR کو بھیجا جاتا ہے تاکہ وہ بورڈ ہیومن ریسورس اور ریمونریشن کمیٹی کو سفارش کر سکے۔ کمیٹی شریعہ بورڈ کے اراکین کے معاوضے کا جائزہ لیتی ہے اور اسے منظوری کے لیے بورڈ آف ڈائریکٹرز کے پاس بھیجتی ہے۔

بورڈ کے اراکین کی تقرری اور نامزدگی کا طریقہ کار

بینک کے شیئر ہولڈرز 3 سال کی مدت کے لیے ڈائریکٹرز کا انتخاب کرتے ہیں۔ اگر اتفاق طور پر کوئی جگہ خالی ہو تو بینک کے آرٹیکل آف ایسوسی ایشن اور نافذ العمل قوانین و ضوابط کی روشنی میں بورڈ آف ڈائریکٹرز اس جگہ کو پُر کرتے ہیں۔ بورڈ نائمنیشن اینڈ ریموونیشن کمیٹی (BNRC) کی جانب سے بورڈ اراکین کے لیے نامزدگی کی جاتی ہے۔ کوئی عہدہ اتفاق طور پر خالی ہونے کی وجہ سے یا ریگولیٹرز کی جانب سے مخصوص شرائط متعارف کروائے جانے کی صورت میں ایسی صورت حال درپیش ہو سکتی ہے۔ ممکنہ امیدوار کی شناخت کے بعد، کمیٹی اپنی ڈیوٹی لجنس انجام دیتے ہوئے بورڈ کی منظوری کے لیے سفارش بھیجتی ہے۔ تمام ڈائریکٹرز SBP کے فٹ اینڈ پروپر ٹیسٹ (FPT) معیار پر SBP کی جانب سے منظور کیے جاتے ہیں؛ نیز، SBP کے ضابطہ برائے کارپوریٹ گورننس کے مطابق آزاد ڈائریکٹرز غیر جانب داری کی اضافی شرط پر بھی پورا اترتے ہیں۔

بورڈ اور کمیٹیوں کی تشکیل

بورڈ کی تشکیل اور بورڈ کمیٹیوں کی تفصیلات کارپوریٹ گورننس کے ضابطے کے ساتھ اسٹیٹمنٹ آف کمپلائنس میں دی گئی ہیں۔

بورڈ کے پاس حکمت عملی کی سمت اور بہتر نگرانی میں معاونت کے لیے درج ذیل کمیٹیاں موجود ہیں۔ بورڈ کمیٹی، بورڈ کی جانب سے منظور شدہ متعلقہ حوالہ کی شرائط (TORS) کے مطابق کام کرتی ہیں۔ ہر ذیلی کمیٹی کے فرائض کی ایک مختصر وضاحت درج ذیل ہے۔

بورڈ آڈٹ کمیٹی (BAC): بینک کے داخلی کنٹرولز کے مضبوط اور موثر نظام کے لیے اعلیٰ سطح پر طرز کار کا تعین کرتی ہے۔ کمیٹی آپریشنل کنٹرولز سمیت بینک کے داخلی کنٹرولز کے ماحول، بشمول مالیاتی اور آپریشنل ضابطوں، اکاؤنٹنگ کے نظاموں، اور رپورٹنگ کے اسٹرکچر کی اہلیت اور افادیت کا جائزہ لیتی ہے۔ کمیٹی بینک کے داخلی آڈٹ فنکشن کی نگرانی اور رسک پر مبنی سالانہ آڈٹ کے منصوبے کی نگرانی کرتی ہے؛ رسک پر مبنی سالانہ آڈٹ پلان کی پیش رفت کی منظوری اور نگرانی کا عمل انجام دیتی ہے؛ اور یقینی بناتی ہے کہ انٹرئل آڈٹ کا شعبہ مناسب وسائل رکھتا ہو اور اپنی آزادانہ حالت برقرار رکھنے کے لیے ادارے کے اسٹرکچر میں موزوں مقام رکھتا ہو۔ BAC بورڈ کو منظوری کی درخواست سے پہلے بینک کے مالی بیانات اور اس سے وابستہ امور کا جائزہ بھی لیتی ہے۔ اس عمل کے ایک حصے کے طور پر، کمیٹی بینک کے بیرونی آڈیٹرز سے بھی بات چیت کرتی ہے اور اسٹیٹیسٹوری آڈیٹرز کے ساتھ بیرون ملک آڈیٹرز کی تقرری کے لیے بھی سفارشات پیش کرتی ہے۔ BAC نے اکاؤنٹنگ کے معیارات کے اطلاق کی نگرانی کی بھی ذمہ دار ہے، بالخصوص HBL میں IFRS 9 کے اطلاق کے لیے بورڈ نے BAC کو ذمہ داری سونپی ہے۔ اس کے دائرہ کار میں شعبوں کے لیے BAC بورڈ کو منظوری کے لیے پالیسیز پیش کرتی ہے۔

بورڈ رسک مینجمنٹ کمیٹی (BRMC): یہ کمیٹی رسک سے متعلق معاملات کی نگرانی اور تجاویز کی ذمہ دار ہے، جس میں بینک کی رسک کی سکت اور رسک پروفائل کا انتظام شامل ہیں۔ BRMC بینک کے رسک پروفائل کی مناسبت سے اندرونی رسک فریم ورک کی تشکیل اور تکمیل کی یقین دہانی بھی کرتی ہے اور رسک پروفائل کے ساتھ ایک آزاد، مددگار اور فعال رسک مینجمنٹ کلچر کی ترویج اور بحالی کی ذمہ دار ہے۔ کمیٹی روز افزوں بڑھتے ہوئے خطرات کی شناخت اور تدارک یقینی بنانے کے لیے دور رس نظریہ اختیار کرتی ہے۔

بورڈ ہیومن ریسورس اور ریموونیشن کمیٹی (BHRRC): کمیٹی اہم ہیومن ریسورس اور معاوضہ پالیسیاں تجویز کرتی ہے جس میں بینک میں ملازمت کی اہم شرائط اور فوائد کے ساتھ تمام عملے اور اہم افسران کے لیے پرفارمنس مینجمنٹ اور معاوضے کے منصوبے شامل ہیں۔ اس میں عملے کی تربیت، پیشہ ورانہ ترقی، ٹیلنٹ مینجمنٹ اور جانشینی کی منصوبہ بندی سے متعلق شرائط و ضوابط اور بہترین طرز کار کے مطابق جائزہ بھی لیا جاتا ہے۔

بورڈ کمپلائنس اور کنٹرول کمیٹی (BCNCC): کمیٹی پورے بینک میں مضبوط کمپلائنس اور بہتر طرز عمل کی ثقافت اپنانے میں بورڈ کی حمایت کرتی ہے۔ یہ ضابطہ اخلاق / تہذیب سمیت قانونی اور ریگولیٹری تقاضوں، داخلی پالیسیوں اور طریقہ کار کے ساتھ بینک کے کمپلائنس کی نگرانی کے لیے ایک نگران اتھارٹی کے طور پر کام کرتی ہے۔ کمیٹی کمپلائنس اور اخلاقی ضوابط، اسکیلیشن میکانزم اور کمپلائنس سے متعلق امور کی رپورٹنگ بشمول مالیاتی جرائم، ریگولیٹری اور طرز عمل کے خطرات کی رپورٹنگ کا بھی جائزہ لیتی ہے۔

بورڈ ویلپمنٹ فنانس کمیٹی (BDFC): یہ کمیٹی ملک کے پسماندہ اور غیر بینکاری طبقات اور علاقوں کے لیے مالی شمولیت کے مقاصد، مصنوعات اور خدمات کے لیے لائحہ عمل و نگرانی اور سرمایہ کی منڈیوں کی ترقی کے اقدامات میں بورڈ کی مدد کرتی ہے۔ ایک اہم توجہ کارمزوری و بلیو چین میں انتہائی پیداواری لیکن پسماندہ معاشرے کے ذریعے دستیاب اضافہ کے مواقع استعمال کرنا ہے۔

بورڈ IT کمیٹی (BITC): بورڈ کی IT کمیٹی کمپنی کے اہم ٹیکنالوجی سرمایہ کاری منصوبوں اور حکمت عملیوں سے متعلق بورڈ کی سفارشات کا جائزہ لیتی ہے، جانچتی ہے اور سفارشات پیش کرتی ہے۔ BITC ٹیکنالوجی کی مد میں خرچ کے فوائد اور منافع کا جائزہ بھی لیتی ہے۔ کمیٹی ڈیجیٹل پیش رفت پر توجہ مرکوز رکھتی ہے تاکہ کسٹمر کی مرکزیت، لاگت میں کمی اور محصولات میں اضافہ کیا جاسکے اور کلاؤڈ سروس اور Fintech کے استعمال کے لیے ہدایات بھی فراہم کرتی ہے۔ BITC یہ بھی یقینی بناتی ہے کہ بینک کے اندر انفارمیشن سکیورٹی فنکشن کو موثر نگرانی فراہم کی جائے اور انفارمیشن سکیورٹی کی ساخت رسک کی سکت سے ہم آہنگ ہو۔

بورڈ اور سائٹ کمیٹی—بین الاقوامی گورننس (BOC-IG): یہ کمیٹی ماتحت اداروں سمیت بیرون ملک کاروباری کاموں میں گورننس کی نگرانی میں بورڈ کی مدد کرتی ہے، جو SBP کے بینک کے بیرون ملک آپریشنز کے لیے گورننس فریم ورک کے مطابق ذیلی اداروں کے لیے بھی ہے۔

بورڈ آف ڈائریکٹرز کے 26 مارچ 2021ء کو منعقدہ 229 ویں اجلاس میں بورڈ نے بالترتیب چیئرمین شریعہ بورڈ، ریڈیٹنٹ شریعہ بورڈ ممبر اور ممبر شریعہ بورڈ کے لیے 950,000 روپے، 900,000 روپے اور 800,000 روپے کی منظوری دی گئی ہے۔ ریڈیٹنٹ شریعہ بورڈ ممبر کارالائونس کے بھی اہل ہوں گے۔

اپنی ملازمت کے معاہدے کی رو سے شریعہ بورڈ ممبر بینک کی ٹریول پالیسی کے مطابق گریڈ کے تحت سفری اور روزانہ الاؤنس کے اہل ہوں گے۔

شریعیہ بورڈ کے اراکین کو ادا کردہ فیس کی تفصیلات مجموعی مالیاتی رپورٹ کے نوٹ 39.1 میں ظاہر کی گئی ہیں۔

اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی وقت میں، انہوں نے ایسی پالیسیاں بنائیں اور اقدامات کیے جو مصلحت اندیش اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے صارفین کے احسان مند ہیں جن میں سے کئی نسلوں سے ہمارے ساتھ منسلک ہیں اور اپنے کاروبار اور اعتماد کے ذریعے اپنا بھروسہ جاری رکھے ہوئے ہیں۔ ہمارے حصص یافتگان نے ثابت قدمی سے ہمارا ساتھ دیا اور اس کے ساتھ ہم تمام اسٹیک ہولڈرز کے انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پرعزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے تہہ دل سے شکر گزار ہیں، جنہوں نے ان خطرناک حالات میں بہادری کا مظاہرہ کرتے ہوئے اس بحران میں ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنائی۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انہیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معیز احمد جمال
ڈائریکٹر

محمد اورنگزیب
صدر اور چیف ایگزیکٹو آفیسر

24 فروری، 2022ء

GROWTH AT A GLANCE - 2016 TO 2021 (CONSOLIDATED)

	2016	2017	2018	2019	2020	2021
Balance Sheet (Rs M)						
Investments	1,344,405	1,374,816	1,390,052	1,379,607	1,948,577	1,948,956
Advances	748,466	851,502	1,080,440	1,166,957	1,223,510	1,507,047
Total Assets	2,519,077	2,696,218	3,025,853	3,227,132	3,849,063	4,317,468
Total Deposits	1,885,959	1,998,935	2,137,293	2,437,597	2,830,371	3,381,998
Borrowings	331,727	397,803	523,319	382,206	544,108	436,258
Total Equity	196,269	188,751	199,252	224,752	265,495	283,686
Operating Results (Rs M)						
Net Interest Income	81,951	81,833	81,676	101,323	130,104	131,419
Non Fund Income	31,435	34,116	19,895	24,162	30,595	36,311
Total Revenue	113,387	115,949	101,571	125,485	160,699	167,730
Total Expenditure	55,970	62,371	74,978	93,290	95,449	97,615
Operating Profit	57,417	53,578	26,593	32,195	65,250	70,115
Provisions	892	374	5,009	3,314	12,220	8,087
Extraordinary and unusual item	-	23,717	-	-	-	-
Profit before taxation	56,525	29,487	21,585	28,881	53,031	62,028
Profit after taxation	34,206	8,848	12,441	15,500	30,913	35,507
Profitability ratios						
Return on average assets (RoA)	1.4%	0.3%	0.4%	0.5%	0.9%	0.9%
Return on average equity (RoE)	18.1%	5.2%	7.1%	8.1%	14.4%	14.7%
Cost : Income ratio	48.3%	52.9%	76.2%	73.5%	58.5%	58.0%
NFI : Gross revenue	27.7%	29.4%	19.6%	19.3%	19.0%	21.6%
Asset Quality & Liquidity ratios						
Advances to deposits ratio	39.7%	42.6%	50.6%	47.9%	43.2%	44.6%
Investment to deposits ratio	71.3%	68.8%	65.0%	56.6%	68.8%	57.6%
NPLs to Gross Advances	9.2%	8.2%	7.0%	6.6%	6.3%	5.1%
Net NPLs to Net Advances	1.4%	1.1%	1.1%	0.8%	0.9%	0.5%
Coverage - Specific	86.4%	87.6%	84.7%	88.7%	86.3%	90.1%
Coverage - Total	91.2%	91.6%	89.1%	93.2%	99.7%	103.7%
Current deposits mix	37.0%	36.7%	38.0%	36.0%	35.2%	34.6%
Share information						
Earnings per share	23.2	5.8	8.2	10.5	21.1	23.9
Cash dividend per share	14.0	8.0	4.3	5.0	4.3	7.5
Dividend yield	6.8%	3.4%	2.5%	3.8%	3.3%	6.0%
Dividend payout ratio	60.0%	138.2%	51.7%	47.8%	20.2%	31.4%
Breakup value per share	133.8	128.7	135.8	153.2	181.0	193.4
Market value per share - as at	273.3	167.1	120.5	157.4	132.3	116.6
High during the year	284.0	314.0	229.7	168.4	176.5	143.2
Low during the year	169.0	148.3	117.3	102.0	93.0	107.8
Market Capitalisation (Rs Bn)	400.8	245.1	176.7	230.9	194.0	171.1
Price to book value ratio (times)	2.0	1.3	0.9	1.0	0.7	0.6
Price to earning ratio (times)	8.8	40.3	20.7	12.5	6.1	5.2
Industry Share						
Deposits	14.1%	14.3%	13.9%	13.9%	14.0%	14.1%
Advances	11.3%	11.6%	12.2%	12.4%	12.5%	12.4%

GROWTH AT A GLANCE - 2016 TO 2021 (CONSOLIDATED)

	2016	2017	2018	2019	2020	2021
Trade (Rs M)						
Import volume	436,328	474,087	472,856	573,174	710,111	1,205,703
Export volume	386,623	359,274	348,095	488,692	509,652	784,566
Capital Adequacy						
CET1 to RWA	12.0%	12.0%	12.0%	11.5%	12.6%	11.5%
Tier-1 to RWA	12.0%	12.0%	12.0%	12.5%	13.5%	12.3%
Total capital to RWA	15.5%	16.0%	16.2%	15.4%	17.2%	15.6%
RWA to Total Assets	48.1%	43.1%	39.0%	39.4%	35.8%	38.7%
Touchpoints						
No. of Branches	1,731	1,751	1,743	1,712	1,697	1,685
No. of ATMs	2,000	2,007	2,139	2,136	2,157	2,180
No. of branchless banking agents	18,699	27,000	37,503	52,579	48,038	66,800
No. of POS terminals	14,926	18,015	21,024	25,340	30,459	39,272
No. of QR codes	-	-	-	31,055	35,320	55,287
Customer base						
No. of customers (In million)	11.3	12.7	15.4	19.6	22.3	26.9
Women customers (% of total)	32%	30%	32%	34%	37%	40%
No. of Mobile & Internet Banking subscribers ('000)	387	711	773	1,154	1,782	2,490
No. of debit cards ('000)	4,233	4,636	5,168	5,516	5,860	6,223
No. of credit cards ('000)	132	142	162	193	224	229
Headcount						
No. of permanent employees	17,220	18,085	20,093	21,005	20,795	21,703
Gender Diversity	12.3%	14.8%	15.7%	16.7%	18.2%	19.2%

ANNUAL STATEMENT ON INTERNAL CONTROLS 2021

An internal control system is a combination of a comprehensive framework along with robust processes, effective communication and a resilient monitoring mechanism, all designed to work in tandem to identify and mitigate the risk of failure to meet the business objectives of the Bank. It is the responsibility of the Bank's management to establish an internal control system which maintains an effective internal control environment.

The management of the Bank has implemented a system of internal controls, approved by the Board of Directors, to achieve effective and efficient operations, while complying with applicable laws and regulations and preserving the reliability of financial reporting. However, even a well-designed system of internal controls has inherent limitations and therefore can only provide reasonable but not absolute assurance regarding the effectiveness of controls and the reliability of financial reporting. Internal controls also require continuous improvement to align them with the evolving environment and business needs. The Bank continues to emphasize the increasing use of technology and automation to further strengthen the control environment.

The Bank's internal control structure comprises of different levels of monitoring activities. The Bank follows the "three lines of defense" model, with the first line comprising of front office, customer-facing and enabling functions, the second line being Compliance, Risk and other control functions and the third line of defense being Internal Audit.

The first line's role is to ensure that business risks are properly identified and mitigated, while ensuring that controls are operating effectively and corrective actions are implemented promptly. The Bank's control units housed within the second line are responsible for conducting end-to-end reviews of processes, to identify and monitor gaps and ensure that timely remedial action is undertaken for their rectification. The second line, as part of its governance responsibilities, also sets policies and defines risk tolerance levels.

The Compliance function's role is to strengthen the compliance environment and manage compliance risk across the institution by enabling the Bank to comply with applicable laws, regulations, guidelines and the Bank's internal policies and procedures. Accordingly, Compliance is responsible for advising and providing training on regulatory requirements and related compliance policies, along with identifying, assessing, monitoring, testing and reporting compliance risk in liaison with the business, for which a Compliance Risk Management framework has been developed. A regulatory Risk & Control Self-Assessment (RCSA) exercise is also underway where RCSAs based on different regulatory themes are being implemented. Additionally, a regulatory repository management process was rolled out for monitoring compliance with regulatory instructions.

Risk Management is responsible for the development and implementation of risk-related policies and for monitoring the risks associated with various activities of the Bank. The Enterprise Risk Management function of the Bank, setup in 2020, is working to further augment the control environment by setting up a centralized repository of all risks and controls on an automated platform. This repository, which is being established, will result in the creation of testing scripts, that will be used by the Bank's Risk, Compliance & Control Unit to evaluate the operating effectiveness of applicable controls, identify exceptions and report them at an appropriate level.

A Compliance Committee of Management and a Controls Committee (CC), both chaired by the President, monitor, review and provide oversight of compliance and control related matters at a franchise level and have resulted in gaps being addressed in a more effective and timely manner. Where known gaps exist, remediation plans are in place to address them; these are reviewed / monitored by the respective committee on a periodic basis. The Board Compliance & Conduct Committee (BCNCC) supports the Board in overseeing the implementation of a compliance and conduct culture along with governance over the implementation of a bank-wide compliance program. It also monitors the Compliance function's mandate and capabilities to effectively manage the Bank's compliance risks. The BCNCC reviews inspection reports from domestic and international regulatory authorities including management actions to address the issues identified.

Internal Audit, as the third line of defense, has full and unrestricted access to the Board Audit Committee (BAC), and provides independent assurance by conducting risk-based audits of activities and processes to evaluate the adequacy and effectiveness of the control environment. All significant findings of Internal and External Audit are reported to the BAC with agreed management actions and timelines. Internal Audit tracks closure of all findings through validation of agreed management actions and the status is regularly reported at the CC and at the BAC. The BAC oversees the implementation of internal controls to ensure that any identified risks are mitigated to safeguard the interest of the Bank. The Bank complies with the SBP's guidelines on the Internal Audit function.

The Bank follows the SBP's instructions on Internal Controls over Financial Reporting (ICFR). As part of this exercise, the Bank has documented a comprehensive ICFR Framework which has been approved by the Board of Directors. The Bank's External Auditors are engaged annually to provide a Long Form Report (LFR) on ICFR, which is presented to the BAC along with the progress on rectification of issues identified in the LFR. During the year, the Bank conducted testing of financial reporting controls to ensure the effectiveness of ICFR throughout the year. All of the deficiencies identified are procedural and are not expected to have a material impact on financial reporting.

Based on the results achieved from the ongoing testing of internal controls, and audits conducted during the year 2021, the management considers that the Bank's existing system of internal controls, including ICFR, is adequate and has been effectively implemented and monitored, although room for improvement always exists.

The Board of Directors has duly endorsed management's evaluation of internal controls, including ICFR, in the Directors' Report.

Rayomond Kotwal
Chief Financial Officer

Armughan Ahmed Kausar
Chief Compliance Officer

Syed Saad Uddin Ahmed
Acting Chief Internal Auditor

Sagheer Mufti
Chief Operating Officer

Tariq Masaud
Chief Risk Officer

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib Bank Limited

Review Report on 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 **Habib Bank Limited** ("the Bank") for the year ended **December 31, 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 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 December 31, 2021.

KPMG Taseer Hadi & Co.

Chartered Accountants

Engagement Partner: Aryn Pirani

Karachi.

Date: March 3, 2022

UDIN: CR202110201WRPtyuxME

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019
For the year ended December 31, 2021

Habib Bank Limited (hereinafter referred to as 'the Bank') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") for the year ended December 31, 2021 in the following manner:

1. The total number of Directors is 8 as shown in the following table:

	Category	Number of Directors
a.	Male Director*	7
b.	Female Director	1

* including the President & CEO, who is an Executive Director.

2. The composition of the Board of Directors is as follows:

Categories	Names of Directors
Independent Directors	1- Mr. Salim Raza 2- Ms. Saba Kamal 3- Mr. Khaleel Ahmed
Non-executive Directors	4- Mr. Sultan Ali Allana 5- Mr. Shaffiq Dharamshi 6- Mr. Moez Ahamed Jamal 7- Dr. Najeeb Samie
Executive Director	8- Mr. Muhammad Aurangzeb

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies including the 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 approved 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 Companies Act, 2017 ("the Act") and the Regulations.
7. The meetings of the Board of directors were presided over by the Chairman of the Board and the Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations of SECP and SBP.
9. All Directors have either already attended SECP approved Directors' Training Programs (DTP) in previous years and are certified as Directors or are exempt in accordance with the Regulations.
10. The Board has approved appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before the approval of the Board.

12. The Board has the following committees as of December 31, 2021 comprising of the members listed against each committee:

Name of Committee	Composition
a) Board Audit Committee (BAC)	1. Mr. Khaleel Ahmed, Chairman 2. Mr. Moez Ahamed Jamal, Member 3. Dr. Najeeb Samie, Member
b) Board Compliance and Conduct Committee (BCNC)	1. Mr. Moez Ahamed Jamal, Chairman 2. Mr. Shaffiq Dharamshi, Member 3. Mr. Khaleel Ahmed, Member
c) Board Development Finance Committee (BDFC)	1. Mr. Salim Raza, Chairman 2. Mr. Khaleel Ahmed, Member 3. Ms. Saba Kamal, Member 4. Mr. Muhammad Aurangzeb, Member
d) Board Human Resource & Remuneration Committee (BHR&RC)	1. Mr. Khaleel Ahmed, Chairman 2. Mr. Sultan Ali Allana, Member 3. Dr. Najeeb Samie, Member 4. Mr. Shaffiq Dharamshi, Member
e) Board IT Committee (BITC)	1. Ms. Saba Kamal, Chairperson 2. Mr. Moez Ahamed Jamal, Member 3. Mr. Salim Raza, Member
f) Board Oversight Committee – International Governance (BOC-IG)	1. Mr. Sultan Ali Allana, Chairman 2. Dr. Najeeb Samie, Member 3. Mr. Muhammad Aurangzeb, Member
g) Board Risk Management Committee (BRMC)	1. Mr. Salim Raza, Chairman 2. Mr. Shaffiq Dharamshi, Member 3. Mr. Muhammad Aurangzeb, Member
h) Board Nomination and Remuneration Committee (BNRC)	1. Mr. Salim Raza, Chairman 2. Dr. Najeeb Samie, Member 3. Mr. Moez Ahamed Jamal, Member 4. Mr. Shaffiq Dharamshi, Member

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The number of meetings of the Board Committees held during the year were as per the following table:

Name of Committee	Number of Meetings
a) Board Audit Committee	8
b) Board Compliance and Conduct Committee	8
c) Board Development Finance Committee	3
d) Board Human Resource and Remuneration Committee	5
e) Board IT Committee	4
f) Board Oversight Committee – International Governance	4
g) Board Risk Management Committee	6
h) Board Nomination and Remuneration Committee	3

15. The Board has set up an effective Internal Audit function. The Internal Auditors are conversant with the policies and procedures of the Bank and are considered suitably qualified and experienced for the purpose.

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 (ICAP) and are registered with the 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 company.
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, the 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.

Muhammad Aurangzeb
President & CEO

Sultan Ali Allana
Chairman

Date: February 24, 2022

SHARIAH BOARD REPORT 2021

FOR THE YEAR ENDED DECEMBER 31, 2021

PRESENTED TO THE BOARD OF DIRECTORS

All praises and thanks be to Allah (Subhanahu Wata'ala), the year 2021 witnessed a remarkable growth in HBL's Islamic Banking business (HBL-IB), network and customer penetration through digitalization, innovative products and services. By the grace of Almighty Allah, we have gradually returned to normalcy from the COVID-19 pandemic era. HBL-IB responded to these challenges by adopting innovative ways of working aided with digitalization and improved processes sharpened by business transformation drive. Nevertheless, HBL-IB realizing its social responsibility, focused on supporting development projects carrying national and social importance.

During the year, the Shariah Board (SB) of HBL held four meetings to review:

- a. Policies and procedures, new products/renewals of existing products, transaction structures, Shariah queries, process flows, business and marketing material, etc.
- b. Shariah Compliance review reports, Internal/External Shariah Audit Reports

Shariah Compliance

The Board of Directors (BOD) and Executive Committee (Exco) are solely responsible for ensuring that the operations of HBL are conducted in a manner that complies with Shariah principles at all times. The continued support and commitment of the BOD and Exco towards Islamic Banking enabled the SB to ensure an acceptable Shariah compliance environment of HBL's Islamic Banking business.

The Shariah compliance Department (SCD) team is working under supervision of Resident Shariah Board Member ensuring Shariah compliance at both pre and post execution stages. SCD carried out review of policies, product programs and related agreements, processes and manuals, Shariah queries, and business and marketing material before its submission to the SB. While, on the post execution side, they have conducted Shariah review of transactions on test basis of each class of transaction to ensure the execution of transactions are in line with approved Product Program and the SB's guidelines. We acknowledge the role of SCD in strengthening the Shariah compliance environment of HBL.

Internal Shariah Audit Unit (ISAU), as a part of the bank's Internal Audit department, is in place to carry out post execution Shariah audit of all activities of the Islamic Banking business to provide an independent assurance to the management. ISAU have submitted their reports to the SB for guidance and decision.

Training

With the growing acceptability of Islamic banking financial products there is a need to develop skilled resources according to the product and market needs. Realizing the responsibility, HBL is always attentive towards development of trained staff, hence the Learning & Development (L&D) department had arranged numerous training programs on Basics of Islamic Banking and Islamic Banking Products. During the year, L&D has conducted more than 80 virtual sessions, wherein more than 7,000 staff members participated from Islamic Banking Branches (IBBs)/Islamic Banking Windows (IBWs) and various support functions.

Charity

During the year, an amount of PKR 45.256 million (opening balance PKR 4.234 million) was received from clients on account of delayed payments or transactions prohibited by Shariah; this was credited to the Charity Fund account. Further, the management also credited an amount of PKR 0.175 million as profit payment on the Charity Fund to the Charity Fund account. As per the approved charity policy, HBL-IB has approved and disbursed a charity amount of PKR 4.800 million to the Education/ Health sector from the Charity Fund account. Al-Hamdulillah, the period under review has no income that was identified as charity due to Shariah non-compliance of financial transactions. (Refer note 7 of Annexure 1 of these financial statements).

Recommendations

Based on the opinion formed considering the Shariah compliance reviews of local and international locations and Internal/External Shariah Audit reports, we have the following recommendations:

- The core banking system of HBL-IB needs to be aligned to fully translate product features, effective Shariah controls and parameters as approved by the Shariah Board. Alternatively, it should be upgraded to a dedicated core banking system to cater to all Islamic products and services.
- To leverage the Bank's size and network, we urge HBL to arrange Islamic Banking awareness sessions more frequently to promote and create awareness regarding Islamic Banking.
- A mix of Takaful (Islamic Insurance) and conventional insurance is practiced due to certain constraints of the industry. However, it is reiterated to make efforts to switch the Islamic financing portfolios towards Takaful as early as possible.

Conclusion

Based on Shariah compliance reviews of both local/international locations, External and Internal Shariah Audit reports management representations and to the best of our knowledge, the SB is of the view that overall:

- i. HBL-IB has complied with Shariah rules and principles in the light of fatawas, rulings and guidelines issued by the Shariah Board.
- ii. HBL-IB has complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by the SBP in accordance with the rulings of SBP's Shariah Board.
- iii. HBL-IB has a mechanism in place to ensure Shariah compliance in their overall operations.
- iv. HBL-IB has in place a satisfactory system to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to the Charity Fund account. HBL-IB has a well-defined system in place to utilize the Charity Fund properly.
- v. HBL-IB has overall complied with the SBP's instructions on profit and loss distribution and pool management.
- vi. The level of awareness, capacity and sensitization of the staff, management and the BOD in appreciating the importance of Shariah compliance in the products and processes of the bank has been strengthened and is recognized.
- vii. SB has been provided adequate resources enabling it to discharge its duties effectively.

Mufti Muhammad Yahya Asim
Resident Shariah Board Member

Dr. Ejaz Ahmed Samadani
Member - Shariah Board

Dr. Muhammad Zubair Usmani
Chairman - Shariah Board

Date: February 24, 2022

شریہ بورڈ رپورٹ

31 دسمبر 2021ء کو ختم ہونے والے سال کے لئے
بورڈ آف ڈائریکٹرز کو پیش کی جا رہی ہے

تمام تعریفیں اور شکر اللہ سبحانہ تعالیٰ کے لئے کہ سال 2021ء میں HBL کے اسلامک بینکنگ کاروبار میں قابل قدر اضافہ دیکھنے میں آیا۔ اوریہ اضافہ نیٹ ورک کے ساتھ ساتھ ڈیجیٹلائزیشن کے ذریعے بینکنگ پر اڈکس اور سروسز کی صارفین تک رسائی کو یقینی بنانے کی وجہ سے ہوا۔ اللہ تعالیٰ کے فضل و کرم سے ہم COVID-19 کے وبائی دور سے آہستہ آہستہ معمول پر آ رہے ہیں۔ HBL اسلامک بینکنگ نے COVID-19 کے دوران پیش آنے والی مشکلات کا مقابلہ جدید طریقوں کے ذریعے کاروبار میں تیزی اور بہتری لانے کے لئے ڈیجیٹلائزیشن کے عمل کو اپنا کر کیا۔ اس کے ساتھ ساتھ، HBL اسلامک بینکنگ نے اپنی سماجی ذمہ داری کو سمجھتے ہوئے قومی اور سماجی اہمیت کے حامل ترقیاتی منصوبوں میں شرکت کو اہمیت دی۔

گذشتہ سال کے دوران HBL کے شریہ بورڈ کے چار اجلاس منعقد ہوئے جن میں مندرجہ ذیل معاملات کا جائزہ لیا گیا:

(الف) پالیسیز اور طریقہ کار، نئی پراڈکٹس کی منظوری، موجودہ پراڈکٹس کی تجدید، ٹرانزیکشن اسٹرکچر، کاروباری معاملات کے شرعی پہلوؤں سے متعلق سوالات، کاروباری اور نشہیری مواد وغیرہ

(ب) شریہ کمپلائنس جائزہ رپورٹ، اندرونی / بیرونی (Internal/External) شریہ آڈٹ رپورٹس

شریہ کمپلائنس

بورڈ آف ڈائریکٹرز (BOD) اور ایگزیکٹو کمیٹی (Exco) اس بات کو یقینی بنانے کے مکمل طور پر ذمہ دار ہیں کہ HBL کے آپریشنز اس طریقے سے چلائے جائیں جو شرعی اصولوں کے مطابق ہوں۔ اسلامک بینکنگ کے لئے بورڈ آف ڈائریکٹرز (BOD) اور ایگزیکٹو کمیٹی (Exco) کی مسلسل حمایت اور پر عزم معاونت نے شریہ بورڈ کو با اختیار بنایا کہ وہ HBL کے اسلامک بینکنگ کاروباری ماحول کو شریہ کے اصولوں اور تعلیمات کے مطابق یقینی بنا سکے۔

شریہ کمپلائنس ڈیپارٹمنٹ (SCD) کی ٹیم ریزیدنٹ شریہ بورڈ ممبر کی نگرانی میں ٹرانزیکشن منعقد ہونے سے پہلے اور بعد کے مراحل پر شرعی اصولوں کی پابندی کو یقینی بنانے کے لئے کام کر رہی ہے۔ ٹرانزیکشن منعقد ہونے سے پہلے، SCD نے جائزہ (ریویو) کے دوران پالیسیز، پراڈکٹ پروگرامز اور اس سے متعلقہ معاہدوں، ProcessFlow اور دستور العمل، اور کاروبار اور مارکیٹنگ کے مواد کا جائزہ لیا۔ جبکہ ٹرانزیکشن منعقد ہونے کے بعد، انہوں نے ہر قسم کی ٹرانزیکشن کا شرعی اعتبار سے جائزہ لیا تاکہ اس بات کو یقینی بنایا جائے کہ ٹرانزیکشن کا عمل منظور شدہ پراڈکٹ پروگرام اور شریہ بورڈز کی ہدایت کے مطابق ہے۔ SCD ٹیم نے جائزہ (ریویو) کے بعد تمام رپورٹس حتمی رائے کے لئے شریہ بورڈ کی خدمت میں پیش کیں۔ ہم سمجھتے ہیں کہ HBL کے شریہ کمپلائنس کے ماحول کو مضبوط بنانے میں SCD کا بھی اہم کردار ہے۔

انٹرنل شریہ آڈٹ یونٹ (ISAU) بینک کے انٹرنل آڈٹ ڈیپارٹمنٹ کے ایک حصہ کے طور پر کام کرنے کے لئے موجود ہے جو بینک انتظامیہ کو اس بات کی یقینی دہانی فراہم کرنے کے لئے کہ اسلامک بینکنگ کے کاروبار کی تمام سرگرمیاں شرعی اصولوں کے مطابق انجام دی جا رہی ہیں۔ ISAU نے بھی آڈٹ مکمل کرنے کے بعد راہنمائی اور فیصلے کے لئے اپنی رپورٹس شریہ بورڈ کو پیش کیں۔

ٹریڈنگ

اسلامک بینکنگ کی مصنوعات کی بڑھتی ہوئی پذیرائی کے پیش نظر پراڈکٹ اور مارکیٹ کی ضروریات کو مد نظر رکھتے ہوئے ملازمین کی صلاحیتوں میں اضافہ ہمیشہ بینک کی اہم ترجیح رہا ہے۔ اپنی اس ذمہ داری کو سمجھتے ہوئے HBL نے سٹاف کی تربیت کی طرف خاص توجہ دی ہے، لہذا لرننگ اینڈ ڈیولپمنٹ (L&D) ڈیپارٹمنٹ نے اسلامک بینکنگ اور اسلامک بینکنگ پراڈکٹس پر مبنی متعدد تربیتی پروگرامز ترتیب دئے ہیں۔ گذشتہ سال کے دوران L&D نے 80 سے زائد ورچوئل سیشنز کئے، جن میں اسلامک بینکنگ کی برانچز (IBBs) / اسلامک بینکنگ ونڈوز (IBWs) اور متعدد سپورٹ فنکشنز سے 7,000 سے زائد اسٹاف نے شرکت کی۔

چیرٹی

گذشتہ سال کے دوران 45.256 ملین روپے کی رقم (جبکہ ابتدائی سیلنس 4.234 ملین روپے) تاخیر سے ادائیگی یا شریہ کی طرف سے ممنوعہ ٹرانزیکشن کی مد میں کلائنٹس سے وصول کی گئی جو کہ چیرٹی فنڈ اکاؤنٹ میں جمع کی گئی ہے۔ مزید یہ کہ انتظامیہ نے چیرٹی فنڈ پر حاصل ہونے والے منافع کی رقم 0.175 ملین روپے چیرٹی فنڈ اکاؤنٹ میں منتقل کر دی ہے۔ منظور شدہ چیرٹی پالیسی کے تحت HBL اسلامک بینکنگ نے چیرٹی فنڈ اکاؤنٹ سے صحت اور تعلیم کے شعبے کو 4.8 ملین روپے کی رقم منظوری کے بعد جاری کر دی گئی۔

الحمد للہ، اس عرصہ میں ایسی کوئی آمدنی نہیں ہے جو شریعت کے اصولوں کی خلاف ورزی کے نتیجہ میں عائد کی گئی ہو۔ (تفصیل کے لئے مالی بیانات کے لئے ضمیمہ 1 کے نوٹ 7 سے رجوع کریں)۔

تجاویز

بینک کی ملکی و بین الاقوامی لوکیشنز کے جائزوں اور اندرونی / بیرونی شریعہ آڈٹ رپورٹس پر غور کرتے ہوئے قائم کی گئی رائے کی بنیاد پر ہماری درج ذیل تجاویز ہیں:

- HBL اسلامک بینکنگ کے کور بینکنگ سسٹم (Core Banking System) کو اسلامک پروڈکٹس کی خصوصیات، شریعہ کے اصول اور شریعہ بورڈ کی طرف سے منظور شدہ معیارات کے مطابق مکمل عمل درآمد کے لئے مربوط کرنے کی ضرورت ہے یا کم از کم کور بینکنگ سسٹم کو تمام اسلامک پروڈکٹس اور سروسز کے شرعی معیارات کے مطابق Develop کرنا ضروری ہے۔
- بینک کے سائز اور نیٹ ورک سے فائدہ اٹھانے کے لئے ہم HBL کو تجویز دیتے ہیں کہ اسلامک بینکنگ کی آگاہی اور فروغ دینے کے لئے اسلامک بینکنگ سے متعلق آگاہی کے زیادہ سے زیادہ سیشنز کا اہتمام کرے۔
- اسلامک بینکنگ انڈسٹری میں کچھ ناگزیر وجوہات کی بنیاد پر مالی معاملات میں تکافل (اسلامک انشورنس) کے بجائے کنونینشل انشورنس کا سلسلہ جاری ہے۔ تاہم اس بات کی ضرورت ہے کہ اسلامک فنانسنگ پورٹ فولیوز کو جلد از جلد مکمل طور پر تکافل کی طرف منتقل کرنے کی کوشش کی جائے۔

تجزیہ و رائے

اسلامی بینکنگ کی ملکی و بین الاقوامی شریعہ کمپلائنس ری ویو رپورٹس، انٹر نل / ایکسٹرنل شریعہ آڈٹ رپورٹ اور مینجمنٹ کی یقین دہانی کی روشنی میں مجموعی طور پر ہماری رائے مندرجہ ذیل ہے:

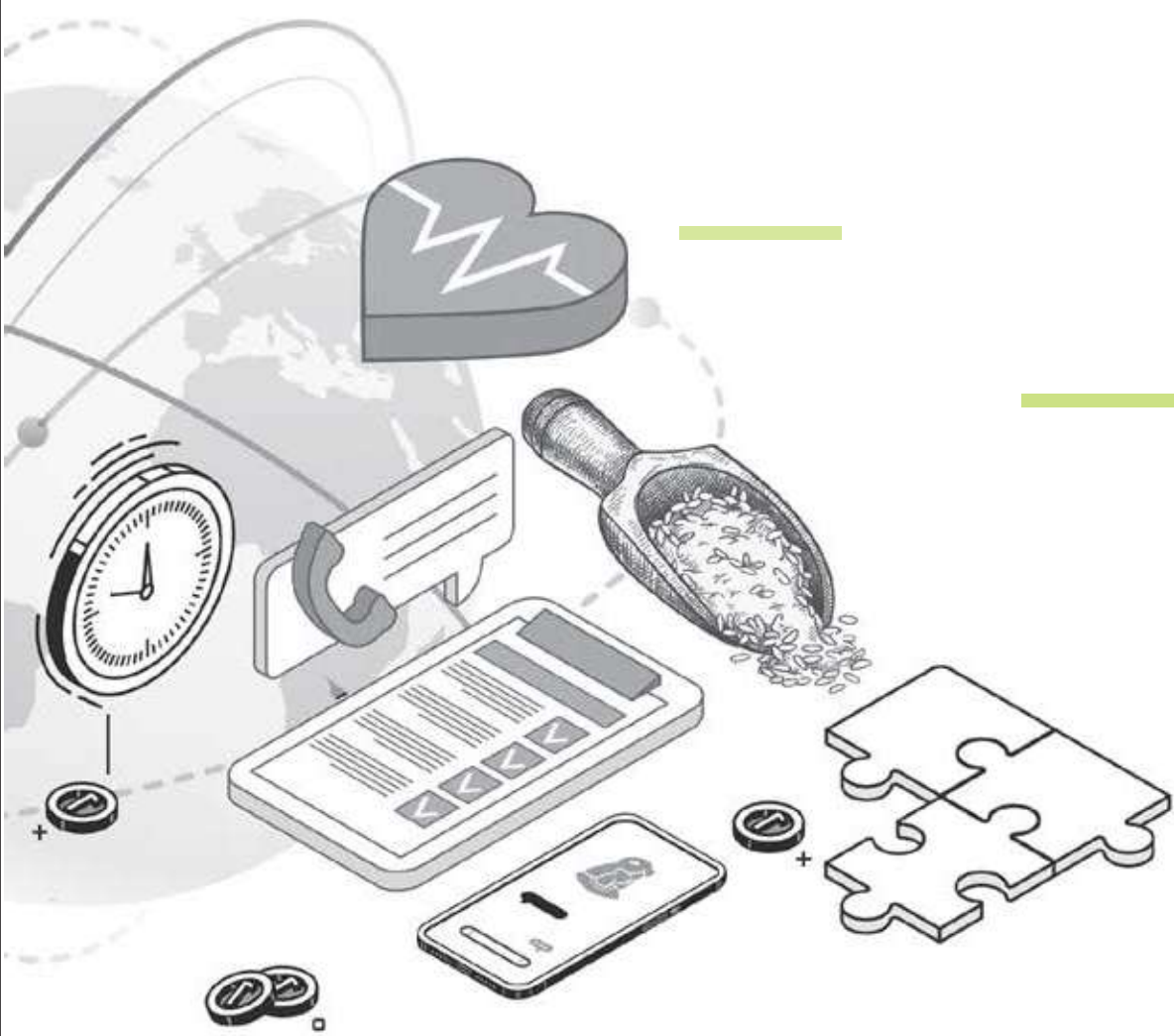
- i. HBL اسلامک بینکنگ شرعی اصولوں، احکامات اور تعلیمات اور شریعہ بورڈ کی ہدایات کے مطابق اسلامک بینکنگ کرتا ہے۔
- ii. HBL اسلامک بینکنگ اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کے احکام کے مطابق اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ شریعہ کمپلائنس سے متعلق احکامات، ضوابط، ہدایات اور رہنمائی کے مطابق عمل کرتی ہے۔
- iii. HBL اسلامک بینکنگ نے اپنے تمام آپریشنز میں شریعہ کمپلائنس کو یقینی بنانے کے لئے ایک خاص طریقہ کار وضع کیا ہے۔
- iv. HBL اسلامک بینکنگ نے اس بات کو یقینی بنانے کے لئے ایک تسلی بخش نظام قائم کیا ہے کہ کسی بھی ذریعے سے حاصل ہونے والی آمدنی یا شریعہ کی طرف سے ممنوعہ ذرائع سے حاصل ہونے والی آمدنی پیریڈنڈ اکاؤنٹ میں جمع کروادی جائے گی۔ پیریڈنڈ کو درست طریقے سے استعمال کرنے کے لئے HBL اسلامک بینکنگ کے پاس طے شدہ واضح نظام موجود ہے۔
- v. HBL اسلامک بینکنگ مکمل طور پر نفع اور نقصان کی تقسیم اور پول مینجمنٹ کے حوالے سے اسٹیٹ بینک آف پاکستان کی ہدایت کی تعمیل کرتی ہے۔
- vi. بینک کے پروڈکٹس اور عمل میں شریعہ کمپلائنس کی اہمیت کو سمجھنے کے لئے عملی، انتظامیہ اور BOD کی واقفیت، صلاحیت اور حساسیت کی سطح کو مضبوط بنایا گیا ہے۔
- vii. شریعہ بورڈ کو مناسب اور ضرورت کے مطابق وسائل فراہم کئے گئے ہیں تاکہ وہ اپنے فرائض موثر طریقے سے انجام دے سکے۔

ڈاکٹر محمد زبیر عثمانی
چیئر مین شریعہ بورڈ

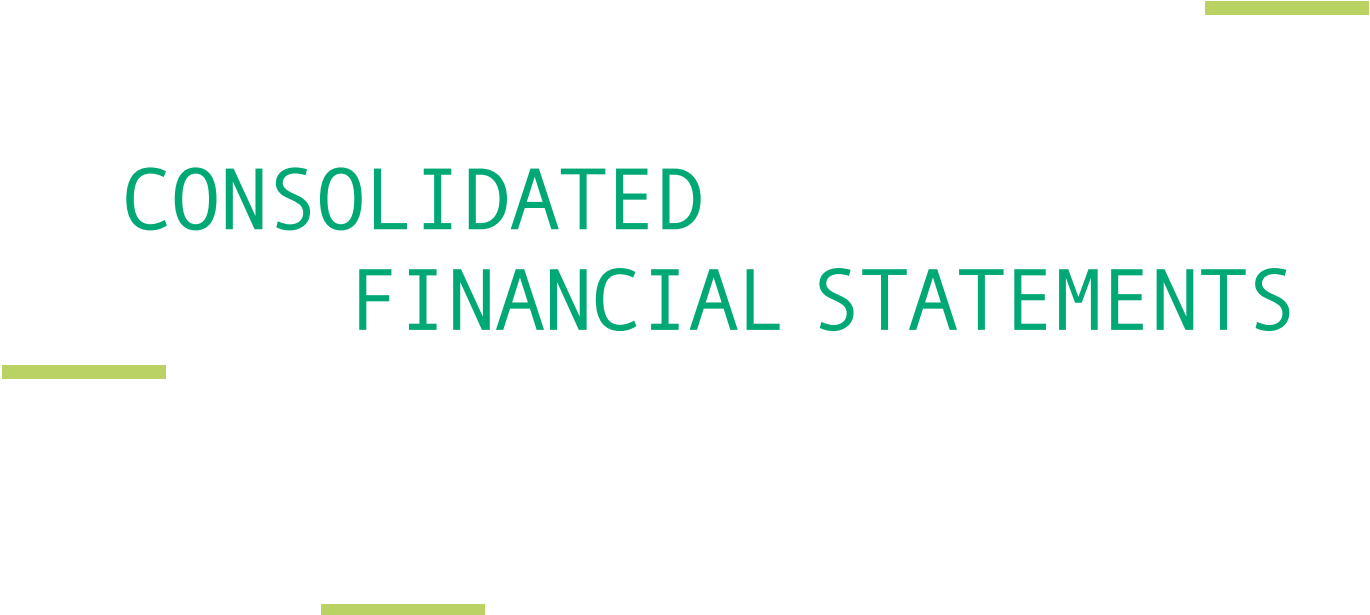
ڈاکٹر اعجاز احمد صدیقی
ممبر شریعہ بورڈ

مفتی محمد یحییٰ عاصم
ریزیڈنٹ شریعہ بورڈ ممبر

تاریخ: 24 فروری 2022ء





The page features four decorative horizontal bars in a light green color. One bar is positioned above the word 'FINANCIAL', another is to the left of 'FINANCIAL', a third is below 'FINANCIAL', and the fourth is to the right of 'STATEMENTS'.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members of Habib Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Habib Bank Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and 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 December 31, 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 the 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.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Provision against advances Refer notes 4.4 and 9.5 to the consolidated financial statements for accounting policy and particulars of provision against advances. The Group's advances to customers represent 35% of its total assets. These are stated net of provision against advances of Rs. 83.85 billion as at December 31, 2021. The provision against advances was identified as a key focus area in our audit as it involves a considerable degree of management judgment and estimation uncertainty along with compliance with the regulatory requirements.	Our audit procedures for domestic advances included: - Assessed the design and tested the operating effectiveness of manual and automated controls over classification and grading of customers, including: - The accuracy of data input into the system used for credit grading; - The ongoing monitoring and identification of advances displaying indicators of impairment and whether they are migrating on a timely basis to early alert or to higher risk grade; - Identification of past due customers.

S. No.	Key audit matter	How the matter was addressed in our audit
		• For a sample of advances, where the management has not identified as displaying indicators of impairment, challenged the management's assessment by comparing the historical performance, financial ratios and reports on security maintained and formed our own view whether any impairment indicators are present. • Where management has identified as displaying indicators of impairment, assessed the number of days overdue and factors used for calculation of provision in accordance with the Prudential Regulations. • For consumer advances, analysed the days past due report and factors used for calculation of specific provision required in accordance with Prudential Regulations. • For consumer advances, where the management has not identified as displaying any indicators of impairment, compared the general provision calculated with provision required in accordance with Prudential Regulations. We issued instructions to auditors of those components which were selected for audit, highlighting 'Impairment of loans and advances' as a significant risk. The auditors of those components performed audit procedures to respond to the significant risk and reported the results thereof to us. We, as auditors of the Group, also evaluated the work performed by the component auditors through their files review and discussions with them.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the Companies Act, 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 controls.
- Obtain an understanding of internal controls 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.
- 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 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.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2020 were audited by another auditor who vide their report dated February 24, 2021 expressed an unmodified opinion on those statements.

The engagement partner on the audit resulting in this independent auditor's report is **Amyr Pirani**.

KPMG Taseer Hadi & Co. **Chartered Accountants**

Karachi

Dated: March 3, 2022

UDIN: AR202110201xsdJTD7lc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
ASSETS					
2,499,822	2,126,070	Cash and balances with treasury banks	5	441,252,246	375,280,120
365,060	320,280	Balances with other banks	6	64,438,075	56,533,829
531,078	170,832	Lendings to financial institutions	7	93,742,432	30,154,193
11,041,399	11,039,251	Investments	8	1,948,955,978	1,948,576,822
8,537,857	6,931,539	Advances	9	1,507,047,097	1,223,510,222
559,030	505,288	Fixed assets	10	98,676,342	89,190,210
71,555	58,992	Intangible assets	11	12,630,475	10,412,880
-	-	Deferred tax assets		-	-
853,904	653,800	Other assets	12	150,725,500	115,404,542
24,459,705	21,806,052			4,317,468,145	3,849,062,818
LIABILITIES					
250,389	263,063	Bills payable	13	44,196,984	46,434,199
2,471,528	3,082,528	Borrowings	14	436,258,005	544,107,826
19,159,999	16,034,872	Deposits and other accounts	15	3,381,998,398	2,830,371,390
-	-	Liabilities against assets subject to finance lease		-	-
70,102	126,653	Subordinated debt	16	12,374,000	22,356,000
28,794	58,850	Deferred tax liabilities	17	5,082,602	10,387,859
871,731	735,979	Other liabilities	18	153,872,354	129,910,297
22,852,543	20,301,945			4,033,782,343	3,583,567,571
1,607,162	1,504,107	NET ASSETS		283,685,802	265,495,247
REPRESENTED BY					
Shareholders' equity					
83,101	83,101	Share capital	19	14,668,525	14,668,525
461,017	408,252	Reserves		81,375,519	72,062,025
142,535	203,978	Surplus on revaluation of assets - net of tax	20	25,159,371	36,004,914
897,616	782,990	Unappropriated profit		158,441,418	138,208,223
1,584,269	1,478,321	Total equity attributable to the equity holders of the Bank		279,644,833	260,943,687
22,893	25,786	Non-controlling interest		4,040,969	4,551,560
1,607,162	1,504,107			283,685,802	265,495,247
CONTINGENCIES AND COMMITMENTS					
21					

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020 (US \$ in '000)		Note	2021 (Rupees in '000)	2020 (Rupees in '000)
1,485,746	1,536,637	Mark-up / return / profit / interest earned	23	262,253,962	271,237,258
741,218	799,559	Mark-up / return / profit / interest expensed	24	130,834,913	141,132,940
744,528	737,078	Net mark-up / return / profit / interest income		131,419,049	130,104,318
Non mark-up / interest income					
144,087	106,483	Fee and commission income	25	25,433,355	18,795,739
5,177	2,772	Dividend income		913,769	489,303
14,648	16,787	Share of profit of associates and joint venture		2,585,595	2,963,090
30,483	(916)	Foreign exchange income / (loss)		5,380,594	(161,688)
(1,032)	6,107	(Loss) / gain from derivatives		(182,098)	1,077,945
5,803	39,968	Gain on securities - net	26	1,024,384	7,054,874
6,548	2,128	Other income	27	1,155,761	375,597
205,714	173,329	Total non mark-up / interest income		36,311,360	30,594,860
950,242	910,407	Total income		167,730,409	160,699,178
Non mark-up / interest expenses					
542,650	532,641	Operating expenses	28	95,784,969	94,018,405
7,213	6,287	Workers' Welfare Fund - charge	29	1,273,226	1,109,730
3,157	1,817	Other charges	30	557,198	320,793
553,020	540,745	Total non mark-up / interest expenses		97,615,393	95,448,928
397,222	369,662	Profit before provisions and taxation		70,115,016	65,250,250
45,816	69,228	Provisions / (reversals) and write offs - net	31	8,087,105	12,219,614
351,406	300,434	Profit before taxation		62,027,911	53,030,636
150,249	125,301	Taxation	32	26,521,038	22,117,287
201,157	175,133	Profit after taxation		35,506,873	30,913,349
Attributable to:					
198,409	175,014	Equity holders of the Bank		35,021,853	30,892,271
2,748	119	Non-controlling interest		485,020	21,078
201,157	175,133			35,506,873	30,913,349
-----Rupees-----					
Basic and diluted earnings per share			33	23.88	21.06

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020 (US \$ in '000)		2021 (Rupees in '000)	2020 (Rupees in '000)
198,409	175,014	Profit after taxation for the year attributable to:	35,021,853	30,892,271
2,748	119	Equity holders of the Bank	485,020	21,078
201,157	175,133	Non-controlling interest	35,506,873	30,913,349
		Other comprehensive income / (loss)		
		<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
		Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to:		
30,120	13,131	Equity holders of the Bank	5,316,304	2,317,496
482	435	Non-controlling interest	85,115	76,720
30,602	13,566		5,401,419	2,394,216
846	311	Increase in share of exchange translation reserve of associates - net of tax	149,385	54,866
		Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:		
(60,641)	28,202	Equity holders of the Bank	(10,703,813)	4,978,206
(340)	108	Non-controlling interest	(60,040)	19,147
(60,981)	28,310		(10,763,853)	4,997,353
(530)	198	Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(93,613)	34,977
		<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
		Remeasurement gain / (loss) on defined benefit obligations - net of tax, attributable to:		
1,155	(876)	Equity holders of the Bank	204,020	(154,494)
(7)	3	Non-controlling interest	(1,152)	486
1,148	(873)		202,868	(154,008)
24	29	Share of remeasurement gain on defined benefit obligations of associates - net of tax	4,186	5,168
		Movement in surplus / deficit on revaluation of fixed assets - net of tax, attributable to:		
81	34,658	Equity holders of the Bank	14,317	6,117,647
(81)	214	Non-controlling interest	(14,317)	37,697
-	34,872		-	6,155,344
752	281	Movement in surplus / deficit on revaluation of non-banking assets - net of tax	132,680	49,570
173,018	251,827	Total comprehensive income	30,539,945	44,450,835
		Total comprehensive income attributable to:		
170,216	250,948	Equity holders of the Bank	30,045,319	44,295,707
2,802	879	Non-controlling interest	494,626	155,128
173,018	251,827		30,539,945	44,450,835

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Share capital	Attributable to shareholders of the Bank									Non-controlling interest	Total
	Reserves					Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total		
	Statutory		Capital	On acquisition of common control entity							
	Joint venture and subsidiary	Bank (note 19.5)	Exchange translation (note 19.6)		Non-distributable	Investments	Fixed / Non Banking Assets				
(Rupees in '000)											

(Rupees in '000)

Balance as at December 31, 2019

14,668,525 1,239,213 33,463,859 31,167,030 547,115 (156,706) 3,530,150 21,345,233 114,550,097 220,354,516 4,396,996 224,751,512

Comprehensive income for the year

Profit after taxation for the year ended December 31, 2020

Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax

Increase in share of exchange translation reserve of associates - net of tax

Remeasurement (loss) / gain on defined benefit obligations - net of tax

Share of remeasurement gain on defined benefit obligations of associates- net of tax

Movement in surplus / deficit on revaluation of assets - net of tax

Movement in share of surplus / deficit on revaluation of assets of associates - net of tax

Transferred to statutory reserves

Transferred from surplus on revaluation of assets - net of tax

Exchange gain realised on capital reduction in subsidiary under liquidation - net of tax

Reversal of deferred tax asset recognised on subsidiary under liquidation

Exchange loss realised on closure of Bank branch - net of tax

Transactions with owners, recorded directly in equity

Final cash dividend - Rs 1.25 per share declared subsequent to the year ended December 31, 2019

1st interim cash dividend - Rs 1.25 per share

-	-	-	-	-	-	-	-	30,892,271	30,892,271	21,078	30,913,349
-	-	-	2,317,496	-	-	-	-	-	2,317,496	76,720	2,394,216
-	-	-	54,866	-	-	-	-	-	54,866	-	54,866
-	-	-	-	-	-	-	-	(154,494)	(154,494)	486	(154,008)
-	-	-	-	-	-	-	-	5,168	5,168	-	5,168
-	-	-	-	-	-	4,978,206	6,167,217	-	11,145,423	56,844	11,202,267
-	-	-	-	-	-	34,977	-	-	34,977	-	34,977
-	-	-	2,372,362	-	-	5,013,183	6,167,217	30,742,945	44,295,707	155,128	44,450,835
-	207,937	3,152,368	-	-	-	-	-	(3,360,305)	-	-	-
-	-	-	-	-	-	-	(50,869)	51,433	564	(564)	-
-	-	-	(1,082,350)	-	-	-	-	-	(1,082,350)	-	(1,082,350)
-	-	-	-	-	-	-	-	(108,817)	(108,817)	-	(108,817)
-	-	-	1,151,197	-	-	-	-	-	1,151,197	-	1,151,197

Balance as at December 31, 2020

14,668,525 1,447,150 36,616,227 33,608,239 547,115 (156,706) 8,543,333 27,461,581 138,208,223 260,943,687 4,551,560 265,495,247

Comprehensive income for the year

Profit after taxation for the year ended December 31, 2021

Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax

Increase in share of exchange translation reserve of associates - net of tax

Remeasurement gain / (loss) on defined benefit obligations - net of tax

Share of remeasurement gain on defined benefit obligations of associates- net of tax

Movement in surplus / deficit on revaluation of assets - net of tax

Movement in share of surplus / deficit on revaluation of assets of associates - net of tax

Transferred to statutory reserves

Transferred from surplus on revaluation of assets - net of tax

Exchange gain realised on liquidation of subsidiary - net of tax

Exchange gain realised on partial repatriation of branch capital - net of tax

Acquisition of additional interest in subsidiary

Transactions with owners, recorded directly in equity

Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020

1st interim cash dividend - Rs 1.75 per share

2nd interim cash dividend - Rs 1.75 per share

3rd interim cash dividend - Rs 1.75 per share

-	-	-	-	-	-	-	-	35,021,853	35,021,853	485,020	35,506,873
-	-	-	5,316,304	-	-	-	-	-	5,316,304	85,115	5,401,419
-	-	-	149,385	-	-	-	-	-	149,385	-	149,385
-	-	-	-	-	-	-	-	204,020	204,020	(1,152)	202,868
-	-	-	-	-	-	-	-	4,186	4,186	-	4,186
-	-	-	-	-	-	(10,703,813)	146,997	-	(10,556,816)	(74,357)	(10,631,173)
-	-	-	-	-	-	(93,613)	-	-	(93,613)	-	(93,613)
-	-	-	5,465,689	-	-	(10,797,426)	146,997	35,230,059	30,045,319	494,626	30,539,945
-	413,822	3,427,149	-	-	-	-	-	(3,840,971)	-	-	-
-	-	-	-	-	-	-	(195,114)	196,608	1,494	(1,494)	-
-	-	-	(1,369)	-	-	-	-	-	(1,369)	-	(1,369)
-	-	-	(246,489)	-	-	-	-	-	(246,489)	-	(246,489)
-	254,692	-	-	-	-	-	-	749,031	1,003,723	(1,003,723)	-

Balance as at December 31, 2021

14,668,525 2,115,664 40,043,376 38,826,070 547,115 (156,706) (2,254,093) 27,413,464 158,441,418 279,644,833 4,040,969 283,685,802

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
351,406	300,434	CASH FLOWS FROM OPERATING ACTIVITIES		62,027,911	53,030,636
(5,177)	(2,772)	Profit before taxation		(913,769)	(489,303)
(14,648)	(16,787)	Dividend income		(2,585,595)	(2,963,090)
(19,825)	(19,559)	Share of profit of associates and joint venture		(3,499,364)	(3,452,393)
331,581	280,875			58,528,547	49,578,243
		Adjustments:			
39,482	33,780	Depreciation		6,969,192	5,962,553
6,011	4,528	Amortisation		1,061,035	799,329
19,176	21,503	Depreciation on right-of-use assets		3,384,774	3,795,518
18,428	10,883	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		3,252,794	1,920,912
7,020	14,748	Mark-up / return / profit / interest expensed on subordinated debt		1,239,075	2,603,244
(7,131)	(1,752)	Reversal of provision for diminution in value of investments		(1,258,723)	(309,323)
43,311	68,322	Provision against loans and advances		7,645,044	12,059,829
1,077	3,728	Provision against other assets		190,136	658,088
8,727	2,180	Provision against off-balance sheet obligations		1,540,508	384,791
(381)	(213)	Unrealised gain on held-for-trading securities		(67,246)	(37,528)
(1,387)	(1,049)	Exchange gain on goodwill		(244,750)	(185,219)
(1,396)	-	Exchange gain realised on partial repatriation of branch capital - net of tax		(246,489)	-
(8)	(6,132)	Exchange gain realised on liquidation of subsidiary - net of tax		(1,369)	(1,082,350)
-	6,522	Exchange loss realised on closure of bank branch - net of tax		-	1,151,197
(451)	(491)	Gain on sale of fixed assets - net		(79,639)	(86,580)
(91)	(14)	Gain on sale of non-banking assets		(16,000)	(2,500)
7,213	6,287	Workers' Welfare Fund - charge		1,273,226	1,109,730
139,600	162,830			24,641,568	28,741,691
471,181	443,705			83,170,115	78,319,934
		(Increase) / decrease in operating assets			
(360,246)	85,823	Lendings to financial institutions		(63,588,239)	15,149,006
(413,447)	768,536	Held-for-trading securities		(72,978,890)	135,657,036
(1,649,630)	(388,713)	Advances		(291,181,919)	(68,613,057)
(194,355)	77,175	Other assets (excluding advance taxation)		(34,306,119)	13,622,475
(2,617,678)	542,821			(462,055,167)	95,815,460
		Increase / (decrease) in operating liabilities			
(12,674)	94,911	Bills payable		(2,237,215)	16,753,091
(611,000)	917,219	Borrowings from financial institutions		(107,849,821)	161,901,520
3,125,126	2,225,179	Deposits and other accounts		551,627,008	392,774,221
90,682	10,577	Other liabilities		16,006,633	1,867,053
2,592,134	3,247,886			457,546,605	573,295,885
445,637	4,234,412			78,661,553	747,431,279
(148,428)	(82,491)	Income tax paid		(26,199,570)	(14,560,805)
297,209	4,151,921	Net cash flows generated from operating activities		52,461,983	732,870,474
		CASH FLOWS FROM INVESTING ACTIVITIES			
748,841	(3,581,707)	Net investment in available-for-sale securities		132,180,606	(632,219,576)
(410,767)	(353,458)	Net investment in held-to-maturity securities		(72,505,857)	(62,390,077)
(4,860)	8,974	Net investment in associates		(857,866)	1,584,070
4,213	2,687	Dividend received		743,582	474,277
(76,889)	(38,643)	Investment in fixed assets		(13,571,964)	(6,821,050)
(17,003)	(10,912)	Investment in intangible assets		(3,001,342)	(1,926,046)
730	1,182	Proceeds from sale of fixed assets		128,881	208,630
1,224	241	Proceeds from sale of non-banking assets		216,000	42,500
30,965	13,440	Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax		5,465,689	2,372,362
276,454	(3,958,196)	Net cash flows generated from / (used in) investing activities		48,797,729	(698,674,910)
		CASH FLOWS FROM FINANCING ACTIVITIES			
482	435	Effect of translation of net investment by non-controlling interest in subsidiary		85,115	76,720
(56,551)	(25)	Repayment of subordinated debt		(9,982,000)	(4,000)
(8,597)	(16,258)	Payment of mark-up on subordinated debt		(1,517,481)	(2,869,791)
(28,971)	(26,981)	Payment of lease liability against right-of-use assets		(5,113,819)	(4,762,581)
(61,498)	(20,759)	Dividend paid		(10,855,155)	(3,664,234)
(155,135)	(63,588)			(27,383,340)	(11,223,886)
418,528	130,137	Net cash flows used in financing activities		73,876,372	22,971,678
		Increase in cash and cash equivalents during the year			
2,394,165	2,287,049	Cash and cash equivalents at the beginning of the year		422,601,823	403,695,027
52,189	29,165	Effect of exchange rate changes on cash and cash equivalents		9,212,126	5,147,244
2,446,354	2,316,214			431,813,949	408,842,271
2,864,882	2,446,351	Cash and cash equivalents at the end of the year		505,690,321	431,813,949

34

The annexed notes 1 to 48 and annexures I to III form an integral part of these consolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1 THE GROUP AND ITS OPERATIONS

1.1 Holding company

Habib Bank Limited, Pakistan

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,648 (2020: 1,659) branches inside Pakistan including 259 (2020: 62) Islamic Banking Branches and 37 (2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.

1.3 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.

1.4 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.5 Subsidiaries

- Habib Allied Holding Limited – 90.50% shareholding

Habib Allied Holding Limited (HAHL) is a private company incorporated in the United Kingdom with its registered office at 9 Portman Street, London W1H6DZ, UK. HAHL is the holding company of HBL Bank UK Limited.

- HBL Bank UK Limited – 90.50% effective shareholding

HBL Bank UK Limited (HBL UK) is a wholly owned subsidiary of HAHL and is incorporated in the United Kingdom. HBL UK provides a range of commercial banking services to individuals as well as to businesses. The registered office of HBL UK is at 9 Portman Street, London, UK W1H6DZ, UK. HBL UK operates a network of 4 (2020: 4) branches in the UK and 1 (2020: 1) in Switzerland.

- Habib Finance International Limited – (now liquidated)

Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and the company stands formally dissolved as on May 19, 2021. The entire capital has been repatriated to Pakistan.

- HBL Currency Exchange (Private) Limited – 100% shareholding

HBL Currency Exchange (Private) Limited (HCEL) is a private limited company, incorporated in Pakistan. HCEL is licensed by the Securities and Exchange Commission of Pakistan (SECP) to carry out the business of dealing in foreign exchange. The registered office of the company is at Plot No. 49-A, Block-6, PECHS Nursery, Main Shahrah-e-Faisal, Karachi, Pakistan.

- HBL Asset Management Limited – 100% shareholding

HBL Asset Management Limited (HBL AMC) is an unlisted public limited company, incorporated in Pakistan. HBL AMC is licensed by the Securities and Exchange Commission of Pakistan (SECP) to carry out asset management and investment advisory services. The registered office of the company is at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

- HBL Microfinance Bank Limited (formerly The First Microfinance Bank Limited) - 71.43% shareholding

HBL Microfinance Bank Limited (HBL MFB) is a public limited company, incorporated in Pakistan with its registered office at 16th-17th Floor, Habib Bank Tower, Blue Area, Islamabad, Pakistan. HBL MFB was formerly known as FMFB, with the change of name taking effect from January 12, 2022. HBL MFB's principal business is to provide microfinance services to the under-served segments of society as envisaged under the Microfinance Institutions Ordinance, 2001. HBL MFB has 213 (2020: 210) business locations, comprising of branches and Permanent Booths.

During the year, the Bank has subscribed to 200 million Rights shares issued by HBL MFB. Resultantly, the Bank's holding in HBL MFB has increased from 50.51% to 71.43%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

- Habib Bank Financial Services (Private) Limited – 100% shareholding

Habib Bank Financial Services (Private) Limited is a private limited company, incorporated in Pakistan under the Companies Act, 2017. It is registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas, Islamabad. The registered office of the company is at 1st floor, Bank House No-1, Habib Bank Square, M.A. Jinnah Road, Karachi, Pakistan.

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic mode, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches are disclosed in Annexure I to the unconsolidated financial statements.

The US Dollar amounts shown in these consolidated financial statements are stated solely for information. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2021 and 2020 have all been converted using an exchange rate of Rupees 176.5135 per US Dollar.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of subsidiaries from the date on which control of the subsidiary by the Group commences until the date control ceases. The financial statements of the subsidiaries are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital and pre-acquisition reserve of subsidiaries in the consolidated financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company. However:

- Non-banking subsidiaries in Pakistan follow the requirements of IFRS 7, Financial Instruments: Disclosures, IFRS 9, Financial Instruments or International Accounting Standard (IAS) 39, Financial Instruments: Recognition and Measurement as applicable to these entities, and IAS 40, Investment Property.
- Overseas operations comply with local regulations enforced within their respective jurisdictions.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

2.3 Statement of compliance

These consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The SECP has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' with effect from January 1, 2014. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and accordingly, the Bank prepares financial statements as per the format issued vide BPRD Circular 2 of 2018.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under this standard and under Section 228 of the Companies Act, 2017 is not applicable in the case of investments by a bank in mutual funds managed by its own asset management company and established under the trust structure. Therefore, investments by the Bank in mutual funds managed by HBL Asset Management Limited (HBL AMC) are not consolidated, as would otherwise be required under the definition of control specified in IFRS 10.

2.4 Amendments to existing accounting and reporting standards that have become effective in the current year

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or to not have any significant impact on these consolidated financial statements.

2.5 Standards and amendments to existing accounting and reporting standards that are not yet effective.

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited.

Except for the implementation of IFRS 9 in Pakistan, the Bank expects that adoption of the amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

2.6 Critical accounting estimates

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan 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 experience, 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 financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Classification of investments (note 4.3)
- ii) Valuation and impairment of associates, joint venture and investments (note 4.3)
- iii) Provision against advances (note 4.4.1)
- iv) Valuation and depreciation of fixed assets (note 4.5)
- v) Valuation of right-of-use assets and their related lease liability (note 4.6)
- vi) Valuation and amortization of intangible assets (note 4.7)
- vii) Valuation of non-banking assets acquired in satisfaction of claims (note 4.8)
- viii) Valuation of defined benefit plans (note 4.12)
- ix) Taxation (note 4.15)
- x) Fair value of derivatives (note 4.21)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

During the year, the Bank has reviewed the useful life of biometric devices which are used for customer verification and are classified as office equipment. This review has resulted in a change in the useful life of these assets. Further, the depreciation method of Ijarah Assets has also been changed from reducing balance to straight line in order to ensure consistency with the Bank's depreciation method for the remainder of its fixed assets. These revisions have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8. Accordingly, the effect of this change in accounting estimate has been recognised prospectively in the consolidated profit and loss account from the current year. The impact of this change is disclosed in note 10.2.1 and in note 3.1.1 of Annexure I to the unconsolidated financial statements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Certain classes of fixed assets and non-banking assets acquired in satisfaction of claims, which are stated at revalued amounts less accumulated depreciation.
- Investments classified as held-for-trading and available-for-sale, which are measured at fair value.
- Derivative financial instruments, including forward foreign exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liability, which are measured at their present values.
- Net obligations in respect of defined benefit schemes, which are measured at their present values.

3.2 Functional and presentation currency

These consolidated financial statements are presented in Pakistani rupees, which is the Group's functional currency. Amounts are rounded to the nearest thousand Rupees.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.2 Lending / borrowing transactions with financial institutions

The Group enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.2.1 Purchase under resale agreements (reverse repo)

Securities purchased under agreement to resale are not recognised as investments in the financial statements and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as markup income.

4.2.2 Sale under repurchase agreement (repo)

Securities sold under a repurchase agreement continue to be recognised as investments in the financial statements and the liability to the counterparty is included in borrowings. The difference between the sale price and the contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as markup / interest expense.

4.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.3 Investments

The Group classifies its investment portfolio, other than its investments in associates and joint ventures, into the following categories:

Held-for-trading

These are securities included in a portfolio in which a pattern of short-term trading exists, or which are acquired for generating a profit from short-term fluctuations in market prices or interest rate movements. These securities are required to be sold within 90 days from the date of their purchase under normal circumstances.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold till maturity.

Available-for-sale

These are investments, other than investments in associates and joint ventures, that do not fall under the held-for-trading or held-to-maturity categories.

4.3.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Group commits to purchase or sell the investment.

In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account. Transaction costs associated with investments other than those classified as held-for-trading are included in the cost of the investments.

4.3.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

Held-to-maturity

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Available-for-sale

Listed securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account (shown as part of equity in the statement of financial position) and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

Unlisted equity securities are carried at the lower of cost and break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already charged based on audited financial statements. Other unlisted securities are valued at cost less impairment, if any.

4.3.3 Investments in associates and joint ventures

Associates and joint ventures are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The carrying amount is subsequently increased / decreased to recognize the investor's share of the profit and loss / reserves of the investee subsequent to the date of acquisition. The investor's share of the profit and loss of the investee is recognised through the profit and loss account while the share of reserves is recognised through Other Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.3.4 Impairment

The Group determines that available-for-sale listed equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

A decline in the carrying value of unlisted equity securities is charged to the profit and loss account. A subsequent increase in the carrying value, up to the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the SBP. Provision against investments by the Group's overseas operations is made as per the requirements of their respective regulatory regimes.

When a debt security, classified as available-for-sale, is considered to be impaired, the balance in the surplus / deficit on revaluation of securities account is transferred to the profit and loss account as an impairment charge. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account.

When a debt security, classified as held-to-maturity, is considered to be impaired, the impairment is directly charged to the profit and loss account as held-to-maturity securities are carried at amortized cost. Any subsequent reversal of an impairment loss, up to the cost of the investment in the debt security is credited to the profit and loss account.

Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

The Group considers that a decline in the recoverable value of its investments in associates and joint ventures below their carrying value may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable amount falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, up to the carrying value of the investment in associates and joint ventures, is credited to the profit and loss account.

4.4 Advances

Advances are stated net of specific and general provisions. Provision against advances by the Group's operations in Pakistan is made in accordance with the requirements of the Prudential Regulations. Provision against advances by the Group's overseas operations is made as per the requirements of their respective regulatory regimes. Advances are written off in line with the Bank's policy when there are no realistic prospects of recovery.

In addition, the Group expects that several borrowers may be severely impacted by the COVID-19 pandemic. The potential impact of the economic stress is difficult to predict, as many of such borrowers have availed the SBP enabled deferment / restructuring & rescheduling relief. Hence, management feels that it is appropriate to maintain an additional general provision of up to 1% on the domestic, funded performing credit portfolio excluding:

- Government guaranteed exposure
- Consumer and staff lending
- Exposure secured by cash / near cash collateral

This additional provision is based on management's best estimate. HBL MFB also maintains an additional general provision, based on management's best estimate, in respect of the portion of its microfinance portfolio which has been deferred, restructured or rescheduled under the SBP scheme.

4.4.1 Finance lease receivables

Leases where the Group transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments including any guaranteed residual value. The net investment in finance lease is included in advances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.4.2 Islamic financing and related assets

Murabaha financing is a cost plus profit transaction. Funds disbursed for the purchase of goods are recorded as an advance against Murabaha. Once the goods are sold to the customers, the transaction is recorded as financing. Goods purchased by the Bank but remaining unsold are recorded as inventories.

The financing is recorded at the deferred sale price. Profit earned on financing is recognised as unearned income and amortised into the profit and loss account over the term of the Murabaha financing. It is possible for Bank to buy the inventory on customer's behalf and sell it to the customers on spot basis. In this case, the entire profit is recognised immediately in the profit and loss account.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight line basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The Ijarah rental received / receivable is recognised as income on an accrual basis.

Gains or losses on disposal of Ijarah assets are taken to the profit and loss account in the period in which they arise.

Running Musharakah is the economic equivalent of conventional running finance. The Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Under Diminishing Musharakah financing, the Bank and the customer create joint beneficial ownerships over tangible assets to fulfill the customer's capital expenditure / project requirements. The Bank receives periodic payments, partly for renting its portion of the assets to the customer and partly for the gradual transfer / sale of its share of ownership to the customer. The rental payment is recognised as profit while the asset transfer / sale payments are applied towards reducing the outstanding principal.

Under Istisna financing, the Bank gives an advance to customers for manufacturing goods and may allow their sale immediately after the goods are manufactured or allow a pre-agreed time to sell the goods on deferred payment basis as the Bank's agent to a third party. Profit is recognised at the time when the goods are sold to the third party. In case of a deferred sale, the profit is recognised on an accrual basis over the term of the financing.

Under Tijarah financing, the Bank purchases finished goods from the customer against payment, takes possession and appoints the customer as an agent to sell these goods to the ultimate buyer, generally on a deferred payment basis. Goods purchased by the Bank and sold by the customer on a deferred payment basis are recognised as financing while goods purchased by the Bank but remaining unsold by the customer are recorded as inventories. Profit on the financing is recognised on an accrual basis over the period of transaction.

Wakalah is an agency contract in which the Bank provides funds to a customer to invest in a Shariah compliant manner. This is recorded as financing and profit is recognised on an accrual basis and is adjusted once the customer declares Wakalah business performance.

Salam is a sale whereby the Bank undertakes to supply some specific commodity (ies) or asset (s) to the customer at a future date in exchange for an advance price fully paid on spot.

Currency Salam is an exchange or sale of a currency with another currency at a future date, at conversion rate within the spot range on the day of such contract execution.

Under Musawamah financing, the Bank purchases the goods and, after taking possession, sells them to the customer at an agreed price without disclosing the cost. Goods purchased by the Bank can either be sold to the customer as a spot transaction or on a deferred payment basis. Goods purchased by the Bank but remaining unsold are recorded as inventories.

4.5 Fixed Assets

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses (if any).

Land, capital work-in-progress and works of art are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates specified in note 10.2 to these consolidated financial statements. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. However, if the increase reverses a deficit on the same asset previously recognised in the profit and loss account, such increase is also recognised in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of fixed assets account.

Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the net asset and the net amount restated at the revalued amount of the asset.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major repairs and renovations that increase the useful life of an asset are capitalised.

Gains or losses arising on the disposal of fixed assets are included in profit and loss account. Surplus on revaluation (net of deferred tax) realised on disposal of fixed assets is transferred directly to unappropriated profit.

4.6 Right-of-use assets and their related lease liability

4.6.1 Right-of-use assets

On initial recognition, right-of-use assets (ROU) are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

ROU assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

ROU are depreciated using the straight-line method from the commencement date of the lease contract to the end of the useful life of the ROU asset or the end of the lease term, whichever is earlier. The estimated useful lives of ROU assets are determined on the same basis as that for owned assets. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

4.6.2 Lease liability against ROU assets

The lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, then at the applicable incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related ROU assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Intangible assets

4.7.1 Intangible assets other than goodwill

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised over their estimated useful lives using the straight-line method. Amortisation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates stated in note 11.1 to these consolidated financial statements. Amortisation on additions is charged from the month in which the assets are available for use. No amortisation is charged in the month in which the assets are disposed off. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Intangible assets which arise from contractual or other legal rights on the acquisition of another entity and are deemed separable are considered as part of the net identifiable assets acquired. These are initially measured at fair value. Intangible assets with a finite useful life are amortized over their expected useful lives. Intangible assets having an indefinite useful life are stated at cost less impairment, if any. Such Intangible assets are tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of intangible assets is recognised through the profit and loss account. Any subsequent reversal of an impairment loss, up to the extent of the impairment, is credited to the profit and loss account.

4.7.2 Goodwill

Goodwill arises in a business combination is initially recognised at fair value and subsequently is carried at this amount less any impairment measured. Goodwill is tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of goodwill is recognised through the profit and loss account.

4.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and are carried at revalued amount less accumulated depreciation and impairment, if any. These assets revalued with sufficient regularity by professionally qualified valuers to ensure that their net carrying value does not differ materially from fair value. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset, if any, or if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the impairment and thereafter credited to the surplus on revaluation of that asset. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account.

Depreciation on assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Group's owned fixed assets.

If the recognition of such assets results in a reduction in non-performing loans, such reductions and the corresponding reductions in provisions held against non-performing loans are disclosed separately.

These assets are generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realised on the sale of fixed assets. Surplus on revaluation (net of deferred tax) realised on disposal of these assets is transferred directly to unappropriated profit.

However, if such an asset is subsequently used by the Group for its own operations, the asset, along with any related surplus (which remains within the surplus), is transferred to fixed assets.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense on an accrual basis in the period in which it is incurred.

4.10 Subordinated debt

Subordinated debt is recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is charged to the profit and loss account.

4.11 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. Acceptances are recognised as a financial liability in the statement of financial position with the contractual right of reimbursement from the customer recognised as a financial asset.

4.12 Employee benefits

The Bank operates a number of post-retirement benefit plans, which include both defined contribution plans and defined benefit plans.

For defined contribution plans, the Bank pays contributions to the fund on a periodic basis, and such amounts are charged to the profit and loss account when the payment obligation is established. The Bank has no further payment obligations once the contributions have been paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

For funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations less the fair value of plan assets as at the statement of financial position date. Contributions to the fund are made by the Bank on a periodic basis.

For non-funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations as at the statement of financial position date.

The liability in respect of all obligations under defined benefit schemes is calculated annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses

Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the profit and loss account. Gains and losses on remeasurement of the liability for compensated absences are recognised in the profit and loss account.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment. The Bank recognises past service cost as an expense when the plan is amended.

Current Service Cost

Current service costs and net interest on defined benefit liability / asset are recognised in the profit and loss account.

4.13 Foreign currency

4.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position. Forward transactions in foreign currencies and foreign bills purchased are translated at forward foreign exchange rates applicable to their respective maturities.

4.13.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

Goodwill arising on the acquisition of an entity by an overseas subsidiary is treated as an asset of the overseas subsidiary and is translated at foreign exchange rates prevailing as at the date of the statement of financial position.

4.13.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign branches, associates, joint ventures and subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on the disposal of the investment.

4.13.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of statement of financial position.

4.14 Income recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

4.14.1 Advances and investments

Income on performing advances and debt securities is recognised on a time proportion basis as per the terms of the contract. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining maturity of the debt security or the next repricing date using the effective yield method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Income recoverable on classified advances and investments is recognised on a receipt basis. Income on rescheduled / restructured advances and investments is recognised as permitted by the SBP regulations or by the regulatory authorities of the countries where the Group operates.

4.14.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.14.3 Fee, Commission and Brokerage Income

Fee, Commission and Brokerage income is recognised on an accrual basis.

4.14.4 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.15 Taxation

Income tax expense comprises of the charge for current and prior years and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

4.15.1 Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

4.15.2 Prior years

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

4.15.3 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the asset or liability is recovered or settled.

Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

The Bank also records a deferred tax asset / liability on items recognised directly in the statement of other comprehensive income such as surplus / deficit on revaluation of assets and actuarial gains / losses. These items are disclosed net of related deferred tax asset / liability.

Deferred tax assets are reviewed annually for impairment. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

4.16 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised through the profit and loss account whenever the recoverable amount of an asset is lower than its carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

A subsequent increase in the recoverable value of the asset results in a reversal of the impairment loss through the profit and loss account, up to the original carrying value of the asset, if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.17 Provisions

Provisions are recognised when the Group has present 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 the amount can be made.

A provision for off balance sheet obligations is recognised when intimated and reasonable certainty exists that the Group will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.18 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

4.19 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 realise the assets and to settle the liabilities simultaneously.

4.20 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain other receivables, bills payable, borrowings, deposits, subordinated debt and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.21 Derivative Financial Instruments

Derivative financial assets and liabilities are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.22 Dividends and appropriation to reserves

Dividends and appropriations to reserves, except where required by law, which are approved subsequent to the date of the statement of financial position are recognised in the year in which these are approved and disclosed as a non-adjusting event after balance sheet date.

4.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

4.24 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing unique products or services (business segment), or in providing products or services within a particular geographic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.24.1 Business segments

The Group is managed along the following business lines for monitoring and reporting purposes:

i) *Branch banking*

This segment pertains to the branch distribution network, its related deposit products and general banking services.

ii) *Consumer, SME and rural banking*

This segment pertains to loan products offered to the Consumer, SME and Rural business segments.

iii) *Islamic banking*

This segment pertains to all business lines of the Islamic banking network and includes all Islamic products offered by the bank.

iv) *Corporate, commercial and investment banking*

This segment provides a wide variety of financial products and services to top and medium tier clients, across a wide spectrum of industrial sectors.

v) *International and correspondent banking*

This segment includes the results of all international branches and subsidiaries, correspondent banking business and global remittances.

vi) *Treasury*

This segment includes all treasury related products such as money market, FX and derivatives.

vii) *Asset management*

This segment pertains to HBL Asset Management Limited.

viii) *Microfinance*

This segment pertains to HBL Microfinance Bank Limited.

ix) *Head Office / Others*

This segment includes numbers related to HBL Konnect, Head office functions and HBL Currency Exchange.

4.24.2 Geographical segments

The Group is managed along the following geographic lines for monitoring and reporting purposes:

i) *Pakistan (including KEPZ)*

This includes the domestic operations and HBL's KEPZ branch.

ii) *Middle East and Africa*

This includes UAE, Bahrain, Oman, Lebanon and Mauritius.

iii) *Asia*

This includes Afghanistan, Bangladesh, China, Maldives, Singapore and Sri Lanka.

iv) *Europe*

This includes Belgium, Turkey and United Kingdom (including Switzerland).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		48,996,151	41,262,666
Foreign currencies		5,505,082	16,341,859
		54,501,233	57,604,525
With State Bank of Pakistan in			
Local currency current accounts	5.1	147,418,412	130,745,447
Local currency special deposit account	5.2	2,531,227	-
Foreign currency current accounts	5.3	8,637,953	6,788,327
Foreign currency deposit accounts	5.4	18,104,962	13,768,677
		176,692,554	151,302,451
With other Central Banks in			
Foreign currency current accounts	5.5	58,855,062	47,941,657
Foreign currency deposit accounts	5.6	12,755,756	11,120,595
		71,610,818	59,062,252
With National Bank of Pakistan in			
Local currency current accounts		137,197,419	104,866,634
Local currency deposit account	5.7	948,771	697,247
		138,146,190	105,563,881
National Prize Bonds		301,451	1,747,011
		441,252,246	375,280,120

- 5.1 These represent local currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.2 This represents a local currency deposit account required to be maintained with the SBP under the Government's scheme for Low Cost Housing Finance. This carries mark-up at a rate of 0.00% and is due to mature latest by December 29, 2022.
- 5.3 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.4 These represent foreign currency deposit accounts maintained under the Special Cash Reserve Requirement of the SBP and foreign currency settlement accounts maintained with the SBP. These carry mark-up at a rate of 0.00% per annum (2020: 0.00% to 0.76% per annum).
- 5.5 These represent balances held with the central banks of the countries in which the Group operates, in accordance with local statutory / regulatory requirements. These include balances in remunerative accounts amounting to Rs 23,272.206 million (2020: Rs 21,164.318 million), which carry mark-up at rates ranging from 0.08% to 0.32% per annum (2020: 0.01% to 0.19% per annum).
- 5.6 These represent balances held with the central banks of the countries in which the Group operates, in accordance with local regulatory requirements. These carry mark-up at rates ranging from 0.00% to 9.50% per annum (2020: 0.00% to 12.00% per annum).
- 5.7 This represents a deposit account maintained with National Bank of Pakistan. This carries mark-up at a rate of 7.25% per annum (2020: 5.00% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
6 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		317,534	2,284,347
In deposit accounts	6.1	18,430,779	7,060,497
		18,748,313	9,344,844
Outside Pakistan			
In current accounts	6.2	32,804,685	30,271,581
In deposit accounts	6.3	12,885,077	16,917,404
		45,689,762	47,188,985
		64,438,075	56,533,829

6.1 These carry mark-up at rates ranging from 5.00% to 11.50% per annum (2020: 3.75% to 8.50% per annum).

6.2 This includes an amount of Rs 1,937.318 million (2020: nil) in remunerative current accounts which carry mark-up at rates ranging from 0.01% to 1.20% per annum.

6.3 These carry mark-up at rates ranging from 0.00% to 18.50% per annum (2020: 0.01% to 17.30% per annum).

	Note	2021 (Rupees in '000)	2020
7 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings	7.2	24,600,000	-
Repurchase agreement lendings (reverse repo)	7.3	64,970,746	24,896,835
Bai Muajjal receivable with:			
- State Bank of Pakistan		-	5,257,358
- Other financial institutions	7.4	4,171,686	-
		93,742,432	30,154,193

7.1 Lendings to financial institutions are all in local currency.

7.2 Call money lendings carry mark-up at rates ranging from 9.40% to 10.30% per annum and are due to mature latest by February 18, 2022.

7.3 Repurchase agreement lendings carry mark-up at rates ranging from 9.50% to 10.65% per annum (2020: 6.95% to 7.30% per annum) and are due to mature latest by March 04, 2022.

7.3.1 Securities held as collateral against lendings to financial institutions

	2021			2020		
	Held by Group	Further given as collateral	Total	Held by Group	Further given as collateral	Total
	(Rupees in '000)					
Market Treasury Bills	17,766,592	-	17,766,592	3,959,681	-	3,959,681
Pakistan Investment Bonds	47,204,154	-	47,204,154	20,937,154	-	20,937,154
	64,970,746	-	64,970,746	24,896,835	-	24,896,835

7.3.2 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 64,982.010 million (2020: Rs 25,026.011 million).

7.4 Bai Muajjal receivables with other financial institutions carry profit at 7.35% per annum and are due to mature latest by January 28, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8	INVESTMENTS	Note	2021				2020			
			Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1	Investments by type		(Rupees in '000)							
	Held-for-trading (HFT) securities									
	<i>Federal Government securities</i>									
	- Market Treasury Bills	8.3	111,592,255	-	(31,517)	111,560,738	105,568,935	-	(13,658)	105,555,277
	- Pakistan Investment Bonds		92,201,740	-	110,414	92,312,154	25,655,331	-	19,066	25,674,397
	<i>Shares</i>									
	- Listed companies		332,860	-	(24,270)	308,590	137,682	-	8,542	146,224
	<i>Foreign securities</i>									
	- Government debt securities		316,867	-	12,619	329,486	102,884	-	23,578	126,462
			204,443,722	-	67,246	204,510,968	131,464,832	-	37,528	131,502,360
	Available-for-sale (AFS) securities									
	<i>Federal Government securities</i>									
	- Market Treasury Bills	8.3 & 8.6	279,633,112	-	108,423	279,741,535	525,077,889	-	1,445,950	526,523,839
	- Pakistan Investment Bonds	8.3	806,059,810	-	(4,943,247)	801,116,563	784,493,994	-	10,689,727	795,183,721
	- Ijarah Sukuks		119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
	- Government of Pakistan US Dollar Bonds		16,378,045	(347,350)	438,586	16,469,281	10,410,050	(392,763)	645,468	10,662,755
	- Government of Pakistan US Dollar Sukuks		-	-	-	-	706,395	(20,567)	49,222	735,050
	- Other Federal Government securities		1,016,120	-	-	1,016,120	530,538	-	-	530,538
	<i>Shares</i>									
	- Listed companies		8,170,830	(1,962,154)	427,255	6,635,931	7,975,054	(2,983,143)	846,869	5,838,780
	- Unlisted companies		5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
	<i>Non-Government debt securities</i>									
	- Listed		51,499,951	(78,236)	638,300	52,060,015	46,943,545	-	321,860	47,265,405
	- Unlisted		1,648,381	(247,381)	24,000	1,425,000	1,671,878	(270,877)	22,500	1,423,501
	<i>Foreign securities</i>									
	- Government debt securities		75,032,225	(288,791)	111,104	74,854,538	45,617,541	(565,331)	(10,504)	45,041,706
	- Non-Government debt securities - Listed		13,972,530	(966,629)	61,692	13,067,593	14,601,331	(927,366)	76,457	13,750,422
	- Equity securities - Unlisted		6,318	(156)	-	6,162	5,913	(321)	-	5,592
	<i>National Investment Unit Trust units</i>		11,113	-	35,335	46,448	11,113	-	35,726	46,839
	<i>Real Estate Investment Trust units</i>		55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
	<i>Preference shares</i>									
	- Listed		744,400	-	80,500	824,900	744,400	-	155,400	899,800
	- Unlisted		176,985	(150,075)	-	26,910	-	-	-	-
			1,379,395,410	(4,131,781)	(3,549,393)	1,371,714,236	1,511,422,564	(5,247,493)	13,954,030	1,520,129,101
	Held-to-maturity (HTM) securities	8.7								
	<i>Federal Government securities</i>									
	- Market Treasury Bills		397,178	-	-	397,178	292,316	-	-	292,316
	- Pakistan Investment Bonds	8.3, 8.4 & 8.5	285,685,656	-	-	285,685,656	216,844,554	-	-	216,844,554
	- Other Federal Government securities		10,794,000	-	-	10,794,000	10,794,000	-	-	10,794,000
	<i>Non-Government debt securities</i>									
	- Listed		2,365,422	-	-	2,365,422	4,277,922	-	-	4,277,922
	- Unlisted		22,851,835	-	-	22,851,835	17,826,657	-	-	17,826,657
	<i>Foreign Securities</i>									
	- Government debt securities		14,672,889	-	-	14,672,889	13,617,545	(13)	-	13,617,532
	- Non-Government debt securities									
	- Listed		285,954	(25,061)	-	260,893	1,197,341	(14,650)	-	1,182,691
	- Unlisted		616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
			337,669,034	(26,620)	-	337,642,414	265,163,177	(16,179)	-	265,146,998
	Investments in associates and joint venture	8.2.1 & 8.13	35,185,545	-	(97,185)	35,088,360	31,742,084	-	56,279	31,798,363
	Total Investments		<u>1,956,693,711</u>	<u>(4,158,401)</u>	<u>(3,579,332)</u>	<u>1,948,955,978</u>	<u>1,939,792,657</u>	<u>(5,263,672)</u>	<u>14,047,837</u>	<u>1,948,576,822</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8.2 Investments by segments

	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)								
Federal Government securities								
Market Treasury Bills	391,622,545	-	76,906	391,699,451	630,939,140	-	1,432,292	632,371,432
Pakistan Investment Bonds	1,183,947,206	-	(4,832,833)	1,179,114,373	1,026,993,879	-	10,708,793	1,037,702,672
Ijarah Sukuks	119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
Government of Pakistan US Dollar Bonds	16,378,045	(347,350)	438,586	16,469,281	10,410,050	(392,763)	645,468	10,662,755
Government of Pakistan US Dollar Sukuks	-	-	-	-	706,395	(20,567)	49,222	735,050
Other Federal Government securities	11,810,120	-	-	11,810,120	11,324,538	-	-	11,324,538
	1,723,375,883	(347,350)	(4,854,482)	1,718,174,051	1,748,052,597	(413,330)	12,513,130	1,760,152,397
Shares								
Listed companies	8,503,690	(1,962,154)	402,985	6,944,521	8,112,736	(2,983,143)	855,411	5,985,004
Unlisted companies	5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
	13,876,313	(2,053,163)	402,985	12,226,135	13,012,064	(3,070,268)	855,411	10,797,207
Non-Government debt securities								
Listed	53,865,373	(78,236)	638,300	54,425,437	51,221,467	-	321,860	51,543,327
Unlisted	24,500,216	(247,381)	24,000	24,276,835	19,498,535	(270,877)	22,500	19,250,158
	78,365,589	(325,617)	662,300	78,702,272	70,720,002	(270,877)	344,360	70,793,485
Foreign securities								
Government debt securities	90,021,981	(288,791)	123,723	89,856,913	59,337,970	(565,344)	13,074	58,785,700
Non-Government debt securities								
Listed	14,258,484	(991,690)	61,692	13,328,486	15,798,672	(942,016)	76,457	14,933,113
Unlisted	616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
Equity securities - Unlisted	6,318	(156)	-	6,162	5,913	(321)	-	5,592
	104,902,883	(1,282,196)	185,415	103,806,102	75,455,397	(1,509,197)	89,531	74,035,731
National Investment Unit Trust units	11,113	-	35,335	46,448	11,113	-	35,726	46,839
Real Estate Investment Trust units	55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
Preference shares								
- Listed	744,400	-	80,500	824,900	744,400	-	155,400	899,800
- Unlisted	176,985	(150,075)	-	26,910	-	-	-	-
Investments in associates and joint venture								
Diamond Trust Bank Kenya Limited	17,605,819	-	(64,973)	17,540,846	15,353,094	-	(62,532)	15,290,562
Himalayan Bank Limited, Nepal	6,296,106	-	1,808	6,297,914	5,053,848	-	(6,805)	5,047,043
Kyrgyz Investment and Credit Bank, Kyrgyz Republic	2,404,885	-	-	2,404,885	2,083,544	-	-	2,083,544
Jubilee General Insurance Company Limited	3,313,616	-	39,323	3,352,939	3,116,085	-	114,185	3,230,270
Jubilee Life Insurance Company Limited	2,424,725	-	(15,824)	2,408,901	2,292,854	-	5,718	2,298,572
HL Cash Fund	29,958	-	-	29,958	302,279	-	-	302,279
HL Energy Fund	204,320	-	-	204,320	223,898	-	-	223,898
HL Equity Fund	546,404	-	-	546,404	128,085	-	-	128,085
HL Income Fund	233,235	-	-	233,235	224,634	-	-	224,634
HL Islamic Asset Allocation Fund	152,215	-	-	152,215	156,744	-	-	156,744
HL Islamic Equity Fund	-	-	-	-	30,624	-	-	30,624
HL Islamic Money Market Fund	-	-	-	-	127,557	-	-	127,557
HL Islamic Pension Fund - Equity Sub Fund	54,242	-	-	54,242	55,789	-	-	55,789
HL Islamic Stock Fund	272,461	-	-	272,461	297,457	-	-	297,457
HL Money Market Fund	441,133	-	-	441,133	435,488	-	-	435,488
HL Multi Asset Fund	88,166	-	-	88,166	89,564	-	-	89,564
HL Pension Fund - Equity Sub Fund	77,241	-	-	77,241	81,245	-	-	81,245
HL Stock Fund	242,375	-	-	242,375	896,170	-	-	896,170
HL FPF Conservative Allocation Plan	19,922	-	-	19,922	-	-	-	-
HL Investment Fund Class A	353,326	-	(57,519)	295,807	333,967	-	5,713	339,680
HL Investment Fund Class B	425,396	-	-	425,396	459,158	-	-	459,158
8.2.1	35,185,545	-	(97,185)	35,088,360	31,742,084	-	56,279	31,798,363
Total Investments	1,956,693,711	(4,158,401)	(3,579,332)	1,948,955,978	1,939,792,657	(5,263,672)	14,047,837	1,948,576,822

8.2.1 This represents the Group's share of surplus on investments held by these entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8.2.2 Investments given as collateral

The market value of investments given as collateral against borrowings is as follows:

Federal Government securities

- Market Treasury Bills
- Pakistan Investment Bonds

2021	2020
(Rupees in '000)	
980,924	113,807,278
139,564,697	207,400,499
140,545,621	321,207,777

- 8.3 Investments include securities amounting to Rs 447,617.323 million (2020: Rs 405,618.042 million) which are held to comply with the SBP's statutory liquidity requirements as set out under section 29 of the Banking Companies Ordinance, 1962.
- 8.4 Investments include Rs 227.500 million (2020: Rs 227.500 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.
- 8.5 Investments include Rs 10.000 million (2020: Rs 10.000 million) pledged with the Controller of Military Accounts against Regimental Fund accounts being maintained at various branches of the Bank.
- 8.6 Investments include Rs 200.000 million (2020:nil) pledged with the National Clearing Company of Pakistan against trading margin.
- 8.7 The market value of investments classified as held-to-maturity amounted to Rs 322,811.037 million (2020: Rs 267,655.188 million).

8.8 Particulars of provision held against diminution in the value of investments

	2021	2020
	(Rupees in '000)	
Opening balance	5,263,672	5,504,910
Exchange adjustments	153,452	68,085
(Reversal) / charge		
Charge for the year	512,131	1,400,035
Reversal for the year	(452,697)	(15,065)
Reversal on disposal during the year	(1,318,157)	(1,694,293)
Net reversal	(1,258,723)	(309,323)
Closing balance	4,158,401	5,263,672

8.9 Particulars of provision against debt securities

	2021		2020	
Category of classification	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	(Rupees in '000)			
Domestic				
Loss	247,381	247,381	270,877	270,877
Overseas				
Overdue by:				
181 to 365 days	-	-	878,616	878,616
>365	929,609	929,609	-	-
	1,176,990	1,176,990	1,149,493	1,149,493

- 8.9.1 In addition to the above, overseas branches hold a provision of Rs 778.017 million (2020: Rs 1,043.590 million) against investments in accordance with the ECL requirements of IFRS 9.

8.10 Quality of available-for-sale securities

Details regarding the quality of AFS securities are as follows:

	2021	2020
	Cost / amortised cost	
	(Rupees in '000)	
Federal Government securities - Government guaranteed		
Market Treasury Bills	279,633,112	525,077,889
Pakistan Investment Bonds	806,059,810	784,493,994
Ijarah Sukuks	119,617,967	67,678,595
Government of Pakistan US Dollar Bonds	16,378,045	10,410,050
Government of Pakistan US Dollar Sukuks	-	706,395
Other Federal Government securities - Islamic Naya Pakistan Certificates	1,016,120	530,538
	1,222,705,054	1,388,897,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Shares

Listed companies

	2021	2020
	Cost	
	(Rupees in '000)	
Automobile Assembler	394,154	191,695
Automobile Parts and Accessories	85,167	21,569
Cement	516,871	503,103
Chemicals	264,588	247,328
Commercial Banks	1,498,440	796,397
Engineering	225,164	5,162
Fertilizer	1,259,527	1,128,380
Food and Personal Care Products	45,306	-
Insurance	88,601	138,635
Investment Banks / Investment Companies / Securities Companies	1,122,315	1,122,067
Oil and Gas Exploration Companies	864,273	538,717
Oil and Gas Marketing Companies	279,329	334,450
Pharmaceuticals	158,935	182,117
Power Generation and Distribution	741,212	2,217,903
Technology and Communication	46,026	133,405
Textile Composite	420,279	414,126
Transport	38,127	-
Miscellaneous	122,516	-
	8,170,830	7,975,054

Unlisted companies

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Central Depository Company of Pakistan Limited	256,347	774,341	256,347	741,556
Engro Powergen Thar (Private) Limited	2,086,591	5,880,911	2,086,591	3,158,884
Sindh Engro Coal Mining Company Limited	2,267,346	4,553,223	1,888,274	2,865,390
Pakistan Mortgage Refinance Company Limited	500,000	879,382	500,000	810,616
First Women Bank Limited	63,300	203,928	63,300	203,928
SME Bank Limited	13,474	(31,898)	13,474	(9,778)
National Institutional Facilitation Technologies (Private) Limited	1,527	61,903	1,527	51,998
National Investment Trust Limited	100	1,003,283	100	857,153
Pak Agriculture Storage and Services Corporation Limited	5,500	3,448,615	5,500	2,725,903
Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T)	3,152	34,534	4,929	48,385
Naymat Collateral Management Company Limited	29,286	21,021	29,286	25,491
1 LINK (Private) Limited	50,000	312,706	50,000	165,767
Pakistan Credit Restructuring Company Limited	96,000	90,048	-	-
	5,372,623	17,231,997	4,899,328	11,645,293

8.10.1 The breakup value of unlisted companies is calculated using the latest available financial statements as described in note 4.3.2.

Non-Government debt securities

Listed

AA+, AA, AA-
A+, A, A-
B+, B, B-
Unrated

	2021	2020
	Cost / amortised cost	
	(Rupees in '000)	
	46,450,000	6,450,000
	493,545	493,545
	3,556,406	-
	1,000,000	40,000,000
8.10.2	51,499,951	46,943,545

Unlisted

AAA
AA+, AA, AA-
Unrated

	2021	2020
	Cost / amortised cost	
	(Rupees in '000)	
	351,000	-
	1,050,000	1,401,001
	247,381	270,877
	1,648,381	1,671,878
	53,148,332	48,615,423

8.10.2 This includes listed non-Government debt securities amounting to Rs 41 billion (2020: 40 billion) guaranteed by the Government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Foreign securities

	2021		2020	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Government debt securities				
Bahrain	9,902,572	B2 , B+	6,230,488	B2
Egypt	4,048,872	B2 , B+	2,944,771	B2
Indonesia	34,665	Baa2	31,360	Baa2
Kenya	1,844,430	B2	1,245,335	B2
Maldives	19,491,121	B+, CCC+ & below	12,747,974	B+, B3
Mauritius	4,985,792	Baa1 , Baa3	5,129,373	Baa1
Netherlands	-	-	1,531,719	Aaa
Oman	6,983,280	Ba3 , BB-	3,582,345	Ba3, BB-
Singapore	3,135,166	AAA	2,298,258	Aaa
South Africa	584,325	Ba2	-	-
Sri Lanka	6,026,660	CCC+ & below	6,124,854	CCC+ and below
Turkey	-	-	863,161	B2
United Arab Emirates	3,843,944	Aa2 , B2	-	-
United States of America	14,151,398	AAA , Ba3	2,887,903	Aaa
	75,032,225		45,617,541	

Non-Government debt securities

	2021	2020
	Cost / amortised cost (Rupees in '000)	Cost / amortised cost (Rupees in '000)
Listed		
AAA	3,122,758	5,198,402
AA+, AA, AA-	884,574	2,065,929
A+, A, A-	-	801,529
BBB+, BBB, BBB-	2,826,214	2,027,105
BB+, BB, BB-	3,663,699	2,824,657
B+, B, B-	1,354,216	805,093
Unrated	2,121,069	878,616
	13,972,530	14,601,331

Equity securities - Unlisted

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
The Benefit Company, Bahrain	3,746	26,447	3,392	23,661
Credit Information Bureau, Sri Lanka	70	14,687	69	14,387
LankaClear (Private) Limited, Sri Lanka	437	8,860	429	644
SME Equity Fund Limited, Mauritius	2,065	1,909	2,023	1,703
	6,318	51,903	5,913	40,395

	2021	2020
	Cost (Rupees in '000)	Cost (Rupees in '000)
National Investment Unit Trust Units- Listed	11,113	11,113
Real Estate Investment Trust units - Listed	55,000	55,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021	2020	
		Cost		
		(Rupees in '000)		
Preference shares - Listed				
Chemicals		700,000	700,000	
Textile Composite		44,400	44,400	
		<u>744,400</u>	<u>744,400</u>	
Preference shares - Unlisted				
	2021		2020	
	Cost	Breakup value	Cost	Breakup value
(Rupees in '000)				
Finja Inc	<u>176,985</u>	<u>26,910</u>	-	-
8.11	Particulars of held-to-maturity securities are as follows:		2021	2020
			Cost / amortised cost	
			(Rupees in '000)	
Federal Government securities - Government guaranteed				
Market Treasury Bills			397,178	292,316
Pakistan Investment Bonds			285,685,656	216,844,554
Other Federal Government securities - Bai Muajjal with Government of Pakistan			10,794,000	10,794,000
			<u>296,876,834</u>	<u>227,930,870</u>
Non-Government debt securities				
Listed				
AAA			1,000,000	-
AA+, AA, AA-			881,636	2,098,083
A+, A, A-			483,786	2,179,839
			<u>2,365,422</u>	<u>4,277,922</u>
Unlisted				
AAA			14,367,227	9,944,438
AA+, AA, AA-			4,652,708	149,850
A+, A, A-			1,075,000	2,901,689
Unrated			2,756,900	4,830,680
			<u>22,851,835</u>	<u>17,826,657</u>
Foreign securities		2021	2020	
	Cost /		Cost /	
	amortised	Rating	amortised	Rating
	cost		cost	
Government debt securities	(Rupees in '000)		(Rupees in '000)	
Bahrain	942,978	B2	857,719	B2
Bangladesh	9,201,113	Ba3	8,015,727	Ba3
Oman	2,464,286	BB-	2,239,515	BB-
Sri Lanka	2,064,512	CCC+ and below	2,504,584	CCC+ and below
	<u>14,672,889</u>		<u>13,617,545</u>	
Non-Government debt securities			2021	2020
			Cost / amortised cost	
			(Rupees in '000)	
Listed				
BBB+, BBB, BBB-			-	800,202
Unrated			285,954	397,139
			<u>285,954</u>	<u>1,197,341</u>
Unlisted				
A+, A, A-			616,100	312,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8.12 Summary of financial information of associates and joint venture

2021								
	Based on the annual / interim financial statements as on	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total compre- hensive income / (loss)
(Rupees in '000)								
Diamond Trust Bank Kenya Limited	September 30, 2021	Kenya	16.15%	678,549,291	562,179,237	57,206,890	6,017,880	7,526,089
Himalayan Bank Limited	October 17, 2021	Nepal	20.00%	283,389,638	251,046,954	17,475,451	4,427,888	4,481,822
Kyrgyz Investment and Credit Bank	December 31, 2021	Kyrgyzstan	18.00%	78,046,080	65,156,266	5,286,272	577,934	577,934
Jubilee General Insurance Company Limited	September 30, 2021	Pakistan	19.80%	26,220,342	17,095,863	7,232,221	1,690,914	1,314,157
Jubilee Life Insurance Company Limited	September 30, 2021	Pakistan	18.52%	189,325,733	176,813,548	91,328,256	2,134,247	2,035,682
HBL Cash Fund	December 31, 2021	Pakistan	0.07%	52,692,219	9,180,221	2,367,337	2,311,724	2,311,724
HBL Energy Fund	December 31, 2021	Pakistan	33.74%	629,815	24,173	(44,284)	(72,031)	(72,031)
HBL Equity Fund	December 31, 2021	Pakistan	34.73%	1,692,510	119,341	(282,179)	(357,896)	(357,896)
HBL Income Fund	December 31, 2021	Pakistan	6.09%	3,868,048	39,870	301,615	263,243	263,243
HBL Islamic Asset Allocation Fund	December 31, 2021	Pakistan	41.09%	373,545	3,134	19,737	12,564	12,564
HBL Islamic Equity Fund	December 31, 2021	Pakistan	0.00%	326,030	45,954	(47,215)	(64,805)	(64,805)
HBL Islamic Money Market Fund	December 31, 2021	Pakistan	0.00%	8,760,182	20,030	605,341	585,012	585,012
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	30.26%	180,706	1,459	(5,294)	(9,974)	(9,974)
HBL Islamic Stock Fund	December 31, 2021	Pakistan	42.55%	659,403	19,134	(38,985)	(66,014)	(66,014)
HBL Money Market Fund	December 31, 2021	Pakistan	2.54%	21,794,347	4,427,380	1,035,022	1,005,047	1,005,047
HBL Multi Asset Fund	December 31, 2021	Pakistan	44.34%	206,605	7,768	3,640	756	756
HBL Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	39.28%	197,817	1,180	(8,009)	(13,415)	(13,415)
HBL Stock Fund	December 31, 2021	Pakistan	46.23%	575,694	51,369	(12,722)	(38,655)	(38,655)
HBL FPF Conservative Allocation Plan	December 31, 2021	Pakistan	27.58%	72,326	84	2,050	1,728	1,728
HBL Investment Fund Class A	December 31, 2021	Pakistan	17.13%	2,119,110	5,105	174,306	113,028	276,157
HBL Investment Fund Class B	December 31, 2021	Pakistan	36.81%	1,307,720	152,089	(55,577)	(88,749)	(88,749)
2020								
	Based on the annual / interim financial statements as on	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total compre- hensive income / (loss)
(Rupees in '000)								
Diamond Trust Bank Kenya Limited	September 30, 2020	Kenya	16.15%	577,158,999	475,952,921	58,448,347	8,341,208	8,493,901
Himalayan Bank Limited	October 16, 2020	Nepal	20.00%	222,658,643	196,545,825	18,479,419	3,037,726	3,080,635
Kyrgyz Investment and Credit Bank	December 31, 2020	Kyrgyzstan	18.00%	66,376,927	55,272,117	5,617,052	833,183	833,183
Jubilee General Insurance Company Limited	September 30, 2020	Pakistan	19.80%	26,220,342	17,095,863	7,414,086	1,659,669	2,083,273
Jubilee Life Insurance Company Limited	September 30, 2020	Pakistan	18.52%	184,379,051	172,462,696	75,021,278	2,631,376	2,689,081
HBL Cash Fund	December 31, 2020	Pakistan	1.08%	28,209,727	122,250	1,768,747	1,634,300	1,634,300
HBL Energy Fund	December 31, 2020	Pakistan	30.71%	785,786	56,637	(80,123)	(112,630)	(112,630)
HBL Equity Fund	December 31, 2020	Pakistan	11.66%	1,206,117	107,429	146,918	115,700	115,700
HBL Income Fund	December 31, 2020	Pakistan	8.98%	2,571,148	70,075	214,808	172,522	172,522
HBL Islamic Asset Allocation Fund	December 31, 2020	Pakistan	41.38%	388,749	9,981	26,101	12,063	12,063
HBL Islamic Equity Fund	December 31, 2020	Pakistan	8.59%	401,328	44,821	16,316	2,188	2,188
HBL Islamic Money Market Fund	December 31, 2020	Pakistan	1.80%	7,130,081	29,338	478,626	434,701	434,701
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	35.04%	163,667	4,438	17,672	13,883	13,883
HBL Islamic Stock Fund	December 31, 2020	Pakistan	38.96%	796,529	33,097	46,454	17,299	17,299
HBL Money Market Fund	December 31, 2020	Pakistan	2.56%	17,122,226	116,747	1,055,019	946,815	946,815
HBL Multi Asset Fund	December 31, 2020	Pakistan	44.74%	213,213	13,037	14,284	6,500	6,500
HBL Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	38.00%	217,738	3,930	18,056	12,062	12,062
HBL Stock Fund	December 31, 2020	Pakistan	41.15%	2,304,226	126,190	(2,747)	(90,621)	(90,621)
HBL Investment Fund Class A	December 31, 2020	Pakistan	17.13%	2,385,054	18,853	13,653	(68,621)	94,508
HBL Investment Fund Class B	December 31, 2020	Pakistan	33.71%	1,560,869	198,738	20,031	(34,839)	(34,839)

8.12.1 The Group has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of Parent's holding in these entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021								
8.13	Investment in associates and Joint venture	Opening balance	Investment made	Investment redeemed	Share of profit / (loss) - net of tax	Movement in share of surplus / deficit on investments - net of tax	Share of other comprehensive income / (loss) - net of tax	Exchange translation impact	Dividend received	Closing balance
(Rupees in '000)										
	Diamond Trust Bank Kenya Limited	15,290,562	-	-	971,976	(2,441)	246,039	1,034,710	-	17,540,846
	Himalayan Bank Limited, Nepal	5,047,043	-	-	885,578	8,613	2,174	499,687	(145,181)	6,297,914
	Kyrgyz Investment and Credit Bank, Kyrgyz Republic	2,083,544	-	-	104,028	-	-	217,313	-	2,404,885
	Jubilee General Insurance Company Limited	3,230,270	-	-	334,858	(74,862)	251	-	(137,578)	3,352,939
	Jubilee Life Insurance Company Limited	2,298,572	-	-	395,199	(21,542)	3,291	-	(266,619)	2,408,901
	HBL Cash Fund	302,279	442,146	(715,099)	8,169	-	-	-	(7,537)	29,958
	HBL Energy Fund	223,898	-	-	(19,578)	-	-	-	-	204,320
	HBL Equity Fund	128,085	675,000	(146,666)	(110,015)	-	-	-	-	546,404
	HBL Income Fund	224,634	-	-	19,401	-	-	-	(10,800)	233,235
	HBL Islamic Asset Allocation Fund	156,744	-	(5,947)	5,209	-	-	-	(3,791)	152,215
	HBL Islamic Equity Fund	30,624	-	(30,810)	186	-	-	-	-	-
	HBL Islamic Money Market Fund	127,557	126,031	(253,653)	7,780	-	-	-	(7,715)	-
	HBL Islamic Pension Fund - Equity Sub Fund	55,789	-	-	(1,547)	-	-	-	-	54,242
	HBL Islamic Stock Fund	297,457	-	-	(24,996)	-	-	-	-	272,461
	HBL Money Market Fund	435,488	5,000	(5,127)	33,557	-	-	-	(27,785)	441,133
	HBL Multi Asset Fund	89,564	-	-	289	-	-	-	(1,687)	88,166
	HBL Pension Fund - Equity Sub Fund	81,245	-	-	(4,004)	-	-	-	-	77,241
	HBL Stock Fund	896,170	11,000	(661,611)	(3,184)	-	-	-	-	242,375
	HBL IFPF Active Allocation Plan	-	21,611	(18,617)	(2,994)	-	-	-	-	-
	HBL IFPF Conservative Allocation Plan	-	55,000	(55,165)	165	-	-	-	-	-
	HBL PPF Conservative Allocation Plan	-	20,000	-	(78)	-	-	-	-	19,922
	HBL Investment Fund Class A	339,680	-	-	19,358	(63,231)	-	-	-	295,807
	HBL Investment Fund Class B	459,158	-	-	(33,762)	-	-	-	-	425,396
		31,798,363	1,355,788	(1,892,695)	2,585,595	(153,463)	251,755	1,751,710	(608,693)	35,088,360
		2020								
Investment in associates and Joint venture	Opening balance	Investment made	Investment redeemed	Share of profit / (loss) - net of tax	Movement in share of surplus / deficit on investments - net of tax	Share of other comprehensive income / (loss) - net of tax	Exchange translation impact	Dividend received	Closing balance	
(Rupees in '000)										
	Diamond Trust Bank Kenya Limited	14,745,212	-	-	1,347,227	(69,927)	94,589	(639,709)	(186,830)	15,290,562
	Himalayan Bank Limited, Nepal	4,897,973	-	-	607,545	3,232	5,351	51,909	(518,967)	5,047,043
	Kyrgyz Investment and Credit Bank, Kyrgyz Republic	1,867,678	-	-	149,973	-	-	65,893	-	2,083,544
	Jubilee General Insurance Company Limited	2,924,915	-	-	328,671	88,957	(5,069)	-	(107,204)	3,230,270
	Jubilee Life Insurance Company Limited	2,047,420	-	-	487,254	7,139	3,546	-	(246,787)	2,298,572
	HBL Cash Fund	55,907	1,261,352	(1,019,751)	13,297	-	-	-	(8,526)	302,279
	HBL Energy Fund	307,632	-	(50,726)	(33,008)	-	-	-	-	223,898
	HBL Equity Fund	-	377,395	(258,411)	9,101	-	-	-	-	128,085
	HBL Growth Fund - Class B	-	81,079	(75,243)	(5,836)	-	-	-	-	-
	HBL Income Fund	223,994	-	-	24,640	-	-	-	(24,000)	224,634
	HBL Islamic Asset Allocation Fund	210,927	-	(50,000)	4,592	-	-	-	(8,775)	156,744
	HBL Islamic Equity Fund	97,356	55,000	(126,920)	5,188	-	-	-	-	30,624
	HBL Islamic Money Market Fund	228,902	70,549	(171,135)	17,279	-	-	-	(18,038)	127,557
	HBL Islamic Pension Fund - Equity Sub Fund	51,303	-	-	4,486	-	-	-	-	55,789
	HBL Islamic Stock Fund	280,905	100,000	(93,160)	10,525	-	-	-	(813)	297,457
	HBL Money Market Fund	475,932	153,297	(185,074)	42,786	-	-	-	(51,453)	435,488
	HBL Multi Asset Fund	91,141	-	-	1,385	-	-	-	(2,962)	89,564
	HBL Pension Fund - Equity Sub Fund	78,139	-	-	3,106	-	-	-	-	81,245
	HBL Stock Fund	968,613	50,000	(93,669)	(28,774)	-	-	-	-	896,170
	HBL Investment Fund Class A	323,494	-	-	(11,753)	27,939	-	-	-	339,680
	HBL Investment Fund Class B	484,560	70,000	(67,669)	(14,594)	-	-	-	(13,139)	459,158
		30,362,003	2,218,672	(2,191,758)	2,963,090	57,340	98,417	(521,907)	(1,187,494)	31,798,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

9	ADVANCES	Note	Performing		Non - performing		Total	
			2021	2020	2021	2020	2021	2020
			(Rupees in '000)					
	Loans, cash credits, running finances, etc.	9.1	1,222,815,080	1,002,683,523	74,944,865	76,761,340	1,297,759,945	1,079,444,863
	Islamic financing and related assets	9.2	166,754,863	154,081,348	337,317	337,107	167,092,180	154,418,455
	Bills discounted and purchased		120,442,187	66,540,022	5,606,279	5,005,929	126,048,466	71,545,951
	Advances - gross		1,510,012,130	1,223,304,893	80,888,461	82,104,376	1,590,900,591	1,305,409,269
	Provision against advances							
	- Specific	9.5	-	-	(72,845,186)	(70,835,763)	(72,845,186)	(70,835,763)
	- General		(11,008,308)	(11,063,284)	-	-	(11,008,308)	(11,063,284)
			(11,008,308)	(11,063,284)	(72,845,186)	(70,835,763)	(83,853,494)	(81,899,047)
	Advances - net of provision		1,499,003,822	1,212,241,609	8,043,275	11,268,613	1,507,047,097	1,223,510,222

9.1 This includes net investment in finance lease as disclosed below:

	2021				2020			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
(Rupees in '000)								
Total minimum lease payments	1,836,268	26,623,340	24,570,974	53,030,582	2,071,145	18,344,618	16,886,606	37,302,369
Financial charges for future periods	(286,458)	(4,363,882)	(6,435,784)	(11,086,124)	(206,620)	(3,144,813)	(4,560,644)	(7,912,077)
Net investment in finance lease	1,549,810	22,259,458	18,135,190	41,944,458	1,864,525	15,199,805	12,325,962	29,390,292

9.2 Information related to Islamic financing and related assets is given in note 3 of Annexure I to the unconsolidated financial statements and is an integral part of these consolidated financial statements.

9.3	Particulars of advances (Gross)	2021 (Rupees in '000)	2020 (Rupees in '000)
	In local currency	1,222,102,342	1,054,929,659
	In foreign currencies	368,798,249	250,479,610
		1,590,900,591	1,305,409,269

9.4 Advances include Rs 80,888.461 million (2020: Rs 82,104.376 million) which have been placed under non-performing status as detailed below:

Category of classification	2021		2020	
	Non-performing advances	Provision	Non-performing advances	Provision
(Rupees in '000)				
Domestic				
Other assets especially mentioned	676,362	3,379	1,228,797	-
Substandard	2,919,319	711,251	5,541,896	1,355,443
Doubtful	2,566,040	1,286,243	1,383,002	690,474
Loss	43,406,758	42,415,330	42,291,448	41,073,885
	49,568,479	44,416,203	50,445,143	43,119,802
Overseas				
Not past due but impaired	1,411,443	611,553	592,400	355,535
Overdue by:				
Upto 90 days	29,965	-	105,684	36,925
91 to 180 days	17,181	14,815	225,844	51,457
181 to 365 days	2,312,907	1,929,459	2,849,284	2,846,499
> 365 days	27,548,486	25,873,156	27,886,021	24,425,545
	31,319,982	28,428,983	31,659,233	27,715,961
Total	80,888,461	72,845,186	82,104,376	70,835,763

9.5	Particulars of provision against advances	Note	2021			2020		
			Specific	General	Total	Specific	General	Total
(Rupees in '000)								
	Opening balance		70,835,763	11,063,284	81,899,047	72,634,967	3,730,991	76,365,958
	Exchange adjustment		2,670,248	222,274	2,892,522	974,252	47,701	1,021,953
	Charge for the year		12,415,018	1,613,469	14,028,487	9,301,182	7,636,845	16,938,027
	Reversal for the year		(4,492,724)	(1,890,719)	(6,383,443)	(4,525,945)	(352,253)	(4,878,198)
	Net charge / (reversal) against advances		7,922,294	(277,250)	7,645,044	4,775,237	7,284,592	12,059,829
	Charged off during the year -							
	agriculture financing	9.7	(532,280)	-	(532,280)	(750,824)	-	(750,824)
	Written off during the year	9.8	(8,050,839)	-	(8,050,839)	(6,797,869)	-	(6,797,869)
	Closing balance		72,845,186	11,008,308	83,853,494	70,835,763	11,063,284	81,899,047

9.5.1	Particulars of provision against advances	2021			2020		
		Specific	General	Total	Specific	General	Total
(Rupees in '000)							
	In local currency	43,420,856	8,335,552	51,756,408	42,015,212	9,077,990	51,093,202
	In foreign currencies	29,424,330	2,672,756	32,097,086	28,820,551	1,985,294	30,805,845
		72,845,186	11,008,308	83,853,494	70,835,763	11,063,284	81,899,047

9.6 General provision includes provision amounting to Rs 2,753.209 million (2020: Rs 2,237.187 million) against consumer finance portfolio and Rs 577.903 million (2020: Rs 421.751 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 2,672.756 million (2020: Rs 1,985.294 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates and, as discussed in Note 4.4, Rs 5,004.440 million (2020: 6,419.052 million) on account of potential provisions required against borrowers affected by the pandemic.

9.7 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
9.8 Particulars of write offs			
9.8.1 Against provisions	9.5	8,050,839	6,797,869
Directly charged to the profit and loss account	31	81,069	99,452
Against charge-off		442	-
	9.8.2	<u>8,132,350</u>	<u>6,897,321</u>

9.8.2 Analysis of write offs

Write offs of Rs. 500,000 and above

- Domestic
- Domestic subsidiaries

- Overseas

Write offs of below Rs. 500,000

	2,315,683	657,812
	59,087	12,880
	<u>2,374,770</u>	<u>670,692</u>
9.9.2	<u>4,147,620</u>	<u>5,481,290</u>
	<u>6,522,390</u>	<u>6,151,982</u>
	<u>1,609,960</u>	<u>745,339</u>
	<u>8,132,350</u>	<u>6,897,321</u>

9.9 Details of written off advances of Rs 500,000 and above

9.9.1 The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2021 is given in Annexure II to the unconsolidated financial statements and is an integral part of these consolidated financial statements.

9.9.2 These include write offs or financial relief allowed to borrowers in those countries where there are disclosure restrictions.

	Note	2021 (Rupees in '000)	2020
10 FIXED ASSETS			
Capital work-in-progress	10.1	7,803,605	2,639,430
Property and equipment	10.2	90,872,737	86,550,780
		<u>98,676,342</u>	<u>89,190,210</u>

10.1 Capital work-in-progress

- Civil works
- Equipment
- Advances to suppliers and contractors

4,375,253	762,188
310,830	1,243,270
<u>3,117,522</u>	<u>633,972</u>
<u>7,803,605</u>	<u>2,639,430</u>

10.2 Property and equipment

	2021 (Rupees in '000)									
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets
At January 1, 2021										
Cost / revalued amount	818,631	33,920,702	841,418	17,569,518	3,643,428	9,263,184	4,948,100	28,305,688	1,261,856	23,674,564
Accumulated depreciation	-	-	(279,116)	(14,975)	(889,212)	(6,385,921)	(2,652,438)	(19,937,859)	(718,080)	(6,818,708)
Net book value	<u>818,631</u>	<u>33,920,702</u>	<u>562,302</u>	<u>17,554,543</u>	<u>2,754,216</u>	<u>2,877,263</u>	<u>2,295,662</u>	<u>8,367,829</u>	<u>543,776</u>	<u>16,855,856</u>
Year ended December 31, 2021										
Opening net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856
Additions	-	400,000	2,068	281,975	93,050	1,984,214	762,343	4,584,991	233,849	6,129,155
Disposals	-	-	-	-	(1,368)	(7,896)	(6,892)	(17,985)	(15,101)	(1,911)
Depreciation charge	-	-	(91,827)	(370,665)	(416,316)	(1,078,498)	(672,253)	(4,173,196)	(166,437)	(3,384,774)
Write off	-	-	-	-	(7,425)	(9,159)	(9,826)	(99,863)	(130)	-
Exchange rate adjustments	54,039	-	12,369	1,580	-	36,286	16,253	36,813	2,347	223,344
Other adjustments / transfers	-	-	44,844	(265)	1,093	(41,022)	(2,560)	(4,669)	1,494	(112)
Closing net book value	<u>872,670</u>	<u>34,320,702</u>	<u>529,756</u>	<u>17,467,168</u>	<u>2,423,250</u>	<u>3,761,188</u>	<u>2,382,727</u>	<u>8,693,920</u>	<u>599,798</u>	<u>19,821,558</u>
At December 31, 2021										
Cost / revalued amount	872,670	34,320,702	787,206	17,854,067	3,701,948	11,155,114	5,689,084	28,951,875	1,402,369	28,799,739
Accumulated depreciation	-	-	(257,450)	(386,899)	(1,278,698)	(7,393,926)	(3,306,357)	(20,257,955)	(802,571)	(8,978,181)
Net book value	<u>872,670</u>	<u>34,320,702</u>	<u>529,756</u>	<u>17,467,168</u>	<u>2,423,250</u>	<u>3,761,188</u>	<u>2,382,727</u>	<u>8,693,920</u>	<u>599,798</u>	<u>19,821,558</u>
Rate of depreciation (%)	-	-	3 - 5	1.67 - 4	10	10 - 20	10 - 20	10 - 33	10 - 20	2.5 - 100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2020										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improve-ments	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of-use assets	Total
	(Rupees in '000)										
At January 1, 2020											
Cost / revalued amount	693,597	27,833,786	571,851	16,741,781	3,572,650	8,280,278	4,346,578	25,394,240	1,148,380	19,305,071	107,888,212
Accumulated depreciation	-	-	(219,989)	(475,963)	(477,468)	(5,511,564)	(2,110,150)	(16,602,761)	(620,089)	(3,329,407)	(29,347,391)
Net book value	693,597	27,833,786	351,862	16,265,818	3,095,182	2,768,714	2,236,428	8,791,479	528,291	15,975,664	78,540,821
Year ended December 31, 2020											
Opening net book value	693,597	27,833,786	351,862	16,265,818	3,095,182	2,768,714	2,236,428	8,791,479	528,291	15,975,664	78,540,821
Additions	-	981,325	37	92,040	60,979	1,060,870	628,020	3,111,496	168,442	5,915,679	12,018,888
Disposals	-	-	(31,919)	-	-	(47,585)	(13,491)	(27,821)	(1,234)	(1,381,585)	(1,503,635)
Depreciation charge	-	-	(41,817)	(327,767)	(415,316)	(907,342)	(595,720)	(3,521,004)	(153,587)	(3,795,518)	(9,758,071)
Movement in surplus on assets revalued during the year	97,049	4,991,467	269,026	1,479,871	-	-	-	-	-	-	6,837,413
Impairment reversed during the year	-	114,124	-	44,584	-	-	-	-	-	-	158,708
Exchange rate adjustments	27,985	-	9,346	588	-	32,301	11,505	21,318	1,943	166,475	271,461
Other adjustments / transfers	-	-	5,767	(591)	13,371	(29,695)	28,920	(7,639)	(79)	(24,859)	(14,805)
Closing net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856	86,550,780
At December 31, 2020											
Cost / revalued amount	818,631	33,920,702	841,418	17,569,518	3,643,428	9,263,184	4,948,100	28,305,688	1,261,856	23,674,564	124,247,089
Accumulated depreciation	-	-	(279,116)	(14,975)	(889,212)	(6,385,921)	(2,652,438)	(19,937,859)	(718,080)	(6,818,708)	(37,696,309)
Net book value	818,631	33,920,702	562,302	17,554,543	2,754,216	2,877,263	2,295,662	8,367,829	543,776	16,855,856	86,550,780
Rate of depreciation (%)	-	-	3 - 5	1.67 - 4	10	10 - 20	10 - 20	10 - 33	10 - 20	1.61 - 100	

- 10.2.1 With effect from January 2021, the estimated useful life of biometric devices has been revised from 5 years to 4 years which is more reflective of the consumption pattern of these assets. The effect of this change on depreciation expense in the current year and the next year is as follows:

	2022 (Rupees in '000)	2021 (Rupees in '000)
Increase in depreciation expense of Biometric devices	66,892	112,270

10.3 Revaluation of properties

The properties of the Group were last revalued by independent professional valuers as at December 31, 2020. The revaluation was carried out by M/s Iqbal A. Nanjee & Co. (Private) Limited (Pakistan), M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Private) Limited (Sri Lanka), M/s AKTIF Real Estate Appraisal and Consultancy Inc. (Turkey), M/s Al-Amrousiya Real Estate (Lebanon), M/s Shepherd Commercial (UK) and M/s AJP Chartered Surveyors Limited (UK) on the basis of assessment of then present market values. The revaluation resulted in an increase of Rs 6,837.413 million in the surplus. The total surplus arising against revaluation of fixed assets as at December 31, 2021 amounts to Rs 28,902.931 million.

- 10.4 Had there been no periodic revaluations, the carrying amounts of revalued assets would have been as follows:

	2021 (Rupees in '000)	2020 (Rupees in '000)
Freehold land	482,409	428,369
Leasehold land	10,127,486	9,780,805
Building on freehold land	206,557	202,566
Building on leasehold land	13,470,913	13,533,218
	24,287,365	23,944,958

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets to related parties is given in Annexure III and is an integral part of these consolidated financial statements.

- 10.6 The carrying amount of fixed assets held for disposal amounted to Rs 4.652 million (2020: Rs 3.253 million).

- 10.7 The cost of fully depreciated fixed assets that are still in the Group's use is as follows:

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Leasehold improvements		3,750,735	3,339,338
Furniture and fixtures		897,582	826,623
Electrical, office and computer equipment		8,678,305	9,841,869
Vehicles		254,777	278,041
		13,581,399	14,285,871

11 INTANGIBLE ASSETS

Capital work-in-progress - computer software		2,056,072	1,620,539
Intangible assets	11.1	10,574,403	8,792,341
		12,630,475	10,412,880

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

11.1 Intangible Assets

	2021				2020			
	Computer Software	Management Rights (note 11.3.2)	Goodwill (note 11.3)	Total	Computer Software	Management Rights	Goodwill	Total
(Rupees in '000)								
At January 1,								
Cost	7,826,687	2,367,577	3,051,663	13,245,927	6,510,581	2,367,577	2,866,444	11,744,602
Accumulated amortisation	(4,453,586)	-	-	(4,453,586)	(3,729,801)	-	-	(3,729,801)
Net book value	<u>3,373,101</u>	<u>2,367,577</u>	<u>3,051,663</u>	<u>8,792,341</u>	<u>2,780,780</u>	<u>2,367,577</u>	<u>2,866,444</u>	<u>8,014,801</u>
Year ended December 31,								
Opening net book value	3,373,101	2,367,577	3,051,663	8,792,341	2,780,780	2,367,577	2,866,444	8,014,801
Purchased during the year	2,565,809	-	-	2,565,809	1,380,051	-	-	1,380,051
Disposal / Write-off	(11,475)	-	-	(11,475)	(10,544)	-	-	(10,544)
Amortisation charge	(1,061,035)	-	-	(1,061,035)	(799,329)	-	-	(799,329)
Exchange rate adjustments	42,924	-	244,750	287,674	24,472	-	185,219	209,691
Other adjustments	1,089	-	-	1,089	(2,329)	-	-	(2,329)
Closing net book value	<u>4,910,413</u>	<u>2,367,577</u>	<u>3,296,413</u>	<u>10,574,403</u>	<u>3,373,101</u>	<u>2,367,577</u>	<u>3,051,663</u>	<u>8,792,341</u>
At December 31,								
Cost	10,458,081	2,367,577	3,296,413	16,122,071	7,826,687	2,367,577	3,051,663	13,245,927
Accumulated amortisation	(5,547,668)	-	-	(5,547,668)	(4,453,586)	-	-	(4,453,586)
Net book value	<u>4,910,413</u>	<u>2,367,577</u>	<u>3,296,413</u>	<u>10,574,403</u>	<u>3,373,101</u>	<u>2,367,577</u>	<u>3,051,663</u>	<u>8,792,341</u>
Rate of amortisation (%)	<u>10 - 33.33</u>	-	-		<u>10 - 33.33</u>	-	-	
Useful life (years)	<u>3 - 10</u>	-	-		<u>3 - 10</u>	-	-	

11.2 The cost of fully amortised intangible assets that are still in the Group's use amounted to Rs 2,764.995 million (2020: Rs 2,122.165 million).

	Note	2021 (Rupees in '000)	2020
11.3 Goodwill arising on acquisition of			
- Habibsons Bank Limited	11.3.1	2,940,906	2,696,156
- PICIC AMC	11.3.2	355,507	355,507
		<u>3,296,413</u>	<u>3,051,663</u>

11.3.1 The carrying value of goodwill is determined in accordance with IFRS 3 - Business Combinations and IAS 36 - Impairment of Assets. Goodwill arose on the acquisition of Habibsons Bank Limited in 2011 and represents the excess of the purchase consideration over the fair value of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

Goodwill is allocated to the Wealth Management cash generating unit (CGU) which is the segment that is expected to benefit from the synergies of the acquisition. Goodwill is tested annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill is considered to be impaired if the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount is calculated as the higher of the CGU's value-in-use (VIU) and its fair value less costs to sell.

The recoverable value of goodwill was determined based on VIU calculations. VIU is calculated as the present value of the CGU's approved pre-tax cash flows, covering a period of five years and a terminal value based on a perpetuity, calculated using long-term GDP growth rates. All cash flows are discounted using a discount rate which reflects the risks appropriate to the CGU. As at December 31, 2021, the recoverable value of the CGU exceeds its carrying amount.

The following table sets out the key assumptions which were used for the determination of the value-in-use of goodwill. These are consistent with industry forecasts and are management's best estimates of the future performance of the segment.

	2021	2020
Advances growth rate	29.92%	7.63%
Yield on advances	2.89%	2.70%
Yield on surplus funds	1.88%	1.90%
Deposits growth rate	6.12%	8.02%
Cost of deposits	0.22%	0.20%
Long term weighted average growth rate	3.26%	1.50%
Pre-tax discount rate	9.96%	11.86%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

11.3.2 The carrying value of goodwill and management rights is determined in accordance with IFRS 3 - Business Combinations and IAS 36 - Impairment of Assets. Goodwill and management rights arose on the acquisition of PICIC Asset Management Limited by HBL Asset Management Limited (HBL AMC) in 2016. Management rights represent the present value of the income stream from the rights to manage the acquired funds. Goodwill represents the excess of the purchase consideration over the fair value of the tangible and intangible assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

The funds under management acquired from PICIC have been considered as one cash generating unit (CGU). Goodwill and management rights are tested annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill and management rights are considered to be impaired if the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount for both goodwill and management rights is calculated as the higher of the CGU's value-in-use (VIU) and its fair value less costs to sell.

The recoverable value was determined based on VIU calculations. VIU is calculated as the present value of the CGU's approved pre-tax cash flows, covering a period of ten years and a terminal value based on a perpetuity, calculated using long-term GDP growth rates. All cash flows are discounted using a discount rate which reflects the risks appropriate to the CGU. As at December 31, 2021, the recoverable value of the CGU exceeds its carrying amount.

		2021	2020
Pre-tax discount rate		16.40%	14.25%
AUMs growth rate		-7.00% to 64.60%	-19.00% to 84.00%
Terminal growth rate		9.50%	9.00%

	Note	2021	2020
		(Rupees in '000)	
12 OTHER ASSETS			
Mark-up / return / profit / interest accrued in local currency - net of provision		52,719,955	49,348,579
Mark-up / return / profit / interest accrued in foreign currency - net of provision		3,791,224	2,878,167
Advances, deposits, advance rent and other prepayments		3,825,328	2,645,730
Advance taxation		21,708,444	21,124,536
Advances against subscription of securities		178,000	1,096,000
Stationery and stamps on hand		181,671	154,121
Accrued fees and commissions receivable		554,583	476,113
Due from Government of Pakistan / SBP		2,137,045	1,532,223
Mark to market gain on forward foreign exchange contracts		8,699,989	4,101,950
Mark to market gain on derivative instruments	22.2	251,603	182,917
Non-banking assets acquired in satisfaction of claims	12.1	459,389	432,937
Receivable from defined benefit plan	36.4.5	759,354	-
Acceptances		36,686,549	27,539,046
Clearing and settlement accounts		17,436,987	3,220,084
Dividend receivable		185,213	15,026
Claims receivable against fraud and forgeries		541,337	553,356
Others		1,628,410	1,022,072
		<u>151,745,081</u>	<u>116,322,857</u>
Provision held against other assets	12.2	(1,243,645)	(1,127,909)
Other assets - net of provision		150,501,436	115,194,948
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20.2	224,064	209,594
Other assets - total		<u>150,725,500</u>	<u>115,404,542</u>

12.1 Details of revaluation of non-banking assets acquired in satisfaction of claims			
Market value of non-banking assets acquired in satisfaction of claims		680,986	639,379

12.1.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2021. The revaluation was carried out by M/s Hamid Mukhtar & Co (Private) Limited, M/s Harvester Services (Private) Limited and M/s Elevante Property Services Limited on the basis of an assessment of present market values and resulted in an increase in the surplus by Rs 132.680 million. The total surplus arising against revaluation of non banking assets acquired in satisfaction of claims as at December 31, 2021 amounts to Rs 224.064 million (2020: Rs 209.594 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
12.1.2 Non-banking assets acquired in satisfaction of claims			
Opening balance		639,379	626,000
Exchange adjustment		2,804	-
Addition during the year		189,876	-
Disposal during the year		(200,000)	(40,000)
Revaluation during the year	20.2	132,680	49,570
Transferred to fixed assets		(83,672)	-
Depreciation		(766)	(63)
Reversal of impairment		685	3,872
Closing balance		<u>680,986</u>	<u>639,379</u>
12.1.3 Gain on sale of non-banking assets acquired in satisfaction of claims			
Disposal proceeds		216,000	42,500
Less:			
Cost		81,790	35,720
Surplus realised on sale	20.2	<u>118,210</u>	<u>4,280</u>
		<u>200,000</u>	<u>40,000</u>
		<u>16,000</u>	<u>2,500</u>
12.2 Provision held against other assets			
Acceptances		-	419,923
Non-banking assets acquired in satisfaction of claims		2,467	3,152
Claims receivable against fraud and forgeries		541,337	553,356
Suit filed cases		4,800	4,998
Others		695,041	146,480
		<u>1,243,645</u>	<u>1,127,909</u>
12.2.1 Movement in provision against other assets			
Opening balance		1,127,909	821,996
Exchange adjustment		(17,808)	19,735
Charge for the year		741,684	691,987
Reversal for the year		(551,548)	(33,899)
Net charge		190,136	658,088
Written off during the year		(56,592)	(49,042)
Transferred out		-	(322,868)
Closing balance		<u>1,243,645</u>	<u>1,127,909</u>
13 BILLS PAYABLE			
In Pakistan		42,793,433	44,875,620
Outside Pakistan		1,403,551	1,558,579
		<u>44,196,984</u>	<u>46,434,199</u>
14 BORROWINGS			
Secured			
Borrowings from the SBP under			
- Export refinance scheme	14.2	69,782,711	60,068,212
- Long term financing facility	14.3	32,529,493	25,922,575
- Financing facility for renewable energy power plants	14.4	6,805,470	1,716,425
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	14.5	241,788	152,893
- Refinance and credit guarantee scheme for women entrepreneurs	14.6	155,370	163,416
- Financing facility for storage of agricultural produce	14.7	333,349	292,211
- Refinance facility for working capital of SMEs		-	135,625
- Refinance scheme for payment of wages and salaries	14.8	15,476,761	30,928,363
- Refinance facility for combating COVID-19	14.9	1,055,725	1,300,000
- Temporary economic refinance facility	14.10	26,010,138	4,917,263
		<u>152,390,805</u>	<u>125,596,983</u>
Repurchase agreement borrowings	14.12	<u>140,193,364</u>	<u>321,070,809</u>
		<u>292,584,169</u>	<u>446,667,792</u>
Unsecured			
- Call money borrowings	14.13	1,000,000	13,450,000
- Overdrawn nostro accounts		653,970	194,244
- Borrowings of overseas branches and subsidiaries	14.14	82,898,483	30,376,372
- Other long-term borrowings	14.15	59,121,383	53,419,418
		<u>143,673,836</u>	<u>97,440,034</u>
		<u>436,258,005</u>	<u>544,107,826</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 (Rupees in '000)	2020
14.1 Particulars of borrowings with respect to currencies		
In local currency	297,869,977	464,233,561
In foreign currencies	138,388,028	79,874,265
	436,258,005	544,107,826
14.2	The Bank has entered into an agreement with the SBP for extending export finance to customers. These carry mark-up at rates ranging from 1.00% to 2.00% per annum (2020: 1.00% to 3.00% per annum) and are due to mature latest by December 05, 2022.	
14.3	These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry mark-up at rates ranging from 2.00% to 8.60 % per annum (2020: 2.00% to 8.60% per annum) and are due to mature latest by May 17, 2032.	
14.4	These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2020: 2.00% to 3.00% per annum) and are due to mature latest by September 18, 2032.	
14.5	These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry mark-up at a rate of 2.00% per annum (2020: 2.00% per annum) and are due to mature latest by October 10, 2026.	
14.6	These borrowings have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by November 09, 2025.	
14.7	These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rates ranging from 2.00% to 3.50% per annum (2020: 2.00% to 3.50% per annum) and are due to mature latest by March 30, 2026.	
14.8	These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by October 01, 2022.	
14.9	These borrowings have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by September 30, 2025. The maximum financing limit under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months.	
14.10	These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the pandemic. These carry mark-up at a rate of 1.00% per annum (2020: 1.00% per annum) and are due to mature latest by December 15, 2032. The maximum limit granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years.	
14.11	For all SBP borrowings, the SBP has a right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.	
14.12	Repurchase agreement borrowings carry mark-up at rates ranging from 9.70% to 10.25% per annum (2020: 6.20% to 7.02% per annum) and are due to mature latest by February 25, 2022. The market value of securities given as collateral against these borrowings is given in note 8.2.2.	
14.13	Call money borrowings carry mark-up at a rate of 10.05% per annum (2020: 6.05% to 7.15% per annum) and are due to mature latest by January 04, 2022.	
14.14	Borrowings by overseas branches and subsidiaries carry mark-up at rates ranging from 0.10% to 8.58% per annum (2020: 0.01% to 8.05% per annum) and are due to mature latest by December 22, 2022.	
14.15	This includes the following:	
14.15.1	A loan from the International Finance Corporation amounting to US\$ 150 million (2020: US\$ 150 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

- 14.15.2 A long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 170.975 million (2020: US\$ 165.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 14.15.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2020: 11.21% per annum) is payable semi-annually.
- 14.15.4 Mortgage refinancing facilities from PMRC, amounting to Rs 1,082.977 million (2020: Rs 821.434 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount is payable in quarterly installments from June 2020 to June 2031. Mark-up on these facilities ranges from 6.50% to 7.14% per annum (2020: 7.14% per annum) and is payable quarterly.
- 14.15.5 A loan from Allied Bank Limited to HBL Asset Management Limited amounting to Rs 1.2 billion (2020: Rs 1.6 billion). The principal amount is payable in semi-annual installments from June 2020 to December 2024. Mark-up at KIBOR + 0.75% is payable semi-annually.

15 DEPOSITS AND OTHER ACCOUNTS

Note	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	952,815,913	210,488,971	1,163,304,884	823,057,044	157,417,183	980,474,227
Savings deposits	1,112,754,751	103,505,665	1,216,260,416	995,229,006	94,756,615	1,089,985,621
Term deposits	471,532,451	180,237,348	651,769,799	315,226,455	141,767,942	456,994,397
	2,537,103,115	494,231,984	3,031,335,099	2,133,512,505	393,941,740	2,527,454,245
Financial institutions						
Current deposits	5,101,313	2,272,365	7,373,678	13,072,383	1,408,220	14,480,603
Savings deposits	299,998,542	451,389	300,449,931	267,728,866	657,250	268,386,116
Term deposits	36,824,833	6,014,857	42,839,690	13,163,008	6,887,418	20,050,426
	341,924,688	8,738,611	350,663,299	293,964,257	8,952,888	302,917,145
15.2	2,879,027,803	502,970,595	3,381,998,398	2,427,476,762	402,894,628	2,830,371,390

15.1	Composition of deposits	2021	2020
		(Rupees in '000)	(Rupees in '000)
	- Individuals	1,842,298,734	1,531,356,075
	- Government (Federal and Provincial)	197,465,425	154,362,518
	- Banking companies	11,684,140	9,119,704
	- Non-Banking Financial Institutions	338,979,159	293,797,441
	- Other public sector entities	221,489,701	135,997,229
	- Other private sector entities	770,081,239	705,738,423
		<u>3,381,998,398</u>	<u>2,830,371,390</u>

- 15.2 This includes deposits amounting to Rs 1,689,010.499 million (2020: Rs 1,565,304.659 million) which are eligible for coverage under insurance arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
16	SUBORDINATED DEBT		
	Tier II Term Finance Certificates	16.1	-
	Additional Tier I Term Finance Certificates	16.2	12,374,000
		12,374,000	22,356,000

- 16.1 In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date (the "Call Option Exercise Date"), the entire principal outstanding amount was redeemed along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.
- 16.2 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

Issue Date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [2020: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
17 DEFERRED TAX ASSETS / (LIABILITIES)			
Deductible temporary differences on			
- Tax losses of subsidiary		431,976	840,493
- Provision against investments		766,916	1,141,429
- Provision against doubtful debts and off-balance sheet obligations		3,721,755	4,109,075
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,586,450	1,940,800
- Deficit / (surplus) on revaluation of investments	20	1,309,052	(5,430,518)
- Deficit / (surplus) on revaluation of investments of associates	20	37,902	(21,949)
- Provision against other assets		15,342	45,062
- Deficit on revaluation of fixed assets		-	72,832
- Ijarah financing		156,250	199,225
		9,025,643	2,896,449
Taxable temporary differences on			
- Accelerated tax depreciation	20	(1,360,584)	(1,667,333)
- Surplus on revaluation of fixed assets	20	(1,777,800)	(1,827,924)
- Surplus on revaluation of fixed assets of associates	20	(56,392)	(56,392)
- Management rights and goodwill		(288,014)	(237,741)
- Share of profit of associates		(7,328,089)	(6,728,003)
- Exchange translation reserve		(3,287,635)	(2,740,997)
- Others		(9,731)	(25,918)
		(14,108,245)	(13,284,308)
Net deferred tax liabilities		(5,082,602)	(10,387,859)

17.1 Movement in temporary differences during the year

	Balance as at January 1, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2021
	(Rupees in '000)						
Deductible temporary differences on							
- Tax losses of subsidiary	445,141	375,723	19,629	840,493	(441,402)	32,885	431,976
- Provision against investments	1,616,500	(475,071)	-	1,141,429	(399,508)	24,995	766,916
- Provision against doubtful debts and off-balance sheet obligations	4,354,960	(245,885)	-	4,109,075	(387,320)	-	3,721,755
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,670,344	270,366	90	1,940,800	645,650	-	2,586,450
- Deficit / (surplus) on revaluation of investments	(2,291,567)	-	(3,138,951)	(5,430,518)	-	6,739,570	1,309,052
- Surplus on revaluation of investments of associates	414	-	(22,363)	(21,949)	-	59,851	37,902
- Provision against other assets	50,989	(5,927)	-	45,062	(29,720)	-	15,342
- Deficit on revaluation of fixed assets	163,960	(91,128)	-	72,832	(72,832)	-	-
- Ijarah financing	150,674	48,551	-	199,225	(42,975)	-	156,250
- Recognised on subsidiary under liquidation	108,817	-	(108,817)	-	-	-	-
Taxable temporary differences on							
- Accelerated tax depreciation	(2,011,063)	341,004	2,726	(1,667,333)	300,298	6,451	(1,360,584)
- Surplus on revaluation of fixed assets	(1,175,641)	29,786	(682,069)	(1,827,924)	50,124	-	(1,777,800)
- Surplus on revaluation of fixed assets of associates	(56,392)	-	-	(56,392)	-	-	(56,392)
- Management rights and goodwill	(182,914)	(54,827)	-	(237,741)	(50,273)	-	(288,014)
- Share of profit of associates	(6,049,041)	(678,962)	-	(6,728,003)	(600,086)	-	(7,328,089)
- Exchange translation reserve	(2,982,429)	-	241,432	(2,740,997)	-	(546,638)	(3,287,635)
- Others	(2,439)	(36,077)	12,598	(25,918)	(7,771)	23,958	(9,731)
Net deferred tax (liabilities) / assets	(6,189,687)	(522,447)	(3,675,725)	(10,387,859)	(1,035,815)	6,341,072	(5,082,602)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
18 OTHER LIABILITIES			
Mark-up / return / profit / interest payable in local currency		10,014,802	11,846,712
Mark-up / return / profit / interest payable in foreign currency		2,589,051	2,362,314
Security deposits		909,334	974,790
Accrued expenses		20,870,306	19,271,148
Mark to market loss on forward foreign exchange contracts		7,337,247	6,359,622
Mark to market loss on derivative instruments	22.2	2,624,952	1,449,800
Unclaimed dividends		727,940	693,700
Dividends payable		1,327,763	115,626
Provision for post retirement medical benefits	36.4.5	4,557,833	3,763,654
Provision for employees' compensated absences	36.4.5	2,177,565	2,492,992
Provision against off-balance sheet obligations	18.1	2,687,054	1,138,648
Acceptances		36,686,549	27,539,046
Branch adjustment account		827,848	816,307
Provision for staff retirement benefits		1,251,289	1,239,418
Payable to defined benefit plans	36.4.4 & 36.1.6	437,648	1,182,639
Provision for Workers' Welfare Fund	29	7,735,706	6,379,456
Unearned income		4,452,650	4,229,811
Qarz-e-Hasna Fund		338,409	338,542
Levies and taxes payable		7,690,809	7,073,633
Insurance payable		1,235,949	887,519
Provision for rewards program expenses		1,748,370	1,391,392
Liability against trading of securities		3,701,035	902,755
Clearing and settlement accounts		4,221,476	4,538,525
Payable to HBL Foundation		405,576	315,431
Contingent consideration payable		500,000	500,000
Charity fund		44,865	4,234
Lease liability against right-of-use asset		22,307,342	18,213,249
Unclaimed deposits		348,609	91,752
Others		4,114,377	3,797,582
		153,872,354	129,910,297

18.1 Provision against off-balance sheet obligations

Opening balance	1,138,648	437,795
Exchange adjustment	(38,031)	(25,452)
Charge for the year	1,616,293	480,696
Reversal for the year	(75,785)	(95,905)
Net charge	1,540,508	384,791
Written off during the year	(1,653)	(4,053)
Transferred in	47,582	345,567
Closing balance	2,687,054	1,138,648

19 SHARE CAPITAL

19.1 Authorised capital

2021	2020		2021	2020
Number of shares in '000			Number of shares in '000	
2,900,000	2,900,000	Ordinary shares of Rs 10 each	29,000,000	29,000,000

19.2 Issued, subscribed and paid-up capital

2021	2020		2021	2020
Number of shares in '000			Number of shares in '000	
690,000	690,000	Ordinary shares of Rs 10 each	6,900,000	6,900,000
776,852	776,852	Fully paid in cash	7,768,525	7,768,525
1,466,852	1,466,852	Issued as bonus shares	14,668,525	14,668,525

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

19.3 Major shareholders (holding more than 5% of total paid-up capital)

Name of shareholder	2021		2020	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Aga Khan Fund for Economic Development	748,094,778	51.00%	748,094,778	51.00%

19.4 Shares of the Bank held by associated companies

	2021 (Number of shares)	2020 (Number of shares)
Jubilee General Insurance Company Limited	4,270,000	4,270,000
Jubilee Life Insurance Company Limited	33,246,975	12,910,000
HBL Equity Fund	1,067,000	231,000
HBL Investment Fund Class B	692,395	326,600
HBL Multi Asset Fund	143,271	62,971
HBL Stock Fund	364,004	530,504
HBL Income Fund	522,069	-
HBL Pension Fund- Equity Sub Fund	131,500	-

19.5 Statutory reserve

Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Accordingly, the Bank transfers 10% of its profit after tax every year to the statutory reserve.

19.6 Exchange translation reserve

This comprises of all foreign currency differences arising from the translation of the net investment in foreign branches, associates, joint venture and subsidiaries.

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Note	2021			2020			
	Attributable to		Total	Attributable to		Total	
	Equity holders	Non-controlling interest		Equity holders	Non-controlling interest		
	(Rupees in '000)						
Surplus / (deficit) arising on revaluation of:							
- Fixed assets	20.1	28,876,201	26,730	28,902,931	28,987,958	43,496	29,031,454
- Fixed assets of associates		144,596	-	144,596	144,596	-	144,596
- Available-for-sale securities	8.1	(3,498,964)	(50,429)	(3,549,393)	13,932,014	22,016	13,954,030
- Available-for-sale securities held by associates	8.1	(97,185)	-	(97,185)	56,279	-	56,279
- Non-banking assets acquired in satisfaction of claims	20.2	224,064	-	224,064	209,594	-	209,594
		25,648,712	(23,699)	25,625,013	43,330,441	65,512	43,395,953
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Fixed assets	20.1	1,775,005	2,795	1,777,800	1,824,175	3,749	1,827,924
- Fixed assets of associates		56,392	-	56,392	56,392	-	56,392
- Available-for-sale securities	17.1	(1,304,154)	(4,898)	(1,309,052)	5,423,011	7,507	5,430,518
- Available-for-sale securities held by associates	17.1	(37,902)	-	(37,902)	21,949	-	21,949
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		489,341	(2,103)	487,238	7,325,527	11,256	7,336,783
Surplus on revaluation of assets							
- net of tax		25,159,371	(21,596)	25,137,775	36,004,914	54,256	36,059,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2021
(Rupees in '000)

2020

20.1 Surplus on revaluation of fixed assets

Surplus on revaluation of fixed assets as at January 01
 Surplus recognised during the year
 Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax
 Related deferred tax liability on incremental depreciation charged during the year
 Surplus on revaluation of fixed assets as at December 31

29,031,454	22,270,416
-	6,837,413
(78,399)	(46,589)
(50,124)	(29,786)
28,902,931	29,031,454

Less: related deferred tax liability on
 - Revaluation as at January 01
 - Surplus recognised during the year
 - Incremental depreciation charged during the year

1,827,924	1,175,641
-	682,069
(50,124)	(29,786)
1,777,800	1,827,924

Surplus on revaluation of fixed assets of associates
 Related deferred tax liability

144,596	144,596
(56,392)	(56,392)
88,204	88,204

27,213,335	27,291,734

20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 01
 Surplus recognised during the year
 Surplus realised on disposal during the year
 Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax
 Related deferred tax liability on incremental depreciation charged during the year
 Surplus on revaluation as at December 31

209,594	164,304
132,680	49,570
(118,210)	(4,280)
-	-
-	-
224,064	209,594

Less: related deferred tax liability on
 - Revaluation as at January 01
 - Surplus recognised during the year
 - Incremental depreciation charged during the year

-	-
-	-
-	-
224,064	209,594

21 CONTINGENCIES AND COMMITMENTS

- Guarantees
 - Commitments
 - Other contingent liabilities

21.1	294,405,293	202,220,786
21.2	1,086,117,729	795,974,261
21.3	25,778,718	23,966,530
	1,406,301,740	1,022,161,577

21.1 Guarantees:

Financial guarantees
 Performance guarantees
 Other guarantees

88,017,271	64,395,790
164,583,833	126,593,020
41,804,189	11,231,976
294,405,293	202,220,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
21.2 Commitments:			
Trade-related contingent liabilities		306,324,680	153,394,723
Commitments in respect of:			
- forward foreign exchange contracts	21.2.1	601,681,574	436,716,313
- forward Government securities transactions	21.2.2	93,562,463	150,757,178
- derivatives	21.2.3	42,049,128	38,504,637
- forward lending	21.2.4	30,412,479	11,085,983
		767,705,644	637,064,111
Commitments for acquisition of:			
- fixed assets		10,202,010	4,389,650
- intangible assets		1,885,395	1,125,777
		12,087,405	5,515,427
		1,086,117,729	795,974,261
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		340,760,829	261,220,544
Sale		260,920,745	175,495,769
		601,681,574	436,716,313
21.2.2 Commitments in respect of forward Government securities transactions			
Purchase		27,830,190	96,427,590
Sale		65,732,273	54,329,588
		93,562,463	150,757,178
21.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		17,058,770	14,662,810
Sale		19,308,883	16,007,336
		36,367,653	30,670,146
Interest rate swaps			
Purchase		-	-
Sale		5,681,475	7,834,491
		5,681,475	7,834,491
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to extend credit		30,412,479	11,085,983
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.			

	2021 (Rupees in '000)	2020 (Rupees in '000)
21.3 Other contingent liabilities		
21.3.1 Claims against the Group not acknowledged as debts	25,778,718	23,966,530
These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated financial statements.		
21.3.2	There were no tax related contingencies as at the year end.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

22 DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to changes in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps, options and structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorized Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market. The ADD license covers only the transactions mentioned below, which are permitted under the Financial Derivatives Business Regulations issued by the SBP.

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

However, the Bank also offers other derivative products to satisfy customer requirements, specific approval of which is sought from the SBP on a transaction by transaction basis.

These transactions cover the aspects of both market making and hedging. The risk management processes and policies related to derivatives are disclosed in note 45.5 to these consolidated financial statements.

22.1 Product Analysis

		2021			
		Cross currency swaps		Interest rate swaps	
Counterparties		Notional principal	Mark to market loss	Notional principal	Mark to market loss
(Rupees in '000)					
With Banks for					
Hedging		-	-	-	-
Market Making		796,114	(61,263)	-	-
With FIs other than banks for					
Hedging		-	-	-	-
Market Making		1,388,034	(42,353)	875,000	(43,325)
With other entities for					
Hedging		-	-	-	-
Market Making		34,183,505	(2,086,104)	4,806,475	(140,304)
Total					
Hedging		-	-	-	-
Market Making		36,367,653	(2,189,720)	5,681,475	(183,629)
		2020			
		Cross currency swaps		Interest rate swaps	
Counterparties		Notional principal	Mark to market loss	Notional principal	Mark to market gain / (loss)
(Rupees in '000)					
With Banks for					
Hedging		-	-	-	-
Market Making		3,025,355	(347,559)	-	-
With FIs other than banks for					
Hedging		-	-	-	-
Market Making		-	-	1,125,000	(5,039)
With other entities for					
Hedging		-	-	-	-
Market Making		27,644,791	(992,706)	6,709,491	78,421
Total					
Hedging		-	-	-	-
Market Making		30,670,146	(1,340,265)	7,834,491	73,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

22.2 Maturity Analysis

2021					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Loss	Gain	Net
			(Rupees in '000)		
Upto 1 Month	-	-	-	-	-
1 to 3 Months	2	695,996	(19,167)	-	(19,167)
3 Months to 6 Months	1	166,232	(10,699)	-	(10,699)
6 Months to 1 Year	1	662,777	(44,794)	-	(44,794)
1 to 2 Years	4	5,530,524	(313,312)	8,720	(304,592)
2 to 3 Years	18	7,611,233	(300,853)	-	(300,853)
3 to 5 Years	13	18,431,979	(1,865,403)	-	(1,865,403)
5 to 10 Years	1	1,849,431	(70,724)	-	(70,724)
Over 10 Years	2	7,100,956	-	242,883	242,883
	42	42,049,128	(2,624,952)	251,603	(2,373,349)
2020					
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Loss	Gain	Net
			(Rupees in '000)		
Upto 1 Month	2	1,327,861	(93,873)	-	(93,873)
1 to 3 Months	-	-	-	-	-
3 Months to 6 Months	1	223,403	(43,194)	-	(43,194)
6 Months to 1 Year	3	1,743,055	(188,796)	11,652	(177,144)
1 to 2 Years	3	1,861,623	(27,955)	1,360	(26,595)
2 to 3 Years	2	5,016,822	(68,160)	86,547	18,387
3 to 5 Years	19	7,522,290	(18,820)	40,599	21,779
5 to 10 Years	10	20,809,583	(1,009,002)	42,759	(966,243)
	40	38,504,637	(1,449,800)	182,917	(1,266,883)

	2021	2020
	(Rupees in '000)	
23 MARK-UP / RETURN / PROFIT / INTEREST EARNED		
On:		
Loans and advances	111,742,121	116,793,732
Investments	143,232,732	148,742,484
Lendings to financial institutions	6,849,788	5,027,219
Balances with banks	429,321	673,823
	<u>262,253,962</u>	<u>271,237,258</u>

24 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
On:		
Deposits	98,637,738	108,385,506
Securities sold under repurchase agreement borrowings	16,759,954	15,423,539
Borrowings	5,674,142	7,131,338
Subordinated debt	1,239,075	2,603,244
Cost of foreign currency swaps against foreign currency deposits / borrowings	5,271,210	5,668,401
Lease liability against right-of-use assets	3,252,794	1,920,912
	<u>130,834,913</u>	<u>141,132,940</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
25 FEE AND COMMISSION INCOME			
Branch banking customer fees		4,047,841	3,360,355
Consumer finance related fees		1,891,195	1,530,759
Card related fees (debit and credit cards)		7,115,545	4,180,720
Credit related fees		2,077,434	1,417,506
Investment banking fees		1,433,819	1,159,272
Commission on trade related products and guarantees		4,120,181	3,235,790
Commission on cash management		933,927	801,645
Commission on remittances (including home remittances)		508,874	354,348
Commission on bancassurance		918,994	1,171,097
Commission on Government to Person (G2P) payments		323,595	578,707
Management fee		573,091	593,808
Merchant discount and interchange fees		3,658,025	2,311,195
Wealth management fee		692,119	540,951
Others		515,166	362,149
		28,809,806	21,598,302
Less: Sales tax / Federal Excise Duty on fee and commission income		(3,376,451)	(2,802,563)
		25,433,355	18,795,739
26 GAIN ON SECURITIES - NET			
Realised	26.1	957,138	7,017,346
Unrealised - held-for-trading	8.1	67,246	37,528
		1,024,384	7,054,874
26.1 Gain / (loss) on securities - realised			
On:			
Federal Government securities			
- Market Treasury Bills		60,564	5,223,854
- Pakistan Investment Bonds		1,613,120	3,063,002
- Ijarah Sukuks		(34,707)	(148,619)
Shares		(600,139)	(1,027,158)
Non-Government debt securities		(108,839)	(109,067)
Foreign securities		27,139	15,334
		957,138	7,017,346
27 OTHER INCOME			
Incidental charges		517,364	299,222
Exchange gain realised on partial repatriation of branch capital		404,080	-
Exchange gain realised on liquidation of subsidiary		1,919	1,743,205
Exchange loss realised on closure of Bank branch		-	(1,887,208)
Gain on sale of fixed assets - net		79,639	86,580
Gain on sale of non-banking assets	27.1	16,000	2,500
Rent on properties		25,045	75,490
Liabilities no longer required written back		111,714	55,808
		1,155,761	375,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

27.1 The Group earned a gain of Rs 16 million (2020: 2,500 million) against the sale of the following non-banking assets.

	Note	2021 (Rupees in '000)	2020
Open plots situated in Lahore		-	2,500
Open plot situated in Karachi		16,000	-
		<u>16,000</u>	<u>2,500</u>

28 OPERATING EXPENSES

Total compensation expense	28.1	40,307,231	39,982,379
Property expense			
Rent and taxes		1,186,054	1,344,128
Insurance		152,090	115,447
Utilities cost		2,677,005	2,176,574
Security (including guards)		2,191,164	2,051,647
Repairs and maintenance (including janitorial charges)		2,664,535	2,111,535
Depreciation on owned fixed assets	10.2	3,492,793	3,134,963
Depreciation on right-of-use assets	10.2	3,384,774	3,795,518
Reversal of impairment	10.2	-	(158,708)
		15,748,415	14,571,104
Information technology expenses			
Software maintenance		3,929,734	3,218,990
Hardware maintenance		924,247	760,728
Depreciation	10.2	2,486,376	1,976,999
Amortisation	11.1	1,061,035	799,329
Network charges		1,419,573	1,257,260
Consultancy charges		740,926	699,542
		10,561,891	8,712,848
Other operating expenses			
Legal and professional charges		926,027	3,133,505
Outsourced services costs		1,792,853	1,704,932
Travelling and conveyance		1,044,017	728,746
Insurance		912,195	843,709
Remittance charges		582,145	568,978
Security charges		2,019,915	1,612,002
Repairs and maintenance		1,487,260	1,341,562
Depreciation	10.2	990,023	850,591
Training and development		219,081	203,348
Postage and courier charges		773,469	662,311
Communication		921,580	766,346
Stationery and printing		1,966,197	1,640,255
Marketing, advertisement and publicity		3,197,006	2,523,453
Donations	28.3	508,056	527,573
Auditors' remuneration	28.4	288,512	309,677
Brokerage and commission		747,179	758,724
Subscription		384,755	280,824
Documentation and processing charges		3,792,520	2,558,739
Entertainment		388,861	331,083
Consultancy charges		518,614	3,876,795
Deposit insurance premium expense		2,504,487	2,232,083
Product feature cost		2,145,231	1,321,809
COVID-19 related expenses	28.5	204,929	608,015
Others		852,520	1,367,014
	28.2	29,167,432	30,752,074
		<u>95,784,969</u>	<u>94,018,405</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

28.1	Total compensation expense	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	Non-Executive Directors' fees	39.2	86,400	84,000
	Shariah Board's fees and allowances	39.3	27,982	12,807
	Managerial Remuneration			
	i) Fixed		22,818,147	22,811,698
	ii) Variable		4,096,540	3,585,780
	Charge for defined benefit plan		1,162,448	1,810,611
	Contribution to defined contribution plan		1,216,120	1,164,948
	Rent and house maintenance		4,659,186	4,131,721
	Utilities		1,067,706	954,781
	Medical		2,121,835	2,025,173
	Conveyance		2,678,053	2,330,296
	General group staff insurance		59,829	39,703
	Hajj Allowance		-	39,918
	Sub-total		39,994,246	38,991,436
	Sign-on bonus		21,043	134,710
	Severance payments		291,942	856,233
	Grand Total		40,307,231	39,982,379
			No. of persons	
	Sign-on bonus		27	52
	Severance payments		57	106

28.2 The total cost for the year included in other operating expenses relating to outsourced activities is Rs 2,275.438 million (2020: Rs 2,119.076 million). This cost includes outsourced services costs, which are disclosed specifically in note 28. Of the total cost, Rs 1,934.840 million (2020: Rs 1,820.929 million) pertains to companies incorporated in Pakistan and Rs 340.598 million (2020: Rs 298.147 million) pertains to companies incorporated outside Pakistan. The material outsourcing arrangements along with the nature of services provided by them are as follows:

Name of company	Nature of service	2021 (Rupees in '000)	2020 (Rupees in '000)
A.S.C. First Solutions (Pvt) Limited	Document archival and storage for Pakistan	122,005	121,364
Euronet Pakistan (Private) Limited	Host environment configuration, POS terminal and card outsourcing services	51,155	74,824
First Solutions	Document archival and storage for UAE	13,941	4,464
Iron Mountain Information Management LLC	Document archival and storage for New York	2,866	3,017
Interactive Printer Solutions W.L.L (NCR Subsidiary)	Printing of chequebooks and banker's cheques for HBL Bahrain	1,324	920
Recall Bangladesh Limited	Document archival and storage for Bangladesh	1,045	-
		192,336	204,589

28.3 Details of Donations

Donations individually exceeding Rs 100,000		
HBL Foundation	405,576	315,431
The Aga Khan Hospital & Medical College Foundation	77,230	157,360
International Parliamentarians' Congress	25,000	30,000
National Institute of Child Health Trust	250	-
Zindagi Trust	-	10,000
Covid-19 fund established by Government of Bahrain	-	6,439
Progressive Education Network	-	5,000
Patients' Aid Foundation	-	2,000
The Citizens Foundation	-	831
Professional Education Foundation	-	300
Gazanfar Ali - for automation of judicial offices	-	186
Donations individually not exceeding Rs 100,000	-	26
	508,056	527,573

Mr. Muhammad Aurangzeb, President and Chief Executive Officer, Mr. Sagheer Mufti, Chief Operating Officer, Mr. Rayomond Kotwal, Chief Financial Officer and Mr. Jamal Nasir, Chief Human Resources Officer are Trustees of the HBL Foundation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

28.4 Auditors' remuneration

	2021			2020		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)					
Audit and audit related fees						
Audit fee of the Bank	27,901	101,947	129,848	27,901	78,615	106,516
Audit fee of subsidiaries	4,408	48,144	52,552	4,164	51,998	56,162
Fees for other statutory and related certifications	28,251	7,073	35,324	24,763	6,682	31,445
Fees for other statutory certifications of subsidiaries	1,050	17,278	18,328	650	17,658	18,308
Out of pocket expenses on audit fees	6,939	2,467	9,406	6,016	413	6,429
Sales tax on audit fees	2,787	6,390	9,177	2,713	1,638	4,351
	71,336	183,299	254,635	66,207	157,004	223,211
Other services						
Special certifications and sundry advisory services	7,190	25,868	33,058	27,571	44,401	71,972
Tax services	-	-	-	10,407	-	10,407
Out of pocket expenses	25	152	177	557	-	557
Sales tax on other services	523	119	642	3,407	123	3,530
	7,738	26,139	33,877	41,942	44,524	86,466
	79,074	209,438	288,512	108,149	201,528	309,677

28.5 These represent expenses incurred for the health and safety of employees and customers and for CSR activities during the on-going pandemic.

29 WORKERS' WELFARE FUND

The Group has made a provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
30 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		549,685	296,416
Penalties imposed by other regulatory bodies		7,513	24,377
		557,198	320,793
31 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
Reversal of diminution in value of investments	8.8	(1,258,723)	(309,323)
Provision against loans and advances	9.5	7,645,044	12,059,829
Provision against other assets	12.2.1	190,136	658,088
Provision against off-balance sheet obligations	18.1	1,540,508	384,791
Recoveries against written off / charged off bad debts		(842,786)	(609,603)
Recoveries against other assets written off		(10,724)	(63,620)
Fixed Assets written off		133,851	-
Other write offs and operational losses		608,730	-
Bad debts written off directly	9.8.1	81,069	99,452
		8,087,105	12,219,614

32 TAXATION

- Current			
- For the year		25,048,468	21,848,281
- Prior years		436,755	(253,441)
		25,485,223	21,594,840
- Deferred			
- For the year		225,444	(280,043)
- Prior years		810,371	802,490
	17.1	1,035,815	522,447
		26,521,038	22,117,287

32.1 Relationship between tax expense and accounting profit

Accounting profit for the current year	62,027,911	53,030,636
Tax on income @ 39% (2020: 39%)	24,190,885	20,681,948
Permanent differences		
- Impact of different tax rates of subsidiaries	195,875	636,185
- Penalties imposed by the SBP and other regulatory bodies	217,300	125,109
- Additional tax @ 2.5% on additional income from Federal Government Securities	727,129	177,770
- Others	(57,277)	(52,774)
	1,083,027	886,290
Prior years - charge	1,247,126	549,049
Tax charge for the current year	26,521,038	22,117,287

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

32.2 The income tax returns of the Bank have been submitted up to and including the accounting year 2020. The tax returns submitted are deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The Income Tax Department has amended the assessments of the Bank for prior years, upto and including the tax year 2018. The amendments mainly relate to retirement benefits and to provisions against loans and advances, investments, and other assets. These matters are at various stages of appeal with the appellate authorities. The management of the Bank, in consultation with its tax advisors, is confident that the decisions in respect of these appeals would be in the Bank's favor.

The income tax returns of the Bank's Azad Kashmir, Gilgit-Baltistan and overseas branches have been submitted up to and including the accounting year 2020. The tax returns submitted in Azad Kashmir and Gilgit Baltistan are considered as deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The income tax returns of domestic and overseas subsidiaries have been submitted to the respective tax authorities up to and including the accounting year 2020.

	2021 (Rupees in '000)	2020 (Rupees in '000)
33 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the year attributable to equity holders of the Bank	<u>35,021,853</u>	<u>30,892,271</u>
	(Number)	
Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
	(Rupees)	
Basic and diluted earnings per share	<u>23.88</u>	<u>21.06</u>

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
34 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	5	441,252,246	375,280,120
Balances with other banks	6	64,438,075	56,533,829
		<u>505,690,321</u>	<u>431,813,949</u>

34.1 **Reconciliation of movement in liabilities to cash flows arising from financing activities**

	2021				
	Liabilities		Equity		
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit	Non-controlling interest
	(Rupees in '000)				
Balance as at January 01, 2021	22,356,000	129,910,297	72,062,025	138,208,223	4,551,560
Changes from financing cash flows					
Repayment of subordinated debt	(9,982,000)	-	-	-	-
Dividend paid	-	-	-	(10,855,155)	-
Payment of lease liability against right-of-use assets	-	(5,113,819)	-	-	-
Effect of translation of net investment by non-controlling interest in subsidiary	-	-	-	-	85,115
	(9,982,000)	(5,113,819)	-	(10,855,155)	85,115
Other changes:					
Liability-related					
Changes in other liabilities					
- Cash based	-	16,006,633	-	-	-
- Dividend payable	-	1,246,377	-	(1,246,377)	-
- Non-cash based	-	11,822,866	-	-	-
Transfer of profit to statutory reserve	-	-	3,840,971	(3,840,971)	-
Total liability related other changes	-	29,075,876	3,840,971	(5,087,348)	-
Equity related	-	-	5,472,523	36,175,698	(595,706)
Balance as at December 31, 2021	<u>12,374,000</u>	<u>153,872,354</u>	<u>81,375,519</u>	<u>158,441,418</u>	<u>4,040,969</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2020				
	Liabilities		Equity		
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit	Non-controlling interest
	(Rupees in '000)				
Balance as at January 01, 2020	22,360,000	124,346,615	66,260,511	114,550,097	4,396,996
Changes from financing cash flows					
Repayment of subordinated debt	(4,000)	-	-	-	-
Dividend paid	-	-	-	(3,664,234)	-
Payment of lease liability against right-of-use assets	-	(4,762,581)	-	-	-
Dividend paid	-	-	-	-	-
Effect of translation of net investment by non-controlling interest in subsidiary	-	-	-	-	76,720
	(4,000)	(4,762,581)	-	(3,664,234)	76,720
Other changes:					
Liability-related					
Changes in other liabilities					
- Cash based	-	1,867,053	-	-	-
- Dividend payable	-	2,896	-	(2,896)	-
- Non-cash based	-	8,456,314	-	-	-
Transfer of profit to statutory reserve	-	-	3,360,305	(3,360,305)	-
Total liability related other changes	-	10,326,263	3,360,305	(3,363,201)	-
Equity related	-	-	2,441,209	30,685,561	77,844
Balance as at December 31, 2020	22,356,000	129,910,297	72,062,025	138,208,223	4,551,560

	2021	2020
	(Number)	(Number)
35 STAFF STRENGTH		
Permanent	21,703	20,795
On contract	114	94
Total staff strength	<u>21,817</u>	<u>20,889</u>

35.1 In addition to the above, 3,112 employees (2020: 3,175 employees) of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than janitorial services and as guards.

	2021	2020
	(Number)	(Number)
35.2 Staff strength bifurcation		
Domestic	21,104	20,149
Overseas	713	740
	<u>21,817</u>	<u>20,889</u>

36 DEFINED BENEFIT PLANS AND OTHER BENEFITS

36.1 General Information

The Bank operates the following schemes:

36.1.1 Pension Fund (defined benefit scheme)

The Bank operates an approved pension scheme for those of its employees who opted for this scheme when it was introduced in 1977. This scheme is applicable to:

- All clerical employees
- Executives and officers who joined the Bank during the period from May 01, 1977 till December 31, 2001 and those who joined the Bank prior to introduction of the scheme and opted for this scheme when it was introduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

For clerical employees, the benefit is based on their actual years of service as of the statement of financial position date and their current salary and for executives and officers, the benefit is based on their years of service up to March 31, 2005 and their basic salary as on March 31, 2014. For service subsequent to this date (i.e. from April 01, 2005), they are entitled to the Bank's contributory provident fund (refer note 37.1) and the Bank's contributory gratuity fund (refer note 37.2). Eligible employees are entitled to a certain minimum pension as per applicable rules.

36.1.2 Benevolent Fund (defined benefit scheme)

The Bank operates an approved funded benevolent fund scheme for all employees who retire from the Bank and who joined on or before December 31, 2018. Under this scheme, a fixed monthly contribution is made by employees by way of a salary deduction and a matching monthly contribution is made by the Bank. Post retirement, all eligible employees are entitled to receive a fixed monthly amount or a one-time lump sum payment in lieu of a fixed monthly amount, as per the rules of the Fund. Clerical employees are additionally entitled to certain grants during the period of their service subject to the fulfilment of certain conditions as specified in the rules of the Fund.

36.1.3 Post-Retirement Medical Benefits (defined benefit scheme)

The Bank operates a non-funded scheme for post-retirement medical benefits to all employees.

All clerical employees receive these benefits as reimbursements when incurred. Executives and officers who retired prior to January 1, 2006, also receive these benefits as reimbursements when incurred. Executives and officers who have retired from January 01, 2006 onwards receive lump sum payments as a full and final settlement in lieu of post-retirement medical benefits.

36.1.4 Compensated Absences (defined benefit scheme)

The Bank maintains a non-funded scheme for compensated absences. This is applicable to those employees who were in the service of the Bank as of December 31, 2008 and who had accumulated leave balances up to a maximum of 365 days as at that date. Employees are entitled to proceed on Leave Prior to Retirement (LPR) upto the amount of their accrued leave while continuing to receive their gross salary. This benefit vests on retirement or, in the case of premature retirement, on the completion of 30 years of service.

Employees may be required by the Bank to continue working during the whole or a part of their LPR period. Such employees are entitled to gross salary and certain benefits during the period they are required to work and, additionally, to leave encashment amounting to 50% of this period.

Clerical employees have the option of not proceeding on LPR and instead encashing 50% of their accumulated leave balance upto a maximum of 180 days.

36.1.5 Other Post-Retirement Benefits (defined benefit scheme)

The Bank offers an additional benefit to all executives on retirement. Under this scheme, a lump sum amount equal to six months of house rent allowance, utilities allowance, car benefit allowance and conveyance allowance is paid to the executive on retirement. However, in case of the death in service of an executive prior to retirement, the lump sum amount includes an additional six months of house rent allowance.

36.1.6 Pension and Life Assurance Scheme (defined benefit scheme)

The Bank operates a pension and life assurance scheme for those employees who joined its UK operations prior to December 26, 2001. The scheme was established with effect from May 01, 1978 under a Trust Deed of that date and is governed by that Trust Deed together with various supplemental and amending deeds executed over the lifetime of the scheme.

The triennial actuarial valuation as at May 01, 2019 revealed a deficit of £1.7 million under the Statement of Funding Principles (SFP). In order to address this deficit, the Bank is paying £50,500 per month for three years starting from September 01, 2020.

36.1.7 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.2 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2021 using the Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2021 (Per annum)	2020
Valuation discount rate	11.75%	9.75%
Expected rate of increase in salary level	10.75%	8.75%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	9.75%	7.75%
Expected rate of return on funds invested	11.75%	9.75%

36.3 Number of beneficiaries under the scheme

	(Number)	
Pension fund	6,636	6,705
Benevolent fund	14,631	15,379
Post retirement medical benefit scheme	19,460	18,708
Compensated absences	3,405	3,975
Other Post-Retirement Benefits	2,494	2,188

36.4 Pension, gratuity, benevolent fund schemes and other benefits

36.4.1 The fair value of plan assets and the present value of defined benefit obligations of funded schemes as at December 31, 2021 are as follows:

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value of plan assets	6,917,325	2,754,021	6,218,050	2,583,853
Present value of defined benefit obligations	(6,157,971)	(1,103,573)	(7,003,540)	(1,079,752)
Receivable / (payable)	759,354	1,650,448	(785,490)	1,504,101

36.4.2 The present value of defined benefit obligations of non-funded schemes as at December 31, 2021 are as follows:

	2021			2020		
	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)					
Present value of defined benefit obligations	(4,557,833)	(2,177,565)	(667,894)	(3,763,654)	(2,492,992)	(585,038)

36.4.3 Movement in the present value of defined benefit obligations

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038
Current service cost	78,909	33,695	156,356	63,683	106,377
Interest cost	673,653	102,679	366,095	227,677	59,070
Benefits paid by the Bank	(508,879)	(139,919)	(318,328)	(418,729)	(69,657)
Remeasurement (gains) / losses	(1,089,252)	27,366	590,056	(188,058)	(12,934)
Obligations at the end of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	6,143,431	993,646	3,872,768	2,644,978	508,589
Current service cost	75,580	31,162	138,076	68,744	92,450
Interest cost	681,720	108,910	432,948	280,079	58,845
Benefits paid by the Bank	(461,582)	(139,344)	(286,937)	(430,515)	(73,503)
Remeasurement (gains) / losses	564,391	85,378	(393,201)	(70,294)	(1,343)
Obligations at the end of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038

36.4.4 Movement in fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value at the beginning of the year	6,218,050	2,583,853	5,565,467	2,372,581
Expected return on plan assets	597,047	242,664	620,075	255,987
Contribution by the Bank	785,490	33,420	577,964	38,752
Contributions by employees	-	33,420	-	38,752
Benefits paid by the Bank	(508,879)	(139,919)	(461,582)	(139,344)
Remeasurement (losses) / gains	(174,383)	583	(83,874)	17,125
Fair value at the end of the year	6,917,325	2,754,021	6,218,050	2,583,853

36.4.5 Movement in amounts payable / (receivable)

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Opening balance	785,490	(1,504,101)	3,763,654	2,492,992	585,038
Charge / (reversal) for the year	155,515	(139,710)	522,451	103,302	165,447
Contribution by the Bank - net	(785,490)	(33,420)	-	-	-
Remeasurement (gains) / losses recognised in OCI during the year	(914,869)	26,783	590,056	-	(12,934)
Benefits paid by the Bank	-	-	(318,328)	(418,729)	(69,657)
Closing balance	(759,354)	(1,650,448)	4,557,833	2,177,565	667,894

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Opening balance	577,964	(1,378,935)	3,872,768	2,644,978	508,589
Charge / (reversal) for the year	137,225	(154,667)	571,024	278,529	151,295
Contribution by the Bank - net	(577,964)	(38,752)	-	-	-
Remeasurement losses / (gains) recognised in OCI during the year	648,265	68,253	(393,201)	-	(1,343)
Benefits paid by the Bank	-	-	(286,937)	(430,515)	(73,503)
Closing balance	785,490	(1,504,101)	3,763,654	2,492,992	585,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.4.6 Charge for defined benefit plans

36.4.6.1 Cost recognised in profit and loss

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Current service cost	78,909	33,695	156,356	63,683	106,377
Net interest on defined benefit asset / (liability)	76,606	(139,985)	366,095	227,677	59,070
Actuarial losses recognised	-	-	-	(188,058)	-
Contributions by the employees	-	(33,420)	-	-	-
	<u>155,515</u>	<u>(139,710)</u>	<u>522,451</u>	<u>103,302</u>	<u>165,447</u>

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Current service cost	75,580	31,162	138,076	68,744	92,450
Net interest on defined benefit asset / (liability)	61,645	(147,077)	432,948	280,079	58,845
Actuarial losses recognised	-	-	-	(70,294)	-
Contributions by the employees	-	(38,752)	-	-	-
	<u>137,225</u>	<u>(154,667)</u>	<u>571,024</u>	<u>278,529</u>	<u>151,295</u>

36.4.6.2 Remeasurements recognised in OCI during the year

	2021			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
	(Rupees in '000)			
(Gains) / losses on obligation				
- Financial assumptions	(864,893)	(74,841)	40,631	7,000
- Experience adjustment	(224,359)	102,207	549,425	(19,934)
	<u>(1,089,252)</u>	<u>27,366</u>	<u>590,056</u>	<u>(12,934)</u>
Losses / (gains) on plan assets	174,383	(583)	-	-
Total remeasurement (gains) / losses recognised in OCI	<u>(914,869)</u>	<u>26,783</u>	<u>590,056</u>	<u>(12,934)</u>

	2020			
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
	(Rupees in '000)			
(Gains) / losses on obligation				
- Financial assumptions	663,792	62,527	(26,683)	(4,638)
- Experience adjustment	(99,400)	22,851	(366,518)	3,295
	<u>564,392</u>	<u>85,378</u>	<u>(393,201)</u>	<u>(1,343)</u>
Losses / (gains) on plan assets	83,873	(17,125)	-	-
Total remeasurement losses / (gains) recognised in OCI	<u>648,265</u>	<u>68,253</u>	<u>(393,201)</u>	<u>(1,343)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.4.7 Components of fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Cash and cash equivalents - net	635,488	11,473	5,164	68,856
Government securities	5,431,704	2,675,335	5,253,313	2,448,137
Shares	850,133	-	959,573	-
Non-Government debt securities	-	67,214	-	66,860
	6,917,325	2,754,022	6,218,050	2,583,853

The funds primarily invest in Government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) which do not carry any credit risk but are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non-Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

36.4.8 Sensitivity analysis of defined benefit obligations

A sensitivity analysis has been performed by varying one assumption while keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of changes in each assumption is summarized below:

	2021				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
1% increase in discount rate	(427,958)	(32,574)	(460,599)	(81,268)	(48,578)
1% decrease in discount rate	494,931	35,643	556,763	87,477	55,251
1% increase in expected rate of salary increase	98,497	-	-	97,301	58,509
1% decrease in expected rate of salary increase	(92,366)	-	-	(91,794)	(52,206)
1% increase in expected rate of increase in minimum pension	245,755	-	-	-	-
1% decrease in expected rate of increase in minimum pension	(206,020)	-	-	-	-
1% increase in expected rate of increase in medical benefit	-	-	172,806	-	-
1% decrease in expected rate of increase in medical benefit	-	-	(154,066)	-	-

36.4.9 Expected contributions to the schemes in the next financial year

The Bank contributes to the pension fund according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme.

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Expected charge / (reversal) for the year	(420,745)	(162,389)	715,328	300,015	206,882

36.4.10 Maturity profile

The weighted average duration of the obligation (in years)

	2021				
	Pension Fund	Benevolent Fund	Post retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	7.57	5.51	10.07	7.46	7.74

36.4.11 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the assets of the Fund on any valuation date, based on actuarial assumptions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.4.12 The significant risks associated with the defined benefit schemes are as follows:

Mortality risks

The risk that the actual mortality experience is different. The impact depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk that the investments of the Funds will underperform and not be sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The impact depends on the beneficiaries' service / age distribution and the benefit.

37 DEFINED CONTRIBUTION PLANS

37.1 Provident Fund

For employees hired on or after January 01, 2002, the Bank operates an approved provident fund under which both the Bank and the employees make monthly contributions as follows:

For executives and officers	6% of basic salary
For clerical staff	12% of basic salary

Executives and officers hired upto December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for the Bank's contributory provident fund benefits effective April 01, 2005.

This scheme covers 14,991 employees (2020: 15,509 employees).

Payments are made to employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

37.2 Contributory Gratuity Fund

For employees hired on or after January 01, 2002, the Bank operates an approved funded Bank contributory gratuity scheme. Executives and officers hired up to December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for gratuity fund benefits effective April 01, 2005.

The Bank contributes an amount equal to half of the employees' monthly basic salary for each completed year of service and, on a pro-rata basis, for partially completed years of service. Payments are made to the employees on retirement, death, resignation after completion of at least 10 years of continuous service, and discharge as specified in the rules of the Fund.

This scheme covers 15,873 employees (2020: 15,100 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

38 DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS OF SUBSIDIARY COMPANIES

38.1 General information

Employee benefits offered by subsidiary companies are as follows:

38.1.1 HBL Bank UK Limited

Pension Fund (defined contribution scheme)

HBL Bank UK (HBL UK) operates a defined contribution pension scheme for its employees. Under current UK legislation, employees have the right to opt out of the pension scheme. HBL UK contributes an amount equal to 5% of each member's monthly basic salary and the cost is recognised when the contributions are made. The minimum employee contribution is 3% of basic salary, but the contribution can be increased at the discretion of the employee. The total amount contributed by the Bank and the employee is capped at £40,000 per annum.

38.1.2 HBL Asset Management Limited (HBL AMC)

Gratuity Fund (defined benefit scheme)

HBL AMC operates an approved defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to half of one month's basic salary for each completed year of service, with partially completed years rounded off to the nearest year. Payments are made to employees upon retirement, resignation or death. Actuarial valuations are conducted annually by an independent actuary, using the Projected Unit Credit Method.

Provident Fund (defined contribution scheme)

HBL AMC also operates a defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HBL AMC and its employees at 8.33% of basic salary in accordance with the rules of the Fund.

38.1.3 HBL Microfinance Bank Limited (HBL MFB)

Gratuity Fund (defined benefit scheme)

HBL MFB operates an approved defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to one month's basic salary for each completed year of service, with partially completed years paid on a pro-rata basis for partially completed years of service. Payments are made to employees upon retirement, resignation or death. Actuarial valuations are conducted annually by an independent actuary, using the Projected Unit Credit Method.

Provident Fund (defined contribution scheme)

HBL MFB also operates a defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HBL MFB and its employees at 10% of basic salary in accordance with the rules of the Fund.

38.1.4 HBL Currency Exchange (Private) Limited (HCEL)

Gratuity Fund (defined contribution scheme)

HCEL operates an approved defined benefit gratuity fund for all employees, with a vesting period of 5 years. Eligible employees are entitled to half of the employees' monthly basic salary for each completed year of service. Payments are made to employees upon retirement, resignation or death.

Provident Fund (defined contribution scheme)

HCEL also operates a defined contribution provident fund scheme for its eligible employees. Monthly contributions are made by HCEL and its employees at 6% of basic salary, in accordance with the rules of the Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total Compensation Expense

2021							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non- Executive				
(Rupees in '000)							
Fees and Allowances etc.	12,000	-	74,400	27,982	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	147,350	830,084	966,085
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	84,000	412,469	274,272
- Bonus paid in shares	-	-	-	-	10,916	54,397	22,716
- Guaranteed Bonus	-	-	-	-	-	-	4,264
Charge for defined benefit plan	-	-	-	-	-	2,989	1,055
Contribution to defined contribution plan	-	-	-	-	-	41,624	61,272
Rent & house maintenance	-	-	-	-	16,625	237,248	307,365
Utilities	-	-	-	-	1,425	47,294	64,918
Medical	-	-	-	-	1,818	51,956	61,729
Conveyance	-	-	-	-	3,529	88,149	236,562
Others	-	-	-	-	-	-	431
Sub-total	12,000	-	74,400	27,982	265,663	1,766,210	2,000,669
Sign-on bonus	-	-	-	-	-	-	12,000
Grand Total	12,000	-	74,400	27,982	265,663	1,766,210	2,012,669
Total Number of Persons	1	-	7	3	1	32	131
Sign-on bonus - Number of Persons	-	-	-	-	-	-	1
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	2
2020							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non- Executive				
(Rupees in '000)							
Fees and Allowances etc.	12,600	-	71,400	12,807	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	138,669	812,435	1,019,471
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	63,000	364,113	211,946
- Guaranteed Bonus	-	-	-	-	-	-	2,699
Charge for defined benefit plan	-	-	-	-	-	1,217	1,814
Contribution to defined contribution plan	-	-	-	-	-	36,161	58,140
Rent & house maintenance	-	-	-	-	12,900	223,024	284,814
Utilities	-	-	-	-	1,229	44,498	60,763
Medical	-	-	-	-	2,632	44,347	59,971
Conveyance	-	-	-	-	3,992	76,329	213,443
Others	-	-	-	-	-	-	43
Sub-total	12,600	-	71,400	12,807	222,422	1,602,124	1,913,104
Sign-on bonus	-	-	-	-	-	78,000	23,000
Severance payments	-	-	-	-	-	26,510	-
Grand Total	12,600	-	71,400	12,807	222,422	1,706,634	1,936,104
Total Number of Persons	1	-	5	3	1	32	135
Sign-on bonus - Number of Persons	-	-	-	-	-	2	6
Severance payments - Number of Persons	-	-	-	-	-	1	-
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

39.1.1 The total movement of deferred bonus during the year December 31, 2021 for the President / Chief Executive Officer (CEO), Key Management Personnel and Other Material Risk Takers (MRTs) / Material Risk Controllers (MRCs) is as follows:

	2021 (Rupees in '000)	2020 (Rupees in '000)
Opening balance	256,626	-
Add: deferred during the year	316,229	256,626
Less: paid / vested during the year	(82,496)	-
Less: reversed during the year	(10,761)	-
Closing balance	479,598	256,626

39.1.2 The CEO and certain Executives are provided with free club memberships. The CEO and the Chief Operating Officer (COO) are also provided with free use of Bank maintained cars in accordance with their entitlements.

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2021											
Meeting Fees and Allowances Paid											
For Board Committees											
Sr. No.	Name of Director	For Board Meetings	Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)	Total Amount Paid
(Rupees in '000)											
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,000	-	1,200	-	2,400	12,000
2	Mr. Khaleel Ahmed**	3,000	3,000	-	3,000	1,800	-	600	-	-	11,400
3	Mr. Salim Chinoy*	600	600	-	600	-	-	-	-	-	1,800
4	Mr. Shaffiq Dharamshi***	-	-	-	-	-	-	-	-	-	-
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	1,800	-	1,800	-	18,600
6	Ms. Saba Kamal**	3,000	-	-	-	-	1,800	1,800	-	-	6,600
7	Ms. Diane Elizabeth Moore*	600	-	-	600	-	600	-	-	-	1,800
8	Mr. Salim Raza	5,400	1,200	3,600	-	600	2,400	1,800	1,800	-	16,800
9	Dr. Najeeb Samie	5,400	4,800	-	-	3,000	-	-	1,800	2,400	17,400
Total Amount Paid		28,800	14,400	3,600	9,000	8,400	6,600	5,400	5,400	4,800	86,400

* Ms. Diane Elizabeth Moore and Mr. Salim Chinoy retired from the Board on March 26, 2021 at the conclusion of their terms.

** Ms. Saba Kamal and Mr. Khaleel Ahmed assumed charge as Directors on April 29, 2021

*** Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

2020											
Meeting Fees and Allowances Paid											
For Board Committees											
Sr. No.	Name of Director	For Board Meetings	Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)	Total Amount Paid
(Rupees in '000)											
1	Mr. Sultan Ali Allana	4,800	-	-	-	3,000	-	1,800	-	3,000	12,600
2	Mr. Salim Chinoy	4,800	4,800	-	4,800	-	-	-	-	-	14,400
3	Mr. Shaffiq Dharamshi*	-	-	-	-	-	-	-	-	-	-
4	Mr. Moez Ahamed Jamal	4,800	4,800	-	4,800	-	-	-	600	-	15,000
5	Ms. Diane Elizabeth Moore	4,800	-	-	4,800	-	2,400	-	-	-	12,000
6	Mr. Salim Raza	4,800	-	4,200	-	-	2,400	1,800	600	-	13,800
7	Dr. Najeeb Samie	4,800	4,800	-	-	3,000	-	-	600	3,000	16,200
Total Amount Paid		28,800	14,400	4,200	14,400	6,000	4,800	3,600	1,800	6,000	84,000

In addition to the above, as per the Bank's policy, Rs 0.925 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

* Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

39.3 Remuneration paid to Shariah Board Members

Items	2021				2020			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
	(Rupees in '000)							
Fixed Remuneration	9,600	8,175	9,000	26,775	4,200	3,886	3,600	11,686
Allowances	119	1,002	86	1,207	50	1,071	-	1,121
Total Amount	9,719	9,177	9,086	27,982	4,250	4,957	3,600	12,807
Total Number of Persons	1	1	1	3	1	1	1	3

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices.

The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such 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 they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data.

Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Investment in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

40.1 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these consolidated financial statements:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities- listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference Shares -Listed

As at December 31, 2021				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
1,420,281,097	-	1,420,281,097	-	1,420,281,097
6,944,521	6,944,521	-	-	6,944,521
52,060,015	40,600,000	11,460,015	-	52,060,015
624,000	-	624,000	-	624,000
75,184,024	-	75,184,024	-	75,184,024
13,067,593	-	13,067,593	-	13,067,593
46,448	-	46,448	-	46,448
60,800	60,800	-	-	60,800
780,500	780,500	-	-	780,500
1,569,048,998	48,385,821	1,520,663,177	-	1,569,048,998

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities
 - Listed
 - Unlisted

296,876,834	-	281,751,196	-	281,751,196
2,365,422	-	2,376,486	-	2,376,486
22,851,835	-	22,930,932	-	22,930,932
14,672,889	-	14,823,285	-	14,823,285
260,893	-	316,157	-	316,157
614,541	-	612,981	-	612,981
337,642,414	-	322,811,037	-	322,811,037
1,906,691,412	48,385,821	1,843,474,214	-	1,891,860,035

Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2021				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
601,681,574	-	1,362,742	-	1,362,742
93,562,463	-	200,063	-	200,063
42,049,128	-	(2,373,349)	-	(2,373,349)

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities- listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference Shares - Listed

As at December 31, 2020				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
1,531,690,989	-	1,531,690,989	-	1,531,690,989
5,985,004	5,985,004	-	-	5,985,004
47,265,405	40,240,000	7,025,405	-	47,265,405
622,501	-	622,501	-	622,501
45,168,168	-	45,168,168	-	45,168,168
13,750,422	-	13,750,422	-	13,750,422
46,839	-	46,839	-	46,839
53,000	53,000	-	-	53,000
855,400	855,400	-	-	855,400
1,645,437,728	47,133,404	1,598,304,324	-	1,645,437,728

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities
 - Listed
 - Unlisted

227,930,870	-	228,022,102	-	228,022,102
4,277,922	-	4,304,568	-	4,304,568
17,826,657	-	17,826,657	-	17,826,657
13,617,532	-	15,850,104	-	15,850,104
1,182,691	-	1,338,915	-	1,338,915
311,326	-	312,842	-	312,842
265,146,998	-	267,655,188	-	267,655,188
1,910,584,726	47,133,404	1,865,959,512	-	1,913,092,916

Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2020				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
436,716,313	-	(2,257,672)	-	(2,257,672)
150,757,178	-	(52,974)	-	(52,974)
38,504,637	-	(1,266,883)	-	(1,266,883)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

40.2 Fair value of non-financial assets

	As at December 31, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	53,190,296	-	-	53,190,296	53,190,296
- Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	53,871,282	-	-	53,871,282	53,871,282

	As at December 31, 2020				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	52,856,178	-	-	52,856,178	52,856,178
- Non-banking assets acquired in satisfaction of claims	639,379	-	-	639,379	639,379
	53,495,557	-	-	53,495,557	53,495,557

41 SEGMENT INFORMATION

41.1 Segment details with respect to business activities

	For the year ended December 31, 2021								
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others
	(Rupees in million)								
Profit and loss account									
Net mark-up / return / profit / interest income	(59,926)	28,226	11,748	32,171	107,291	5,039	(139)	8,818	(1,809)
Inter segment revenue / (expense) - net	102,773	(13,743)	-	(15,728)	(85,928)	4,009	-	-	8,617
Non mark-up / interest income	4,151	10,483	653	4,021	6,734	4,856	581	1,344	3,488
Total Income	46,998	24,966	12,401	20,464	28,097	13,904	442	10,162	10,296
Segment direct expenses	22,000	9,866	3,382	2,548	1,228	15,585	485	6,183	36,338
Inter segment expense allocation	13,793	5,900	939	9,141	984	1,256	-	-	(32,013)
Total expenses	35,793	15,766	4,321	11,689	2,212	16,841	485	6,183	4,325
Provisions - charge / (reversal)	296	1,797	(22)	1,441	(1,021)	2,625	-	1,804	1,167
Profit/ (loss) before tax	10,909	7,403	8,102	7,334	26,906	(5,562)	(43)	2,175	4,804
	10,909	7,403	8,102	7,334	26,906	(5,562)	(43)	2,175	4,804

	As At December 31, 2021								
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others
	(Rupees in million)								
Statement of financial position									
Cash and bank balances	181,994	-	29,178	364	151,013	117,638	11	24,910	582
Lendings to financial institutions	-	-	28,672	-	65,070	-	-	-	-
Inter segment lending	1,594,867	-	-	-	-	266,460	-	-	142,415
Investments	-	-	191,865	8,822	1,566,568	128,519	50	14,231	38,901
Advances - performing	-	199,979	166,056	744,323	-	308,901	-	55,629	24,116
Advances - non-performing	-	1,503	3	2,403	-	2,891	-	1,243	-
Others	18,762	2,838	17,593	41,047	44,735	18,388	2,895	13,876	101,899
Total assets	1,795,623	204,320	433,367	796,959	1,827,386	842,797	2,956	109,889	307,913
Borrowings	-	2,830	31,568	119,175	140,787	137,816	1,200	2,882	-
Subordinated debt	-	-	-	-	-	-	-	-	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	640,658	-	91,362	5,349
Inter segment borrowing	-	194,287	11,440	122,508	1,675,507	-	-	-	-
Others	18,269	6,829	15,739	35,392	14,139	22,894	422	5,561	83,907
Total liabilities	1,795,623	204,320	405,642	796,959	1,830,555	801,368	1,622	99,805	101,630
Equity	-	-	27,725	-	(3,169)	41,429	1,334	10,084	206,283
Total equity and liabilities	1,795,623	204,320	433,367	796,959	1,827,386	842,797	2,956	109,889	307,913
Contingencies and commitments	59,128	-	56,741	463,954	601,350	186,719	-	-	38,410

FOR THE YEAR ENDED DECEMBER 31, 2021

	For the year ended December 31, 2020									
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)									
Net mark-up / return / profit / interest income	(71,459)	25,449	12,414	38,471	117,575	6,288	(231)	6,484	(4,887)	130,104
Inter segment revenue / (expense) - net	121,878	(13,763)	-	(23,270)	(96,858)	3,028	-	-	8,985	-
Non mark-up / interest income	3,647	6,193	376	3,360	10,439	3,075	604	876	2,025	30,595
Total Income	54,066	17,879	12,790	18,561	31,156	12,391	373	7,360	6,123	160,699
Segment direct expenses	25,491	7,366	1,783	3,398	1,333	22,196	294	4,978	28,610	95,449
Inter segment expense allocation	12,646	1,796	635	1,678	271	7,128	-	-	(24,154)	-
Total expenses	38,137	9,162	2,418	5,076	1,604	29,324	294	4,978	4,456	95,449
Provisions - charge / (reversal)	73	2,160	907	3,034	(1,215)	5,563	-	1,567	130	12,219
Profit/ (loss) before tax	15,856	6,557	9,465	10,451	30,767	(22,496)	79	815	1,537	53,031
	As At December 31, 2020									
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)									
Cash and bank balances	179,590	-	12,771	293	125,940	101,353	3	11,425	439	431,814
Lendings to financial institutions	-	-	5,257	-	24,897	-	-	-	-	30,154
Inter segment lending	1,430,513	-	91	-	-	183,892	-	-	145,705	1,760,201
Investments	-	-	139,619	8,675	1,660,147	93,245	461	14,542	31,888	1,948,577
Advances - performing	-	163,801	153,152	618,911	-	218,573	-	40,784	17,021	1,212,242
Advances - non-performing	-	1,960	211	4,308	-	3,943	-	844	3	11,269
Others	15,636	3,946	7,295	25,006	30,760	25,208	2,987	8,635	95,534	215,007
Total assets	1,625,739	169,707	318,396	657,193	1,841,744	626,214	3,451	76,230	290,590	5,609,264
Borrowings	-	4,011	32,183	100,397	324,181	79,714	1,600	2,022	-	544,108
Subordinated debt	-	-	-	-	-	-	-	-	22,356	22,356
Deposits and other accounts	1,607,921	348	257,414	430,203	9	465,866	-	61,726	6,884	2,830,371
Inter segment borrowing	-	159,043	-	98,870	1,502,288	-	-	-	-	1,760,201
Others	17,818	6,305	6,032	27,723	8,804	39,165	390	5,817	74,679	186,733
Total liabilities	1,625,739	169,707	295,629	657,193	1,835,282	584,745	1,990	69,565	103,919	5,343,769
Equity	-	-	22,767	-	6,462	41,469	1,461	6,665	186,671	265,495
Total equity and liabilities	1,625,739	169,707	318,396	657,193	1,841,744	626,214	3,451	76,230	290,590	5,609,264
Contingencies and commitments	13,104	-	9,416	321,938	551,311	97,502	-	-	28,891	1,022,162

41.2 Segment details with respect to geographical locations

	For the year ended December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Profit and loss account					
Net mark-up / return / profit / interest income	122,491	4,028	2,675	2,225	131,419
Non mark-up / interest income	32,422	1,181	1,023	1,685	36,311
Total Income	154,913	5,209	3,698	3,910	167,730
Segment direct expenses	82,478	6,035	3,882	5,220	97,615
Provisions - charge	5,473	2,136	471	7	8,087
Profit / (loss) before tax	66,962	(2,962)	(655)	(1,317)	62,028

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	As at December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Statement of financial position	(Rupees in million)				
Cash and bank balances	388,578	53,525	19,355	44,232	505,690
Lendings to financial institutions	93,742	-	-	-	93,742
Investments	1,825,451	57,079	42,458	23,968	1,948,956
Advances - performing	1,228,925	139,482	56,687	73,910	1,499,004
Advances - non-performing	5,152	879	273	1,739	8,043
Others	245,805	3,786	8,292	4,150	262,033
Total assets	3,787,653	254,751	127,065	147,999	4,317,468
Borrowings	298,442	107,173	21,555	9,088	436,258
Subordinated debt	12,374	-	-	-	12,374
Deposits and other accounts	3,051,069	159,295	55,593	116,041	3,381,998
Others	217,165	(37,503)	18,846	4,644	203,152
Total liabilities	3,579,050	228,965	95,994	129,773	4,033,782
Equity	208,603	25,786	31,071	18,226	283,686
Total equity and liabilities	3,787,653	254,751	127,065	147,999	4,317,468
Contingencies and commitments	1,221,341	74,199	33,697	77,065	1,406,302

	For the year ended December 31, 2020				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Profit and loss account	(Rupees in million)				
Net mark-up / return / profit / interest income	122,060	4,088	2,120	1,836	130,104
Non mark-up / interest income	28,184	1,376	(77)	1,112	30,595
Total Income	150,244	5,464	2,043	2,948	160,699
Segment direct expenses	79,318	6,866	3,435	5,830	95,449
Provisions - charge / (reversal)	6,838	3,958	971	453	12,220
Profit / (loss) before tax	64,088	(5,360)	(2,363)	(3,335)	53,030

	As at December 31, 2020				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
Statement of financial position	(Rupees in million)				
Cash and bank balances	330,991	38,343	21,995	40,485	431,814
Lendings to financial institutions	30,154	-	-	-	30,154
Investments	1,863,143	35,743	32,956	16,735	1,948,577
Advances - performing	1,016,840	99,131	25,536	70,735	1,212,242
Advances - non-performing	7,325	1,010	852	2,082	11,269
Others	199,834	3,408	6,331	5,434	215,007
Total assets	3,448,287	177,635	87,670	135,471	3,849,063
Borrowings	464,394	68,234	5,487	5,993	544,108
Subordinated debt	22,356	-	-	-	22,356
Deposits and other accounts	2,572,488	117,369	36,324	104,191	2,830,372
Others	201,488	(35,495)	9,430	11,309	186,732
Total liabilities	3,260,726	150,108	51,241	121,493	3,583,568
Equity	187,561	27,527	36,429	13,978	265,495
Total equity and liabilities	3,448,287	177,635	87,670	135,471	3,849,063
Contingencies and commitments	925,335	44,376	16,497	35,954	1,022,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

42 TRUST ACTIVITIES

The Group undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in the consolidated financial statements. Assets held under trust are shown in the table below:

As at December 31, 2021					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	-	-	-	-	-
Charitable institutions	2	67,535	170,000	-	237,535
Companies	78	62,335,205	25,473,600	44,100	87,852,905
Employee funds	65	14,788,950	27,368,480	-	42,157,430
Individuals	164	6,624,450	2,650,238	4,900	9,279,588
Insurance companies	4	36,331,625	404,400,900	9,035,100	449,767,625
Non-Government organizations	-	-	-	-	-
Others	16	4,220,625	1,523,100	-	5,743,725
	329	124,368,390	461,586,318	9,084,100	595,038,808

As at December 31, 2020					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	5	72,000	75,000	49,500	196,500
Charitable institutions	2	40,000	170,000	-	210,000
Companies	66	24,238,125	49,761,200	-	73,999,325
Employee funds	67	17,808,665	20,016,780	-	37,825,445
Individuals	126	3,971,220	1,675,768	-	5,646,988
Insurance companies	5	18,338,340	299,671,600	8,138,200	326,148,140
Non-Government organizations	1	10,135	-	-	10,135
Others	14	3,910,950	819,400	-	4,730,350
	286	68,389,435	372,189,748	8,187,700	448,766,883

43 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies, joint venture and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

Details of transactions and balances with related parties as at the year end are as follows:

As at December 31, 2021					
Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
(Rupees in '000)					
Statement of financial position					
Balances with other banks					
In current accounts	-	-	374	-	104
Investments					
Opening balance	-	-	-	26,751,320	5,047,043
Investment made during the year	-	-	-	1,355,788	-
Share of profit - net of tax	-	-	-	1,700,017	885,578
Equity method adjustments	-	-	-	1,501,604	501,861
Investment redeemed / disposed off during the year	-	-	-	(1,892,695)	-
Dividend received during the year	-	-	-	(463,512)	(145,181)
Revaluation of investment during the year	-	-	-	(162,076)	8,613
Closing balance	-	-	-	28,790,446	6,297,914
Advances					
Opening balance	249	305,836	4,504,529	1,125,000	-
Addition during the year	19,023	372,347	2,013,784	2,265,231	-
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(292,998)	-
Transfer in - net	276	34,006	-	-	-
Exchange adjustment	-	(250)	265,108	251,380	-
Closing balance	527	447,007	4,001,392	3,348,613	-
Other assets					
Interest / mark-up accrued	-	552	68,780	42,651	-
Receivable from defined benefit plan	-	-	-	-	-
Capital Work in progress	-	-	10,214	-	-
Other receivable / prepayments	-	-	29	154,005	-
	-	552	79,023	196,656	-
Borrowings					
Opening balance	-	-	3,638,498	959,006	1,598,344
Borrowings during the year	-	-	4,216,030	7,564,980	6,516,419
Settled during the year	-	-	(3,695,853)	(6,027,688)	(8,145,524)
Exchange adjustment	-	-	343,046	148,912	30,761
Closing balance	-	-	4,501,721	2,645,210	-
Deposits and other accounts					
Opening balance	122,063	495,061	12,981,422	36,318,748	-
Received during the year	646,231	3,514,801	485,687,364	1,001,631,636	-
Withdrawn during the year	(616,464)	(3,417,522)	(479,581,131)	(987,320,818)	-
Transfer out - net	3,118	(36,996)	-	-	-
Exchange adjustment	103	(10,272)	748,908	514	-
Closing balance	155,051	545,072	19,836,563	50,630,080	-
Other liabilities					
Interest / mark-up payable	1	723	135,791	41,504	-
Payable to Defined Benefit Plan	-	-	-	-	-
Other payables	-	-	10,471	72,601	-
	1	723	146,262	114,105	-
Contingencies and commitments					
Letter of credit	-	-	910,308	-	-
Guarantees	-	-	167,204	-	-
Forward purchase of Government securities	-	-	630,652	-	-
Commitments in respect of forward lending	-	-	-	-	-
Interest rate swaps	-	-	564,808	875,000	-
	-	-	2,272,972	875,000	-
Others					
Securities held as custodians	-	12,920	5,326,720	77,701,130	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2021						
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
(Rupees in '000)						
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	-	20,702	193,987	127,195	-	804,089
Fee and commission income	-	-	180,591	897,191	392	20,374
Share of profit	-	-	-	1,700,017	885,578	-
Dividend income	-	-	-	-	-	155,337
Loss from derivatives	-	-	(3,306)	(43,326)	-	-
Expenses						
Mark-up / return / profit / interest expensed	8,356	12,209	868,678	1,300,969	20,998	324,969
Operating expenses	-	-	-	-	-	-
Total compensation expense	-	2,031,873	-	-	-	1,283,088
Non-Executive Directors' fees	86,400	-	-	-	-	-
Insurance premium expense	-	-	-	1,988,489	-	-
Product feature cost	-	-	194,372	-	-	-
Travelling	-	-	14,837	-	-	-
Subscription	-	-	-	-	-	79,283
Donations	-	-	77,230	-	-	405,576
Brokerage and Commission	-	-	-	-	-	212,274
Other Expenses	-	-	10,690	-	-	48,218
Others						
Purchase of Government securities	-	-	337,325,673	54,769,108	-	16,885,974
Sale of Government securities	-	56,883	346,902,828	32,529,676	-	27,793,467
Purchase of foreign currencies	58	8,217	3,004,944	3,018	-	2,857,263
Sale of foreign currencies	16,074	354,330	3,280,543	222,000	-	5,732,637
Insurance claims settled	-	-	-	81,562	-	-
As at December 31, 2020						
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
(Rupees in '000)						
Statement of financial position						
Balances with other banks						
In current accounts	-	-	25,483	-	4,177	-
Investments						
Opening balance	-	-	-	25,464,030	4,897,973	4,711,517
Investment made during the year	-	-	-	2,218,672	-	-
Share of profit - net of tax	-	-	-	2,355,545	607,545	-
Equity method adjustments	-	-	-	(426,642)	60,492	-
Investment redeemed / disposed off during the year	-	-	-	(2,191,758)	-	-
Dividend received during the year	-	-	-	(668,527)	(518,967)	-
Revaluation of investment during the year	-	-	-	-	-	68,121
Closing balance	-	-	-	26,751,320	5,047,043	4,779,638
Advances						
Opening balance	1,144	302,682	3,853,355	1,375,000	-	7,924,895
Addition during the year	10,157	222,404	7,294,502	-	-	7,668,197
Repaid during the year	(11,062)	(162,557)	(6,729,728)	(250,000)	-	(6,242,581)
Transfer in / (out) - net	10	(56,693)	-	-	-	(1,601,517)
Exchange adjustment	-	-	86,400	-	-	-
Closing balance	249	305,836	4,504,529	1,125,000	-	7,748,994
Other assets						
Interest / mark-up accrued	-	710	23,444	30,556	-	198,970
Capital Work in progress	-	-	10,214	-	-	-
Other receivable	-	-	3,488	305,588	-	3,679
	-	710	37,146	336,144	-	202,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

As at December 31, 2020						
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
(Rupees in '000)						
Borrowings						
Opening balance	-	-	2,787,405	929,086	1,548,476	-
Borrowings during the year	-	-	9,160,032	2,913,226	4,855,377	1,400,000
Settled during the year	-	-	(8,543,252)	(2,913,226)	(4,855,377)	(84,257)
Exchange adjustment	-	-	234,313	29,920	49,868	-
Closing balance	-	-	3,638,498	959,006	1,598,344	1,315,743
Deposits and other accounts						
Opening balance	97,816	193,679	10,999,321	11,245,398	-	3,183,114
Received during the year	687,076	2,384,726	258,689,238	652,057,799	-	60,738,998
Withdrawn during the year	(667,490)	(2,123,156)	(257,004,084)	(626,978,755)	-	(62,159,850)
Transfer in / (out) - net	4,619	35,680	-	-	-	(3,237)
Exchange adjustment	42	4,132	296,947	(5,694)	-	55,209
Closing balance	122,063	495,061	12,981,422	36,318,748	-	1,814,234
Other liabilities						
Interest / mark-up payable	1,384	1,734	231,174	129,999	6,251	13,334
Payable to Defined Benefit Plan	-	-	-	-	-	1,182,639
Other payables	-	-	8,711	37,931	-	347,986
	1,384	1,734	239,885	167,930	6,251	1,543,959
Contingencies and Commitments						
Letter of credit	-	-	145,085	-	-	1,576,326
Guarantees	-	-	134,121	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	316,416
Forward sale of Government securities	-	-	-	-	-	-
Commitments in respect of forward lending	-	-	-	-	-	2,524,426
Interest rate swaps	-	-	859,491	1,125,000	-	-
	-	-	2,000,329	1,125,000	-	7,836,215
Others						
Securities held as custodians	-	17,745	5,457,675	30,978,500	-	13,662,385
For the year ended December 31, 2020						
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
(Rupees in '000)						
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	-	22,866	306,870	250,523	-	1,086,137
Fee and commission income	-	-	122,969	1,092,755	352	42,573
Share of Profit	-	-	-	2,355,545	607,545	-
Dividend income	-	-	-	-	-	85,633
Loss from derivatives	-	-	(20,978)	(19,556)	-	-
Expense						
Mark-up / return / profit / interest expensed	7,151	8,116	724,355	799,417	26,085	142,578
Operating expenses						
Total compensation expense	-	1,929,056	-	-	-	1,478,173
Non-Executive Directors' fees	84,000	-	-	-	-	-
Insurance premium expense	-	-	-	1,372,382	-	-
Product feature cost	-	-	105,850	-	-	-
Travelling	-	-	16,845	-	-	-
Subscription	-	-	-	-	-	72,178
Donation	-	-	157,360	-	-	315,431
Brokerage and Commission	-	-	-	-	-	197,720
Other expenses	-	-	17,194	-	-	19,147
Reversal of provision against advances	-	-	-	-	-	(124,920)
Others						
Purchase of Government securities	-	-	155,206,248	26,699,197	-	8,586,622
Sale of Government securities	-	31,716	160,624,591	85,382,672	-	12,496,840
Purchase of foreign currencies	-	1,034	1,792,352	3,867	-	1,864
Sale of foreign currencies	10,402	205,942	2,817,044	130,800	-	6,510,605
Insurance claims settled	-	-	-	195,894	-	-

43.1 Balances and transactions with group entities include deposits of Rs 0.554 million (2020: Rs 0.296 million) from the parent and Rs 1.814 thousand (2020: 4.223 thousand) as mark-up expense thereon.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

2021
(Rupees in '000)

14,668,525

14,668,525

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

192,465,081

172,930,425

12,606,759

12,533,284

205,071,840

185,463,709

55,846,089

51,969,228

260,917,929

237,432,937

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

1,328,791,152

1,042,434,363

116,679,788

131,554,475

224,085,265

203,276,223

1,669,556,205

1,377,265,061

Common Equity Tier 1 Capital Adequacy Ratio

11.53%

12.56%

Tier 1 Capital Adequacy Ratio

12.28%

13.47%

Total Capital Adequacy Ratio

15.63%

17.24%

Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)

9.50%

9.50%

of which: capital conservation buffer requirement

1.50%

1.50%

of which: countercyclical buffer requirement

-

-

of which: D-SIB buffer requirement

2.00%

2.00%

CET1 available to meet buffers (as a percentage of risk weighted assets)

5.53%

6.56%

Other information:

2021

2020

Minimum capital requirements prescribed by the SBP

CET1 minimum ratio (%)

9.50%

9.50%

Tier 1 minimum ratio (%)

11.00%

11.00%

Total capital minimum ratio (%)

13.50%

13.50%

Leverage Ratio (LR)

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio (%)

2021
(Rupees in '000)

2020

205,071,840

185,463,709

4,687,343,787

4,364,466,103

4.38%

4.25%

Minimum Requirement (%)

3.00%

3.00%

Liquidity Coverage Ratio (LCR)

Average High Quality Liquid Assets

Average Net Cash Outflow

Average Liquidity Coverage Ratio (%)

2021
Total Adjusted Value
(Rupees in '000)

2020

1,477,650,149

1,343,833,391

638,366,023

525,626,841

231.47%

255.66%

Minimum Requirement (%)

100.00%

100.00%

Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio (%)

2021
Total Weighted Value
(Rupees in '000)

2020

3,046,911,457

2,637,965,349

1,964,571,726

1,448,252,363

155.09%

182.15%

Minimum Requirement (%)

100.00%

100.00%

The SBP, through BPRD circular 12, dated March 26, 2020 has provided the following relaxations to banks to enable them to continue providing credit to the real economy:

- The Capital Conservation Buffer (CCB) has been reduced from 2.50% to 1.50%. This has resulted in a 1.00% decline in capital adequacy requirements for all tiers.
- The regulatory retail portfolio limit has been increased from Rs 125 million to Rs 180 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.1 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The Group's lead regulator, the SBP, sets and monitors capital requirements for the Bank and the Group. The Bank's branches and subsidiaries outside Pakistan are also required to follow capital requirements applicable in their respective jurisdictions.

The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at December 31, 2021 stood at Rs. 14.669 billion (2020: Rs. 14.669 billion) and is in compliance with SBP requirements.

The Group and its individually regulated operations are in compliance with all capital requirements.

The Group's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
- CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding exchange translation reserves), unappropriated profit and non-controlling interest meeting the eligibility criteria.
- AT 1 capital includes perpetual TFCs meeting the prescribed SBP criteria.
- Tier 2 capital includes general provisions for loan losses, surplus / (deficit) on revaluation of fixed assets and investments, exchange translation reserves and subordinated debt (meeting the eligibility criteria).

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Eligible collateral used includes Government of Pakistan (GoP) guarantees, GoP issued securities, bank guarantees, lien on deposits and margin accounts. Risk weights notified by the SBP are applied to net exposures to arrive at risk weighted assets.
- The Group calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP which takes into account interest rate risk using the maturity method, equity position risk and foreign exchange risk.

44.2 The full disclosures on the Capital Adequacy Ratio, Leverage Ratio & Liquidity Requirements calculated as per SBP instructions issued from time to time have been placed on the Bank's website. The link to the full disclosure is available at <https://www.hbl.com/capitalandliquidity>.

45 RISK MANAGEMENT FRAMEWORK

HLB has a well-developed and robust risk management framework given the high degree of complexity of its operations, its size, and regional and target market diversification. The Bank's risk management framework is based on strong Board oversight, multi-tier management supervision, efficient systems, documented risk appetite, and clearly articulated policies and procedures.

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place including the required human resources, policies, procedures and systems. It is supported in this task by the Board Risk Management Committee (BRMC) as well as by various management committees.

For effective implementation of the risk management framework, the Risk Management function, headed by the Chief Risk Officer (CRO), operates independently of business units within the Bank. Risk Management is responsible for the development and implementation of risk policies and for monitoring the risks associated with various activities of the Bank. The CRO reports to the President, with a functional reporting line to the BRMC.

The Risk Management function comprises of the following areas:

- Credit Policy & Analytics
- Credit Approvals
- Credit Administration
- Program Based Lending Risk
- Market & Liquidity Risk Management
- Enterprise Risk Management

Risk Management alignment with Basel framework

The Bank has adopted the Standardized Approach for credit risk and the Alternate Standardized Approach for operational risk. In addition, the Bank has adopted the simple approach for recognizing eligible collateral for credit risk mitigation. The Bank's goal is to develop resources internally to embed Basel related processes and methodologies in its risk practices.

The Bank follows the Standardized Approach for market risk and is building capacity for adoption of the Internal Models Approach (IMA).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.1 Credit risk management

Credit risk is defined as the risk of financial loss stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk, it also stems from both on and off-balance sheet activities. The credit process at the Bank is governed by well-defined and documented credit policies and procedures including separate policies for consumer loans, rural banking and SME financing. Certain types of exposures/facilities are managed under product programs that contain their own detailed credit criteria, compliance and documentation requirements.

The Bank's credit risk appetite is defined through a Risk Appetite Statement that is approved by the Board. It also covers the concentration risks the Bank is willing to take with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at the Bank are:

- Approval rules based on a three-initial system and joint Business / Risk sign-offs.
- An independent Internal Audit function which includes a Business Risk Review (BRR) unit.

Credit approval authorities are delegated to individuals based on their qualifications and experience. Disbursement authorization, collateral and security management, documentation and monitoring are managed by the Credit Administration Department. Proactive monitoring is ensured for assets under stress. This enables the Bank to put in place viable solutions to prevent further deterioration in credit quality. An independent Structured Credits function handles stressed assets and ensures a focused remedial strategy.

Credit risk management software to automate loan origination has been implemented for Corporate, Commercial and Retail customers and the Bank is rolling this out to overseas operations. The software is designed to improve approval efficiency; enable capture, storage and retrieval of approval data; and generate MIS for decision making.

Stress testing on the credit portfolio is performed in line with SBP guidelines. In addition to the mandatory stress tests defined by the regulator, the Bank has also developed advanced stress tests including macroeconomic stress tests, shock scenarios and reverse stress tests to test the capital against shocks to the credit portfolio. The Bank also regularly conducts rapid portfolio reviews in line with emerging risks.

The Bank has undertaken a number of initiatives to strengthen its credit risk management framework including in-house development of internal risk rating models (obligor risk rating and facility risk rating) for the portfolio, the development of transition and migration matrices to develop Probability of Default (PD) estimates, and back testing these against actual default rates for model refinement. The performance of the risk rating models over the years is continuously monitored.

BRR performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality, the efficacy of processes for the acquisition of risk assets, regulatory / policy compliance and appropriateness of classification and risk rating.

45.1.1 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 ratings or type of exposure, whichever is applicable.

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects different ECAIs for each type of exposure. The Bank utilizes credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Vital Information Services (VIS), Fitch, Moody's and Standard & Poor's (S&P). The Bank also utilizes rating scores of Export Credit Agencies (ECAs).

Types of exposure and ECAIs used

	FITCH	Moody's	S&P	PACRA	VIS	ECA scores
Corporates	✓	✓	✓	✓	✓	-
Banks	✓	✓	✓	✓	✓	-
Sovereigns	-	✓	-	-	-	✓
Public sector enterprises	✓	-	-	✓	✓	-

Mapping to SBP rating grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Long-Term rating grades mapping

SBP Rating grade	Fitch	Moody's	S&P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
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	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

45.1.2 Credit Risk Mitigation under the Standardized Approach

The Bank has adopted the Simple Approach for Credit Risk Mitigation in the Banking Book. Under this approach, cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral. The Bank has in place detailed guidelines regarding the valuation and management of each of these types of collateral. Where the Bank's exposure on an obligor is wholly or partially guaranteed by an eligible guarantee, the risk weight / credit rating of the guarantor is substituted for the risk weight of the obligor.

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 exposure for the calculation of Risk Weighted Assets.

45.1.3 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by international rating agencies. CBTR arises from exposure to counterparties in countries other than the jurisdiction of the lender. Transfer risk arises where an otherwise solvent and willing debtor is unable to meet its obligation due to the imposition of governmental or regulatory controls restricting its ability to perform under its obligation towards meeting its foreign liabilities. The limit utilization is controlled at Head Office level and country risk exposures are reported to the BRMC at defined frequencies.

45.1.4 Lendings to financial institutions

	Gross lendings		Non-performing lendings		Provision held	
	2021	2020	2021	2020	2021	2020
(Rupees in '000)						
Credit risk by public / private sector						
Public / Government	24,615,867	14,253,781	-	-	-	-
Private	69,126,565	15,900,412	-	-	-	-
	93,742,432	30,154,193	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.1.5 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
(Rupees in '000)						
Chemical and pharmaceuticals	-	203,025	-	-	-	-
Textile	86,548	106,548	86,548	106,548	86,548	106,548
Automobile and transportation equipment	883,872	775,313	-	-	-	-
Financial	1,835,176,696	1,839,344,825	-	-	-	-
Oil and gas	1,798,454	3,698,844	-	-	-	-
Power and energy	61,695,258	57,555,652	-	-	-	-
Telecommunication	160,833	164,329	160,833	164,329	160,833	164,329
Construction	-	2,046,000	-	-	-	-
Wholesale and retail trade	929,609	878,616	929,609	878,616	929,609	878,616
Metal and allied	900,000	900,000	-	-	-	-
Others	1,000,000	1,496,273	-	-	-	-
	1,902,631,270	1,907,169,425	1,176,990	1,149,493	1,176,990	1,149,493

Credit risk by public / private sector

Public / Government	1,876,329,222	1,878,708,348	-	-	-	-
Private	26,302,048	28,461,077	1,176,990	1,149,493	1,176,990	1,149,493
	1,902,631,270	1,907,169,425	1,176,990	1,149,493	1,176,990	1,149,493

45.1.6 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
(Rupees in '000)						
Chemical and pharmaceuticals	44,855,008	49,371,190	2,528,011	2,551,951	2,516,898	2,519,264
Agribusiness	135,377,910	127,157,187	2,202,050	2,419,370	1,093,954	993,849
Textile	174,646,302	139,530,678	15,520,215	18,227,451	15,406,200	17,230,252
Cement	28,401,108	30,742,220	588,694	788,694	588,694	788,694
Sugar	8,903,630	11,836,435	1,230,342	1,230,342	1,295,262	1,295,262
Shoes and leather garments	4,647,283	4,069,853	949,725	950,036	943,425	908,274
Automobile and transportation equipment	25,497,800	16,637,257	3,598,823	3,210,723	3,475,364	3,197,282
Financial	155,550,220	92,779,851	2,063,225	1,875,133	2,063,225	1,875,133
Hotel and tourism	8,118,431	7,426,584	809,736	675,707	712,089	560,200
Insurance	2,506,715	2,892,710	-	-	-	-
Electronics and electrical appliances	10,099,650	7,141,707	2,595,651	2,401,210	2,595,651	2,401,210
Oil and gas	88,003,142	58,927,284	5,652,384	3,036,551	5,655,182	786,797
Power and energy	194,625,126	186,637,376	13,336	1,615,585	13,336	1,615,585
Education and medical	7,556,135	7,184,376	202,663	198,943	196,303	195,356
Telecommunication	28,315,442	29,265,551	1,082,730	1,130,701	1,082,730	1,130,701
Printing and publishing	7,909,569	6,912,534	356,435	355,966	349,484	355,949
Construction	52,722,836	42,792,545	371,301	448,012	253,573	306,613
Mining and quarrying	5,952,217	5,730,014	155,578	119	78,848	119
Food, tobacco and beverages	82,533,881	64,115,867	4,725,601	4,873,122	3,361,128	3,104,874
Wholesale and retail trade	83,339,173	71,049,163	13,053,725	14,018,874	11,672,596	12,475,825
Metal and allied	32,092,124	20,435,579	4,040,865	3,231,792	2,412,884	2,161,387
Individuals	142,980,407	105,897,629	2,364,165	3,762,358	1,977,157	2,927,271
Farming, cattle and dairy	26,214,561	23,835,304	1,787,117	1,153,012	1,239,344	625,296
Trust funds and non profit organisations	1,596,881	1,614,536	2,991	2,991	2,991	2,991
Others	238,455,040	191,425,839	14,993,098	13,945,733	13,858,868	13,377,579
	1,590,900,591	1,305,409,269	80,888,461	82,104,376	72,845,186	70,835,763

Credit risk by public / private sector

Public / Government	319,426,745	281,674,755	3,094,902	2,906,470	2,029,211	1,840,779
Private	1,271,473,846	1,023,734,514	77,793,559	79,197,906	70,815,975	68,994,984
	1,590,900,591	1,305,409,269	80,888,461	82,104,376	72,845,186	70,835,763

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.1.7 Contingencies and Commitments

	2021	2020
	(Rupees in '000)	
Credit risk by industry sector		
Chemical and Pharmaceuticals	37,497,701	125,589,265
Agribusiness	4,872,111	7,834,336
Textile	94,007,339	37,795,440
Cement	51,399,786	9,534,715
Defence	14,055,764	13,597,579
Sugar	3,119,186	2,425,872
Shoes and leather garments	1,608,350	2,051,318
Automobile and transportation equipment	30,685,625	12,864,675
Financial	687,046,356	505,175,258
Hotel and tourism	1,085,725	1,371,892
Research and development	2,247,002	1,322,523
Insurance	7,222,886	1,653,258
Electronics and electrical appliances	16,754,561	16,114,947
Oil and gas	68,651,454	63,355,245
Power and energy	106,046,478	73,530,933
Education and medical	2,974,595	1,934,974
Telecommunication	27,697,852	9,425,449
Printing and publishing	2,469,700	1,238,472
Construction	32,208,067	15,202,900
Mining and quarrying	2,749,857	4,563,574
Food, tobacco and beverages	26,589,405	11,181,197
Wholesale and retail trade	10,665,042	16,675,728
Metal and allied	15,508,860	10,748,845
Individuals	24,602,637	17,898,989
Farming, cattle and dairy	1,549,317	2,106,305
Ports and shipping	1,367,301	2,554,655
Trust funds and non profit organisations	41,572,444	11,175,272
Others	90,046,339	43,237,961
	1,406,301,740	1,022,161,577
Credit risk by public / private sector		
Public / Government	226,782,960	201,203,863
Private	1,179,518,780	820,957,714
	1,406,301,740	1,022,161,577

45.1.8 Concentration of Advances

The Group's top 10 exposures on the basis of total (funded and non-funded) exposure aggregated to Rs 439,861.952 million (2020: Rs 380,572.960 million).

	2021	2020
	Rupees in '000	
Funded	254,870,742	280,605,421
Non - funded	184,991,209	99,967,539
Total exposure	439,861,951	380,572,960

The sanctioned limits against these top 10 exposures aggregated to Rs 628,617.948 million (2020 : 550,392.787 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.1.9 Advances - Province / Region-wise disbursement and utilisation

2021							
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	3,101,607,442	2,915,900,328	39,963,069	1,314,901	-	144,213,003	216,141
Sindh	8,163,147,976	281,124,813	7,821,084,148	9,728,882	17,231,128	32,115,680	1,863,325
KPK including FATA	64,758,158	756,415	1,832,628	62,159,788	-	9,327	-
Balochistan	12,866,864	-	4,328,047	-	5,377,551	3,161,266	-
Islamabad	1,031,641,148	70,198,521	139,370,616	-	117,227	821,954,784	-
AJK including Gilgit-Baltistan	19,749,842	18,015	-	-	-	574,814	19,157,013
Total	12,393,771,430	3,267,998,092	8,006,578,508	73,203,571	22,725,906	1,002,028,874	21,236,479

2020							
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	2,410,597,613	2,286,396,401	31,989,237	1,144,980	-	90,850,813	216,182
Sindh	6,461,338,740	145,218,707	6,273,125,982	3,912,615	5,562,663	32,079,834	1,438,939
KPK including FATA	52,907,682	1,185,242	1,346,987	50,375,453	-	-	-
Balochistan	5,107,283	-	-	-	5,107,283	-	-
Islamabad	727,015,532	43,618,837	125,045,659	-	-	558,351,036	-
AJK including Gilgit-Baltistan	14,589,228	-	-	-	-	-	14,589,228
Total	9,671,556,078	2,476,419,187	6,431,507,865	55,433,048	10,669,946	681,281,683	16,244,349

45.2 Market Risk Management

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them. Each of these components of market risk consists of a general market risk and a specific market risk that is driven by the nature and composition of the portfolio.

The Bank is exposed to market risk in a number of ways. The largest component is Interest Rate Risk on the Banking Book, which refers to the interest rate risk that the Bank is exposed to due to mismatches in the repricing of its on-balance sheet assets and liabilities. The Bank also has Trading Books in various markets; these assets are fair valued, i.e. changes in the values of the assets arising from market movements are directly reflected in the Bank's profit and loss account.

The objective of the Bank's market risk management strategy is to firstly, assess an acceptable level of risk for each market variable (as stated in the Bank's Risk Appetite Statement), and secondly, to manage the risk arising from fluctuations in these variables to optimize the Bank's income streams.

Treasury and Global Markets is tasked with proactively managing exposures. The ALCO provides governance with respect to market risk exposures and limits, while monitoring and measurement is carried out by Market Risk Management (MRM).

MRM provides a dynamic and proactive approach to market risk monitoring, including the use of tools such as Value at Risk, Earnings at Risk, stress testing and the use of Management Action Triggers (MAT).

45.2.1 Statement of financial position 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	441,252,246	-	441,252,246	375,280,120	-	375,280,120
Balances with other banks	64,438,075	-	64,438,075	56,533,829	-	56,533,829
Lendings to financial institutions	93,742,432	-	93,742,432	30,154,193	-	30,154,193
Investments	1,036,253,263	912,702,715	1,948,955,978	1,236,947,862	711,628,960	1,948,576,822
Advances	1,507,047,097	-	1,507,047,097	1,223,510,222	-	1,223,510,222
Fixed assets	98,676,342	-	98,676,342	89,190,210	-	89,190,210
Intangible assets	12,630,475	-	12,630,475	10,412,880	-	10,412,880
Deferred tax assets	-	-	-	-	-	-
Other assets	141,773,908	8,951,592	150,725,500	111,119,675	4,284,867	115,404,542
	3,395,813,838	921,654,307	4,317,468,145	3,133,148,991	715,913,827	3,849,062,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank manages this risk by setting and monitoring currency-wise exposure limits. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank maintains a net open position in various currencies resulting from its transactions. Foreign exchange risk is controlled and monitored through the limits approved by ALCO, within the overall limit advised by the SBP.

	2021				2020			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	(Rupees in '000)							
United States Dollars	373,366,182	391,336,169	23,502,692	5,532,705	287,180,010	341,631,642	46,661,472	(7,790,160)
Great Britain Pounds	70,731,091	79,781,810	18,506,568	9,455,849	70,939,576	77,452,102	17,360,019	10,847,493
UAE Dirhams	42,131,632	62,561,226	32,917,837	12,488,243	26,217,896	38,860,193	26,334,763	13,692,466
Japanese Yen	116,753	32,030	(38,325)	46,398	72,254	153,610	117,785	36,429
Euros	22,153,104	18,381,217	(1,371,357)	2,400,530	21,449,910	17,214,314	(2,301,794)	1,933,802
Other Currencies	155,712,552	94,834,671	(12,744,913)	48,132,968	89,664,567	26,772,282	(2,448,107)	60,444,178
	664,211,314	646,927,123	60,772,502	78,056,693	495,524,213	502,084,143	85,724,138	79,164,208

	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	-	780,567	-	791,642
- Other comprehensive income	719,669	-	733,030	-

45.2.3 Equity Position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices.

The Bank takes exposures to a range of equity instruments, and is exposed to losses arising from movements in equity prices. The Bank holds equity investments in both the AFS and HFT portfolios. The realization of short term capital gains is the principal objective of the HFT portfolio while the AFS portfolio takes a medium-term market view with the objective of earning both capital gains and dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio which is part of the Bank's overall market risk exposure limit on the trading book.

	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	-	15,430	-	7,311
- Other comprehensive income	376,184	-	-	339,701

45.2.4 Interest Rate Risk

Interest rate risk arises due to changes in interest rates, including changes in the shape of the yield curve. The Bank is exposed to interest rate risk in both the Trading and Banking Books. Interest rate sensitivity analysis is conducted at both Banking Book and Trading Book levels. The analysis is performed at least on a monthly basis or more frequently, if required. The analysis helps in estimating and managing the impact of interest rate volatility on the Bank's earnings and on the economic value of equity within the defined tolerance limits. Limits are also in place for fixed income investments of the treasury portfolio at various levels (i.e. Dealer, Transaction, Portfolio, Trading and Banking Book). Regulatory stress testing is conducted on a quarterly basis. Metrics to assess Interest Rate Risk include Interest Rate Gap Reports, Earnings at Risk (EAR) and Economic Value of Equity (EVE). These metrics are assessed based on different stress scenarios.

To further strengthen interest rate risk management, the Bank has developed a standardized framework for computing the Interest Rate Risk in the Banking Book (IRRBB) under the updated guidelines issued by Basel Committee on Banking Supervision Standards.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% increase in interest rates on				
- Profit and loss account	(1,151,969)	(818,473)	(8,208,300)	(1,020,854)
- Other comprehensive income	(3,887,409)	-	(4,515,237)	(1,935,019)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.2.4.1 Mismatch of interest rate sensitive assets and liabilities

Interest rate sensitivity gaps for assets and liabilities which have contractual maturities have been reported based on the earlier of the re-pricing date or maturity date. However, assets and liabilities which do not have any contractual maturities have been bucketed on the basis of a behavioural study approved by ALCO.

	Effective yield / interest rate	2021										Not exposed to yield / interest risk
		Exposed to yield / interest risk										
		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	Over 10 years	
On-balance sheet assets												
Financial assets												
Cash and balances with treasury banks	0.02%	441,252,246	36,748,495	-	-	229,238	-	-	-	-	-	404,274,513
Balances with other banks	1.31%	64,438,075	21,852,106	5,346,765	6,054,303	-	-	-	-	-	-	31,184,901
Lendings to financial institutions	7.26%	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-	-
Investments	8.09%	1,948,955,978	398,807,362	361,332,755	549,954,633	167,063,824	59,608,539	112,993,759	98,890,185	100,211,912	51,226,889	48,866,120
Advances	8.60%	1,507,047,097	343,552,748	705,429,380	183,087,141	83,564,915	37,280,329	42,353,978	69,160,081	36,281,597	871,465	5,465,463
Other assets		124,329,071	-	-	-	-	-	-	-	-	-	124,329,071
		4,179,764,899	873,341,343	1,093,470,700	739,096,077	250,857,977	96,888,868	155,347,737	168,050,266	136,493,509	52,088,354	614,120,068
Financial liabilities												
Bills payable		44,196,984	-	-	-	-	-	-	-	-	-	44,196,984
Borrowings	4.67%	436,258,005	58,249,109	168,800,165	43,421,012	49,732,681	11,598,450	14,406,913	16,670,978	65,355,555	8,023,142	-
Deposits and other accounts	3.58%	3,381,998,398	323,517,239	1,618,721,024	96,397,288	130,998,468	10,499,125	18,660,941	4,008,234	8,353,952	306,871	1,170,535,256
Subordinated debt	9.04%	12,374,000	-	12,374,000	-	-	-	-	-	-	-	-
Other liabilities		-	-	-	-	-	-	-	-	-	-	-
Lease Liability against right-of-use asset	10.32%	22,307,342	180,130	360,261	540,391	1,080,782	2,161,564	2,161,564	4,323,128	11,499,522	-	-
Others		116,138,497	-	-	-	-	-	-	-	-	-	116,138,497
		4,013,273,226	381,946,478	1,800,255,450	140,358,691	181,811,931	24,259,139	35,229,418	25,002,340	85,209,029	8,330,013	1,330,870,737
On-balance sheet gap												
		166,491,673	491,394,865	(706,784,750)	598,737,386	69,046,046	72,629,729	120,118,319	143,047,926	51,284,480	43,768,341	(716,750,669)
Net non - financial assets												
		117,194,129										
Total net assets												
		283,685,802										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		340,760,829	101,905,991	152,521,110	66,552,788	19,780,940	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(260,920,745)	(96,407,046)	(96,681,034)	(52,072,920)	(15,759,745)	-	-	-	-	-	-
Government Securities transactions - forward purchases		27,830,190	26,993,330	836,860	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(65,732,273)	(65,732,273)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		17,058,770	-	57,639	77,975	309,755	2,105,927	2,712,009	7,346,163	878,616	3,570,686	-
Cross Currency Swaps - sales		(19,308,883)	-	(73,549)	(88,257)	(353,022)	(2,382,930)	(2,899,224)	(9,010,816)	(970,815)	(3,530,270)	-
Interest rate swaps - sales		(5,681,475)	-	(564,808)	-	-	(1,041,667)	(2,000,000)	(2,075,000)	-	-	-
		34,006,413	(33,239,998)	56,096,218	14,469,586	3,977,928	(1,318,670)	(2,187,215)	(3,739,653)	(92,199)	40,416	-
Off-balance sheet gap												
Total yield / interest rate risk sensitivity gap												
		458,154,867	(650,688,532)	613,206,972	613,206,972	73,023,974	71,311,059	117,931,104	139,308,273	51,192,281	43,808,757	(716,750,669)
Cumulative yield / interest rate risk sensitivity gap												
		458,154,867	(192,533,665)	420,673,307	420,673,307	493,697,281	565,008,340	682,939,444	822,247,717	873,439,998	917,248,755	200,498,086

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Effective yield / Interest rate	2020										Not exposed to yield / interest risk
		Exposed to yield / interest risk										
		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	Over 10 years	
(Rupees in '000)												
On-balance sheet assets												
Financial assets												
Cash and balances with treasury banks	0.05%	375,280,120	46,725,598	25,239	-	-	-	-	-	-	-	328,529,283
Balances with other banks	1.51%	56,533,829	21,393,489	2,584,412	-	-	-	-	-	-	-	32,555,928
Lendings to financial institutions	7.63%	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-	-	-
Investments	9.73%	1,948,576,822	183,977,129	547,455,585	461,860,011	286,415,772	160,814,714	54,766,507	101,302,978	77,927,299	30,264,314	43,792,513
Advances	10.15%	1,223,510,222	367,984,680	508,948,810	139,312,757	54,708,221	39,619,642	28,932,814	34,565,374	36,890,725	1,278,587	11,268,612
Other assets		90,840,776	-	-	-	-	-	-	-	-	-	90,840,776
		3,724,895,962	643,235,089	1,066,014,046	601,172,768	341,123,993	200,434,356	83,699,321	135,868,352	114,818,024	31,542,901	506,987,112
Financial liabilities												
Bills payable		46,434,199	-	-	-	-	-	-	-	-	-	46,434,199
Borrowings	5.89%	544,107,826	380,762,920	51,421,564	45,457,922	292,380	31,434,293	612,514	8,256,069	25,743,587	126,577	-
Deposits and other accounts	4.49%	2,830,371,390	220,027,084	1,411,196,912	73,941,674	87,443,591	10,918,601	7,069,805	17,172,974	6,789,770	856,148	994,954,831
Subordinated debt	11.64%	22,356,000	-	22,356,000	-	-	-	-	-	-	-	-
Other liabilities		18,213,249	154,717	309,433	464,150	928,300	1,856,600	1,856,600	3,713,201	8,930,248	-	-
Lease Liability against right-of-use asset	10.55%	98,243,959	-	-	-	-	-	-	-	-	-	98,243,959
Others		3,559,726,623	600,944,721	1,485,283,909	119,863,746	88,664,271	44,209,494	9,538,919	29,142,244	41,463,605	982,725	1,139,632,989
On-balance sheet gap		165,169,339	42,290,368	(419,269,863)	(481,309,022)	252,459,722	156,224,862	74,160,402	106,726,108	73,354,419	30,560,176	(632,645,877)
Net non - financial assets		100,325,908										
Total net assets		265,495,247										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		261,220,544	76,517,705	107,834,983	65,916,710	10,951,146	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(175,495,769)	(69,125,826)	(65,129,830)	(27,580,297)	(13,659,816)	-	-	-	-	-	-
Government Securities transactions - forward purchases		96,427,590	96,380,176	47,414	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(54,329,588)	(54,329,588)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		14,662,810	616,598	-	90,208	787,250	482,671	1,543,489	1,235,520	9,907,074	-	-
Cross Currency Swaps - sales		(16,007,336)	(711,263)	-	(133,195)	(955,805)	(519,461)	(1,598,333)	(1,186,770)	(10,902,509)	-	-
Interest rate swaps - sales		(7,834,491)	-	-	-	-	(859,491)	(1,875,000)	(5,100,000)	-	-	-
Off-balance sheet gap		118,643,760	49,347,802	42,752,567	38,293,426	(2,877,225)	(896,281)	(1,929,844)	(5,051,250)	(995,435)	-	-
Total yield / interest rate risk sensitivity gap		91,638,170	(376,517,296)	(519,602,448)	249,582,497	155,328,581	72,230,558	101,674,858	72,358,984	30,560,176	(632,645,877)	
Cumulative yield / interest rate risk sensitivity gap		91,638,170	(284,879,126)	234,723,322	484,305,819	639,634,400	711,864,958	813,539,816	885,898,800	916,458,976	283,813,099	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.3 Enterprise Risk Management

The Enterprise Risk Management (ERM) vertical of Risk Management, set up by the Bank in 2020, and was further strengthened during the year 2021. Enterprise Risk Management is applicable to all functions within the Bank which ensures robust and consistent approach to risk management at all levels of the organization.

The Bank's Enterprise Risk Management Framework, approved by the Board, outlines the high level essentials of enterprise risk management components, key ERM principles, concepts and suggests a common ERM language, while providing a clear direction and guidance for integrated risk management within the Bank. Day-to-day responsibility for risk management is disseminated through the delegation of individual accountability, with reporting and escalations facilitated through governance structure. Standards, policies, and limits are defined to ensure tasks and processes are well controlled.

The Enterprise Risk Management Team has created a Bank-wide "Risk Taxonomy"; the objective of the Risk Taxonomy is to converge all risks and issues, which helps management in:

- Identifying cumulative impact against each risk type to assess materiality of the risk / issue, providing a holistic picture.
- Standardizing root-cause analysis of risks / issues by doing thematic reviews.

The ERM function also includes a Model Risk Management (MRM) arm that aims to provide independent review and validation of all models being used in the Bank. Another initiative launched during the year under ERM is the New Product Initiative Assessment (NPIA) process whereby all risks within new products/services are comprehensively identified and assessed as per Bank's Risk Taxonomy. The goal is to ensure that they are adequately managed / mitigated with relevant controls in place. NPIA applies to all business lines and across all locations of the Bank.

45.4 Operational Risk Management (ORM)

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational Risk Management is housed within Risk Management and a comprehensive ORM Framework is in place which address all the significant aspects of ORM i.e. people, processes, systems and external events. A SAS software has been deployed that facilitates loss data management, Risk and Control Assessments and tracking of Key Risk Indicators (KRIs). Operational Risk Coordinators have been assigned from all relevant departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) is in place to monitor and oversee operational risk issues. The Bank uses the Alternative Standardized Approach (ASA) under Basel II but with a capital floor i.e., the operational risk capital charge under ASA should not fall below a certain percentage of the operational risk capital charge calculated under the Basic Indicator Approach (BIA). The Bank is the first Pakistani bank to achieve this milestone.

Key ORM tools such as Risk Control Self-Assessment (RCSA), KRIs and Operational Loss Data Management are used to gauge the likelihood and severity of operational risk. The Bank uses stress testing to proactively assess impacts to the bank. RCSA exercises are conducted at regular intervals across the Bank. Operational risk reports are regularly submitted to the senior management and the BRMC.

45.4.1 Business Continuity Planning (BCP)

It is the policy of the Bank to maintain a well-defined business continuity program which comprises of policy and procedures and plans with clearly defined roles, responsibilities and ownership for Crisis Management, Emergency Response, Business Continuity and IT Disaster Recovery. The Bank's Business Continuity Steering Committee, which includes representation from the senior management of the Bank, is the governing body of BCP matters and meets on a periodic basis to review key initiatives, testing results and related action plans for strengthening the Bank's ability to manage crisis situations. The Bank's business continuity program complies with the regulatory framework and the leading Business Continuity Management standard, ISO 22301, and is subject to regular internal, external and regulatory reviews and audits.

45.4.2 IT related controls

During the year, the Bank's IT controls were further strengthened, with special focus on controls around remote access. Enhanced focus and visibility was given to IT Audit and Compliance, and several control/monitoring initiatives were launched in close coordination with the Internal Audit function of the Bank. A formal procedure for IT Risk Management was introduced to identify and mitigate potential risk areas in a centralized manner. This has been further aligned with ETGRM as well as ERM and ORM frameworks. Enterprise wide Risk Coordinators have been identified and IT Risk Coordinator has been identified to coordinate with stakeholders and ensure that risks are reported and coordinated regularly. An IT risk register has been developed to track IT risks and ensure more stakeholder engagement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

A COBIT 2019 gap assessment has been completed and remediation activity on selected processes/objectives is in progress to achieve the desired capability level. Controls around 'Cloud Computing' were put in place as per the directives and framework provided by SBP. IT introduced better visibility of its Services Management function by revamping existing processes and introducing new processes for effective controls and visibility across the Bank. The IT Steering Committee discipline was established at all international locations to bring efficiency and effectiveness in technology governance and operations.

45.4.3 Information Security Risk

It is vitally important for Bank to protect its customers and their data from cyberattacks and provide secure banking services. Information Security plays a pivotal role in protecting the Bank's data assets from both internal and external threats through effective cyber security risk management, supported by preventive and detective controls capable of responding to emerging external threats.

The COVID 19 pandemic and its associated remote working environment has created opportunities for cyber criminals to steal sensitive data and commit fraudulent activities. Moreover, the Bank's increased digitization, the changing threat landscape, the rise of social engineering frauds, and stringent oversight of the regulator requires continuous measures to strengthen the information security posture of the Bank.

Targeted and frequent information security awareness initiatives for customers and employees were launched using expanded delivery channels, to elevate their level of awareness and better equip them to counter security challenges.

Significant progress has been made in raising information security standards in the international territories to a level consistent with the policies, standards, and controls implemented in the rest of the Bank.

An International external maturity assessment against best practices of Security Operation Center (SOC) was conducted to benchmark our practices with regional standards.

Moving forward, the Bank plans to strengthen our cyber-defenses through the use of automation and modern technologies, AI and machine learning, targeted customer and staff awareness, adoption of international best practices, Cloud framework and security, customer data protection initiatives, strengthening of API controls, Digital Payments security, security orchestration-based analysis while proactively mitigating against advanced security threats. Furthermore, enhancement of data loss prevention measures, identity and access management, cyber fraud prevention, privileged access management, as well as strengthening ATM security controls besides further alignment of security operation center with international best practices would be the key focus of 2022.

Customers are an important component of the security process and continuous customer education about cyber risks will remain an important component of our defense strategy. These security measures will allow Bank to continue offering innovative digital solutions to its clients while ensuring them protection and peace of mind.

45.5 Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its cash obligations as they become due, or to fund assets, at a reasonable cost, because of the inability to liquidate assets, or to obtain adequate funding.

The Bank follows a comprehensive liquidity risk management policy duly approved by the Board. The policy provides necessary guidelines for establishing a robust liquidity risk management framework which helps in identifying the key liquidity and funding risks to which the bank is exposed, describes how these risks are identified, measured, monitored and reported, and prescribes the techniques and resources used to manage and mitigate these risks. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Bank's liquidity under normal and crisis situations (stress testing). The Bank also has a Contingency Funding Plan in place to address liquidity issues in times of crisis. This plan identifies early warning indicators to preempt unforeseen liquidity crises. Triggers are used to ascertain potential stress scenarios.

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk is monitored using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); liquidity gaps and various liquidity ratios are regularly monitored by Market Risk Management. Liquidity risk is reviewed by ALCO on a monthly basis and an update is provided to the BRMC on a quarterly basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

45.5.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Group

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	441,252,246	426,697,951	9,687,044	702,262	1,404,524	-	-	-	2,760,465	-	-	-	-	
Balances with other banks	64,436,075	52,671,491	3,796,981	4,041,096	2,158,380	1,485,344	264,890	-	19,893	-	-	-	-	
Lending to financial institutions	93,742,432	-	42,953,067	19,591,484	9,836,081	1,700,000	19,661,800	-	-	-	-	-	-	
Investments	1,948,955,978	-	9,060,103	8,008,040	17,689,095	44,689,736	191,802,861	158,624,712	129,540,449	39,347,861	353,263,279	149,763,596	314,827,792	532,338,654
Advances	1,507,047,097	321,501,969	69,963,505	13,312,743	28,118,123	44,683,542	37,780,816	100,415,436	71,271,461	75,202,842	163,960,725	135,365,959	184,879,667	260,590,309
Fixed assets	98,676,342	7,822,501	113,377	132,273	321,234	574,757	574,757	1,724,272	1,724,272	1,724,272	6,897,090	6,897,090	7,877,221	62,293,226
Intangible assets	12,630,475	2,059,221	18,892	22,041	53,528	95,773	95,773	287,318	287,318	287,318	1,149,273	1,149,273	1,460,757	5,663,990
Other assets	150,728,500	1,237,980	7,427,884	8,665,864	19,215,510	16,050,841	16,050,841	40,094,768	9,953,257	9,733,421	21,612,674	280,134	-	407,326
	4,317,468,145	811,991,113	143,020,853	54,475,803	78,796,475	109,279,993	266,231,738	301,146,506	212,776,757	129,075,872	546,883,041	293,456,052	509,045,437	881,288,505
Liabilities														
Bills payable	44,196,984	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	436,256,005	653,970	4,624,531	48,157,698	4,812,910	131,854,096	36,907,850	43,043,041	4,552,558	44,896,053	11,007,311	13,779,480	18,982,943	72,985,564
Deposits and other accounts	3,381,998,398	2,697,560,894	61,031,839	71,203,813	172,923,545	81,669,907	81,669,907	69,472,968	53,075,319	53,075,319	9,226,839	19,984,320	3,668,912	8,634,816
Subordinated debt	12,374,000	-	-	-	-	-	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	5,082,602	8,725	(6,036)	(7,042)	(17,103)	(120,241)	(120,241)	(151,798)	(72,772)	(72,772)	(1,442,179)	(793,284)	(1,613,102)	9,490,447
Other liabilities														
Lease Liability against right-of-use asset	22,307,342	5,922	35,533	41,455	100,676	180,130	180,130	540,391	540,391	540,391	2,161,564	2,161,564	4,323,128	11,496,067
Others	131,565,012	4,114,846	24,689,076	28,803,922	65,898,955	1,224,253	1,224,253	1,801,112	629,152	629,152	313,312	300,853	1,865,402	70,724
	4,033,782,343	2,746,541,341	90,374,943	148,199,846	243,718,983	214,808,145	119,861,899	114,705,714	58,724,648	99,068,143	21,266,847	34,432,933	27,027,283	115,051,618
Net assets														
	283,685,802	(1,934,550,228)	52,845,910	(93,724,043)	(164,922,508)	(105,528,152)	146,369,839	186,440,792	154,052,109	525,616,194	259,023,119	482,018,154	746,236,887	
Share capital														
Reserves	14,668,525													
Surplus on revaluation of assets - net of tax	81,375,519													
Unappropriated profit	25,159,371													
Non-controlling interest	158,441,418													
	4,040,969													
	283,685,802													

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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	375,280,120	351,496,396	9,510,305	-	14,248,180	-	25,239	-	-	-	-	-	-	-
Balances with other banks	58,533,829	39,616,425	10,782,775	2,116,860	1,433,357	1,146,421	1,437,991	-	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	-	3,959,681	3,300,000	15,894,512	-	7,000,000	-	-	-	-	-	-	-
Investments	1,948,576,822	639,619	695,248	3,677,888	58,205,184	41,092,361	345,539,736	162,086,764	277,163,355	10,437,198	178,053,042	124,129,943	257,096,448	489,746,036
Advances	1,223,510,222	282,525,053	52,736,716	9,357,584	22,356,733	32,464,101	61,502,930	75,636,302	55,824,155	58,911,740	143,725,303	124,066,445	130,161,711	174,241,449
Fixed assets	89,190,210	2,656,636	103,237	120,443	275,298	516,185	516,184	1,548,553	1,548,553	1,548,553	6,194,213	6,194,213	7,667,639	60,300,503
Intangible assets	10,412,880	1,622,612	12,409	14,477	33,090	62,044	62,044	186,131	186,131	186,131	744,524	744,524	1,139,528	5,419,235
Other assets	115,004,542	1,456,255	8,737,514	10,193,766	23,438,259	9,307,796	9,307,796	17,425,333	6,884,762	7,266,336	-	21,384,725	-	-
	3,849,062,818	680,012,996	86,537,885	28,781,018	135,888,613	84,588,908	425,391,920	256,893,083	341,606,956	78,351,958	328,717,082	276,519,860	396,065,326	729,707,223
Liabilities														
Bills payable	46,434,199	46,434,199	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	544,107,826	543,764	286,134,658	24,084,799	37,998,387	10,253,298	42,845,090	23,348,315	52,250	42,934	39,920,322	9,771,489	22,276,861	46,835,649
Deposits and other accounts	2,830,371,390	2,249,084,865	48,688,898	57,029,430	146,591,263	65,883,833	50,838,861	73,159,095	45,408,644	45,406,644	13,663,854	9,815,111	17,172,974	7,645,918
Subordinated debt	22,356,000	-	-	-	-	9,982,000	-	-	-	-	-	-	-	12,374,000
Deferred tax liabilities	10,387,859	6,282	37,697	43,980	100,525	434,937	434,937	378,998	343,139	343,139	(719,857)	(369,570)	(723,357)	10,077,109
Other liabilities														
Lease Liability against right-of-use asset	18,213,249	5,157	30,943	36,101	82,516	154,717	154,717	464,150	464,150	464,150	1,856,600	1,856,600	3,713,200	8,930,248
Others	111,697,048	3,723,234	22,339,410	26,062,645	59,571,759	-	-	-	-	-	-	-	-	-
	3,583,567,571	2,299,797,501	357,211,606	107,256,955	244,344,460	86,708,785	94,273,605	97,350,558	46,268,183	46,256,867	54,720,919	21,073,530	42,439,678	85,862,924
Net assets														
Share capital	265,495,247	(1,619,784,505)	(270,673,721)	(78,475,937)	(108,455,847)	(2,119,877)	331,118,315	159,542,525	295,338,773	32,093,091	273,996,163	255,446,320	353,625,648	643,844,299
Reserves	14,668,525													
Surplus on revaluation of assets - net of tax	72,062,025													
Unappropriated profit	36,004,914													
Non-controlling interest	138,208,223													
	4,551,560													
	265,495,247													

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2020									
	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
Assets									
Cash and balances with treasury banks	375,280,120	284,407,384	5,913,911	5,495,033	13,107,319	15,135,918	7,150,285	10,841,125	17,393,550
Balances with other banks	56,533,829	53,949,417	2,584,412	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-
Investments	1,948,576,822	63,221,939	386,632,097	162,096,764	293,439,335	178,053,042	124,129,943	257,096,448	411,973,845
Advances	1,223,510,222	132,073,904	118,712,650	92,969,161	151,932,033	196,845,905	165,239,472	192,849,961	101,287,366
Fixed assets	89,190,210	3,155,614	1,032,369	1,548,553	3,097,106	6,194,213	6,194,213	7,667,639	11,012,636
Intangible assets	10,412,880	1,682,587	124,087	186,131	372,262	744,523	744,523	1,139,527	-
Other assets	115,404,542	18,705,619	29,730,219	36,666,681	15,483,523	242,476	14,212,314	320,950	42,760
	3,849,062,818	580,350,657	551,729,745	298,962,323	477,431,578	397,216,077	317,670,750	469,715,650	541,710,157
Liabilities									
Bills payable	46,434,199	9,139,014	884,373	36,410,812	-	-	-	-	-
Borrowings	544,107,826	350,323,442	51,536,565	23,348,315	95,184	39,920,322	9,771,489	22,276,861	38,843,367
Deposits and other accounts	2,830,371,390	783,593,713	160,920,659	154,864,162	315,410,899	326,073,671	156,534,635	231,085,373	367,392,028
Subordinated debt	22,356,000	-	9,982,000	-	-	-	-	-	-
Deferred tax liabilities	10,387,859	146,051	867,743	378,998	686,278	(719,857)	(369,670)	(722,890)	4,320,561
Other liabilities									
Lease Liability against right-of-use asset	18,213,249	154,717	309,433	464,150	928,300	1,856,600	1,856,600	3,713,201	8,930,248
Others	111,697,048	28,414,176	34,965,344	15,933,805	15,437,544	1,965,178	1,215,782	2,547,145	11,026,234
	3,583,567,571	1,171,771,113	259,466,117	231,400,242	332,558,205	369,095,914	169,008,836	258,899,690	430,512,438
Net assets									
	265,495,247	(591,420,456)	292,263,628	67,562,081	144,873,373	28,120,163	148,661,914	210,815,960	111,197,719
Share capital	14,668,525								
Reserves	72,062,025								
Surplus on revaluation of assets - net of tax	36,004,914								
Unappropriated profit	138,208,223								
Non-controlling interest	4,551,560								
	265,495,247								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

45.6 Derivatives Risk

The policy guidelines for Derivatives exposures are approved by the Board of Directors (BoD) on the recommendation of the Board Risk Management Committee (BRMC).

The responsibility for Derivatives activity lies with the Treasury and Global Markets business. Measurement and monitoring of market and credit risk limits and exposure, and reporting thereof to senior management and the BoD is done by Market Risk Management (MRM) which, in coordination with the business, also presents limits for review and approval to ALCO and the BRMC. Treasury Operations records derivatives activity in the Bank's books, executes settlements of trades and carries out regulatory reporting to the SBP.

45.6.1 Credit Risk

Credit risk is the risk of non-performance by a counterparty which could result in an adverse impact on the Bank's profitability. The Credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Pre-settlement risk limits for derivative transactions are recommended by MRM for approval to the appropriate Credit Approval Authority.

45.6.2 Market Risk

The Bank, as a policy, hedges all Options transactions back-to-back. The Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market on a rolling basis. The Bank also manages the interest rate risk of Interest Rate Derivatives and Cross Currency Swaps through Price Value of a Basis Point (PVBP) limits which are monitored and reported by MRM to senior management on a daily basis. These limits are approved by ALCO annually and then approved by the BoD on the recommendations of the BRMC. However interim limit enhancements / amendments may also be sought.

45.6.3 Operational Risk

The Bank has put in place a robust control framework for derivatives transactions. Front office staff dealing in derivatives have the requisite training and experience to conduct this business; responsibilities have been divided amongst the Structuring Desk (tasked with the overall ownership of derivatives and structured products), Trading (which proactively manages the risk from a business perspective), and Treasury Sales (who are involved in marketing and executing transactions with the Bank's client base).

A detailed product program, approved by the Board of Directors, governs the entire value chain for Derivatives, including credit and market risk management, booking, sales practices and settlement. There is a clear segregation of duties whereby operational aspects are handled by Treasury Operations, whereas all Risk issues are the responsibility of the Risk department. A Treasury Middle Office function, reporting into Risk, carries out daily monitoring of exposures. Finally, Compliance monitors any deviation from approved policies and procedures. Internal Audit also regularly reviews systems, transactional processes, accounting practices and end-user roles and responsibilities as part of their reviews of this function.

The Bank uses a derivatives system – integrated into the Bank's core Treasury system - which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures and carry out stress tests and sensitivity analyses. MRM provides details of outstanding positions, profitability, risk exposures and limit compliance to senior management on a periodic basis.

45.6.4 Liquidity Risk

The types of Derivative transactions entered into by HBL are typically straightforward, or 'vanilla' transactions, whereby the Bank is exposed to a negligible amount of Liquidity Risk.

46 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 46.1 The Board of Directors, in its meeting held on February 24, 2022, has proposed a final cash dividend of Rs 2.25 per share for the year 2021. This is in addition to the Rs 5.25 already paid during the year bringing the total dividend for the year to Rs 7.50 per share (2020: Rs 4.25 per share). This appropriation is expected to be approved by the shareholders in the forthcoming Annual General Meeting. The consolidated financial statements for the year ended December 31, 2021 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2022.

47 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on February 24, 2022.

48 GENERAL

- 48.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

**Islamic banking business - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANNEXURE-I

Details of the Islamic banking business for the year ended December 31, 2021 is disclosed in Annexure I of the unconsolidated financial statements.

**Details of advances written-off - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANNEXURE-II

Details of advances written-off for the year ended December 31, 2021 are disclosed in Annexure II of the unconsolidated financial statements.

**Details of disposal of fixed assets to related parties - Consolidated Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2021**

ANNEXURE-III

The particulars of disposal of fixed assets to related parties are given below:

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer
(Rupees in '000)						
Electrical, Office and Computer Equipment	462	237	225	307	Insurance Claim	Jubilee General Insurance Limited
Leasehold Improvements	2,015	576	1,439	1,587	Auction	Jubilee General Insurance Limited
Vehicles	887	784	104	650	Auction	Jubilee General Insurance Limited
Total	3,364	1,597	1,768	2,544		

HBL DOMESTIC NETWORK

AS AT DECEMBER 31, 2021

- Retail Branches Conventional

Name of Region	Number of Branches
Bahawalpur	54
Faisalabad	79
Gujranwala	62
Gujrat	62
Hyderabad	54
Islamabad	114
Jhelum	72
Karachi	110
Lahore	77
Mardan	91
Mirpur A.K.	56
Multan	98
Muzaffarabad	39
Peshawar	96
Quetta	43
Sahiwal	72
Sargodha	63
Sialkot	68
Sukkur	50

- Islamic Banking

259

- Commercial

18

- Corporate (Including KEPZ)

12

1,649

Subsidiaries

- HBL Microfinance Bank (HBL MFB) Limited

(formerly The First MicroFinance Bank (FMFB) Limited)

Name of Region	Number of Branches
Sindh	42
Punjab	83
Balochistan	7
Khyber Pakhtunkhwa	17
Capital Territory	1
Gilgit Baltistan	22
Azad Kashmir	2
	174

- Habib Bank Financial Services (Private) Limited

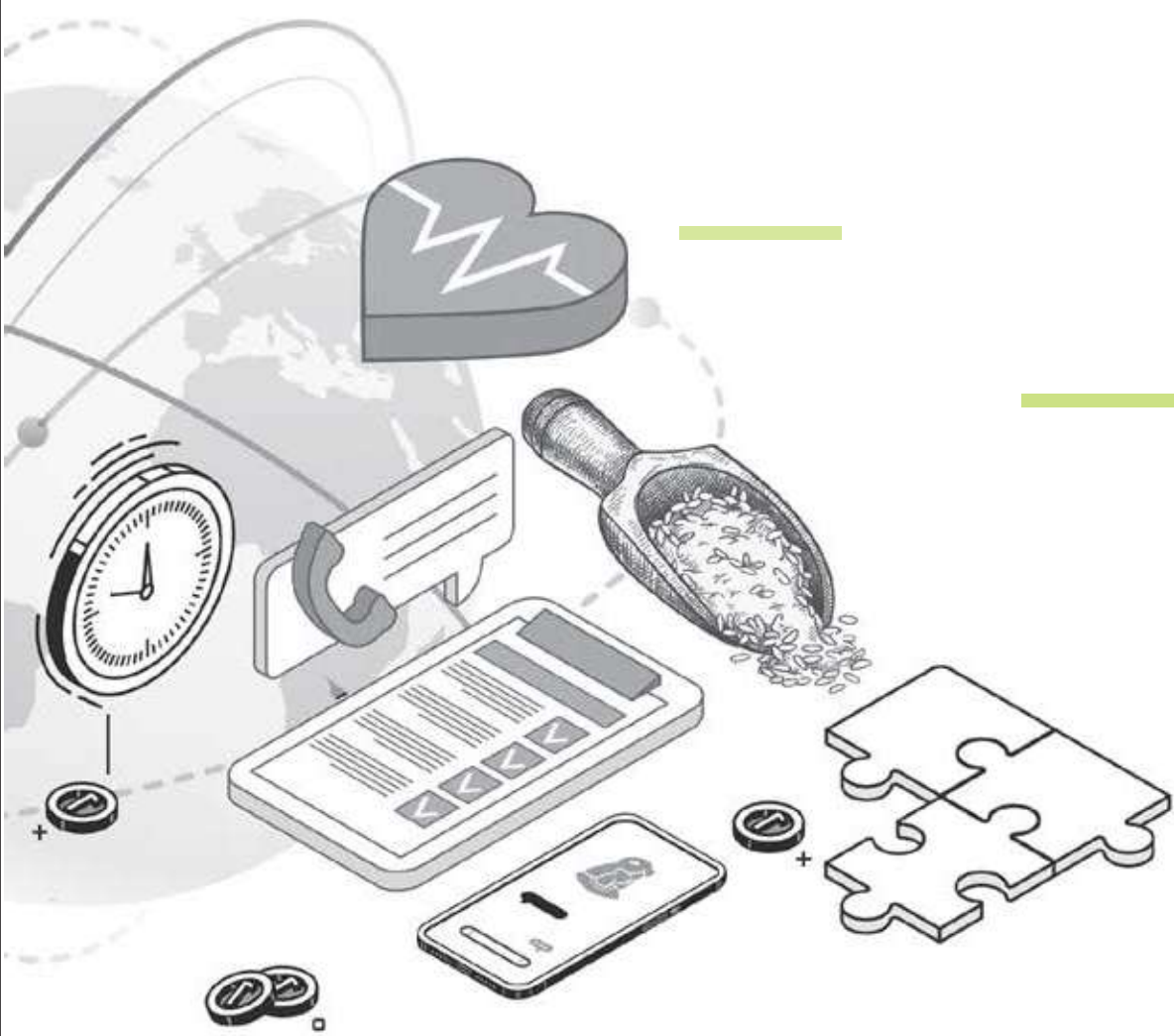
- HBL Currency Exchange (Private) Limited

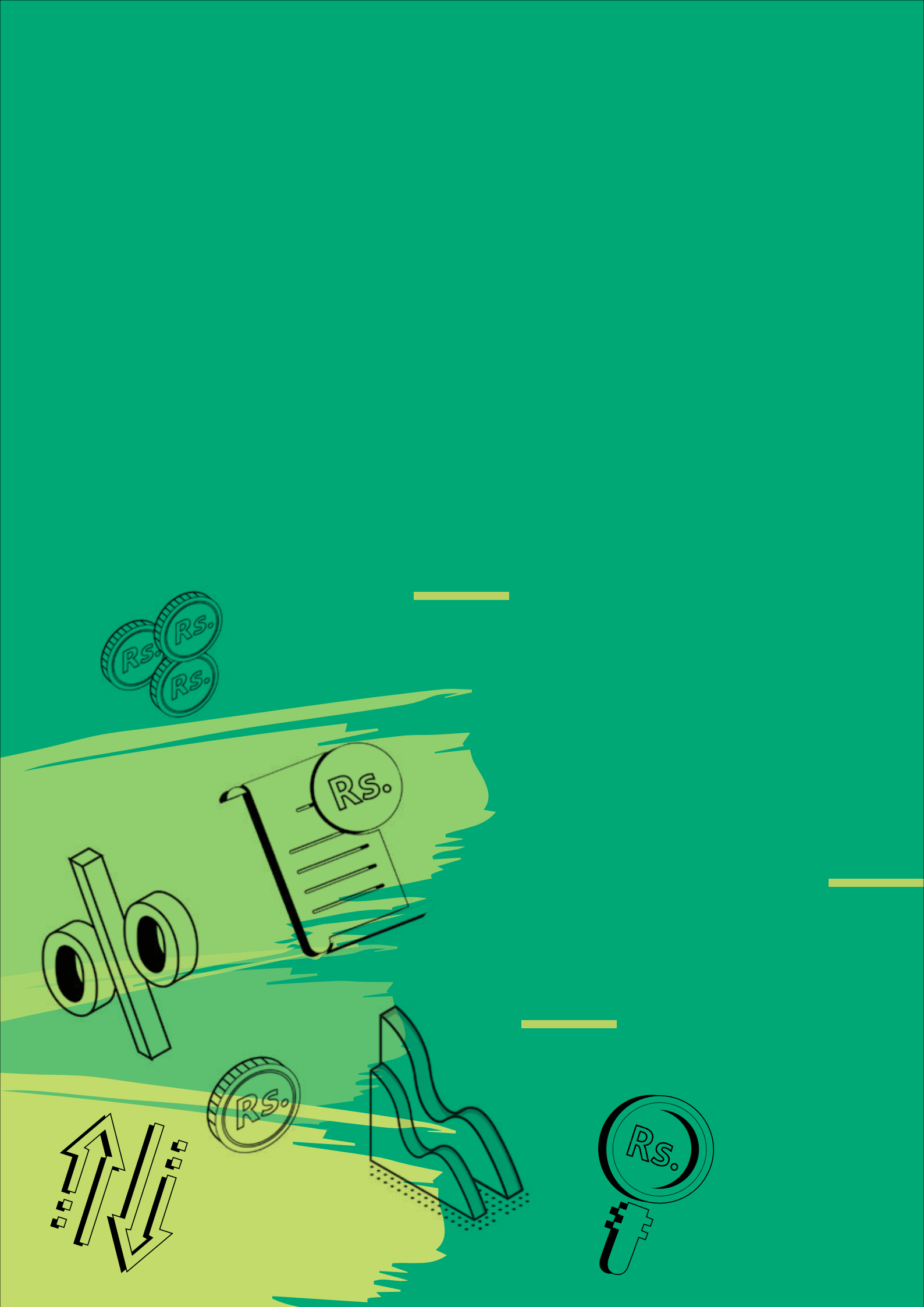
- HBL Asset Management Limited

Associates

- Jubilee General Insurance Company Limited

- Jubilee Life Insurance Company Limited







UNCONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT 2021

On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the year ended December 31, 2021.

Macroeconomic Review

FY'21 witnessed a combination of recovery and growth, as the domestic economy rebounded amid stimulus measures and effective vaccine rollouts. As a result, Pakistan posted a higher-than-expected real GDP growth of 5.6% in FY'21. The growth trend has continued into FY'22; the Large-Scale Manufacturing (LSM) Index grew by 7.4% in H1FY'22, as most major sectors posted an increase in output. Moreover, mobility indicators reflect a marked improvement to above pre-pandemic levels, strengthening the outlook for the services sector. Meanwhile, inflation has gained traction due to higher global commodity prices and Rupee devaluation, compounded by rising demand pressures. As a result, CPI recorded a 2-year high of 13.0% in Jan'22, averaging 10.2% for 7MFY'22 vs. 8.2% in the same period of last year. The SBP has now revised its previous inflation forecast of 7% – 9 % for FY'22 upwards, to 9% – 11%.

An improved global outlook, record shipments of textiles and strong rice exports led to a 27% growth in exports during H1FY'22. However, this was more than offset by a sharp rise in imports which increased by 54% driven by three main factors: the near-doubling of commodity – especially energy – prices in the past year; a resurgence in domestic demand on the back of an extended period of negative real interest rates; and the Afghanistan situation, with Pakistan footing the bill for a number of imports. Resultantly, the trade deficit for this period almost doubled, to USD 23.0 billion. Remittance flows stayed resilient, above the monthly USD 2.5 billion threshold, and clocked in a growth of 11.3% to USD 15.8 billion in H1FY'22. Although these helped to somewhat dilute the impact of the widening trade gap, the current account deficit in H1FY'22 surged to USD 9.1 billion (5.7% of GDP) compared to a surplus of USD 1.2 billion (0.9% of GDP) in H1FY'21.

Despite increased pressure on the external account, FX reserves stayed at manageable levels; the brunt of the impact was felt by the Rupee, which devalued by ~10% (Rs 17/\$) over the year. After peaking in Aug'21, reserves had declined to USD 22 billion by end-Jan'22. However, the recent receipt of the 6th IMF tranche of USD 1 billion along with USD 1 billion from an international Sukuk issuance have furthered bolstered reserves. Roshan Digital Accounts continue to gain traction and cumulative flows have crossed the USD 3.0 billion mark as of Dec'21.

The fiscal deficit for H1FY'22 increased by 21% over H1FY'21 in Rupee terms but remained flat at 2.1% of GDP. Tax collections increased by 30%, leading to an 18% growth in revenue. However, this was outweighed by a 19% rise in expenditure, driven by higher current and development spend. Consequently, the primary surplus – which excludes interest payments – fell sharply from prior year levels, to just 0.1% of GDP.

The equity markets had a mixed year with the market mostly remaining range-bound. Recurring Covid-19 waves, worsening macroeconomic indicators, Rupee devaluation and increasing political uncertainty all had a role in dampening sentiment. The equity market remained particularly susceptible in Q4'21, on account of the MSCI reclassification from Emerging to Frontier Markets at end-Nov'21, which resulted in heavy foreign selling; the last day alone witnessed a net foreign selling of USD 58 million, more than a third of the entire quarter's outflow. The PSX index thus returned a meagre 1.9% over Dec'20.

The SBP has taken a number of steps to rein in inflation: it has rapidly tightened monetary policy, increasing the policy rate by a cumulative 275 bps to 9.75% since Sep'21; raised bank reserve requirements; tightened consumer finance regulations; and curtailed imports through higher margin requirements. In order to remain more responsive to market conditions, the SBP has also increased the number of annual monetary policy announcements. In its Jan'21 meeting, the SBP noted that the fiscal and monetary measures were successfully moderating demand pressures and, in line with its Dec'21 guidance, maintained a status quo on rates. The statement cited that the policy goal was to ensure sustainability of the growth momentum and also signaled an end to any abrupt tightening, stating that current real interest rates were appropriate and future changes would be modest. After a naturally sluggish 2020, industry advances picked up momentum in 2021 and grew by 20% while market deposits increased by 17%, in line with M2 growth. Industry spreads reduced by 79 bps during 2021, but should rebound in 2022 as the higher rates flow through the asset side of balance sheets with a lagged impact.

Financial Performance

HLB has delivered a record profit before tax of Rs 59.0 billion in 2021, 11% higher than the Rs 53.0 billion reported in 2020, signifying strong performance across its diverse business lines. Profit after tax has increased from Rs 31.5 billion in 2020 to Rs 34.3 billion in 2021. Earnings per share improved from Rs 21.49 in 2020 to Rs 23.36 in 2021.

2021 was an exceptional year for HBL as it achieved several milestones across its businesses. The Bank's balance sheet grew by 12% to Rs 4.1 trillion. This was achieved as a result of strong deposit mobilization in both the domestic and international businesses, with total deposits increasing by 19% to Rs 3.2 trillion. The Bank's domestic deposits grew by Rs 450 billion to nearly Rs 3.0 trillion, improving market share to 14.14%. In December 2021, HBL achieved a landmark Rs 1 trillion mark in domestic current accounts, becoming the first bank in Pakistan to achieve this milestone; total current accounts increased by 17%, to nearly Rs 1.1 trillion.

HBL stated objective is to support its clients and the real economy through wide-ranging, but prudent, credit expansion. Domestic advances grew by 20% to nearly Rs 1.2 trillion; the growth was across all business segments. The Bank's rural lending portfolio reached an all-time high of Rs 40 billion and housing and construction financing grew 41% to Rs 42 billion. Consumer lending continued to break barriers, surpassing the Rs 100 billion mark in December 2021. HBL's total advances increased by 24% to nearly Rs 1.4 trillion, with the ADR improving from 41.9% to 43.5% in December 2021.

Net interest income of Rs 121 billion in 2021 remained essentially flat to 2020 levels as the impact of the severe spread compression was offset by strong balance sheet expansion. Non-fund income of the Bank has grown by 19% over 2020 to Rs 31 billion – excluding capital gains, this increased by 56%. The Bank has widened its leadership in fee income, which posted a stellar growth of 36% to reach Rs 22 billion. Double-digit growth was seen across most businesses with the flagship Cards business accounting for more than 50% of the growth. Continued focus on trade resulted in volumes growing to ~USD 16.0 billion, with fees increasing by 27% to Rs 3.8 billion. Income from treasury related activities (excluding capital gains) more than doubled, to Rs 5.9 billion. Consequently, in 2021, HBL also achieved a record revenue of Rs 152 billion.

HBL continues to invest in its people, its digital infrastructure and in delivering innovative and unique customer solutions. HBL is committed to serving the communities in which it operates and demonstrated this commitment through industry-first vaccination drives, a decade of support for cricket and other events for promoting art and culture. In 2021, total administrative expense growth was contained to 2%, driving the cost/income ratio down from 56.3% in 2020 to 55.8% in 2021.

Total provisions of the Bank have reduced by 38% over 2020 which included a discretionary general provision of Rs 5.4 billion; the specific charge in 2021 is primarily on account of industry-wide problem credits. Non-performing loans of the Bank have declined by Rs 1.3 billion over December 2020, with reductions in both the domestic and international businesses. The infection ratio improved from 6.3% in December 2020 to an all-time low of 5.1% in December 2021. The specific coverage also improved to 93% in December 2021, with total coverage remaining above 100%.

Movement in Reserves

	2021	2020
	Rupees in million	
Profit after tax	34,271	31,524
Unappropriated profit brought forward	129,263	104,668
Profit after tax	34,271	31,524
Re-measurement gain/(loss) on defined benefit obligations – net of tax	206	(155)
Transferred from surplus on revaluation of assets – net of tax	181	45
	34,658	31,415
Profit available for appropriation	163,921	136,083
Appropriations:		
Transferred to statutory reserves	(3,427)	(3,152)
Cash dividend – Final	(4,401)	(1,834)
1 st interim cash dividend	(2,567)	(1,834)
2 nd interim cash dividend	(2,567)	-
3 rd interim cash dividend	(2,567)	-
Total appropriations	(15,529)	(6,820)
Unappropriated profit carried forward	148,392	129,263
Earnings per share (Rupees)	23.36	21.49

Capital Ratios

With the strong results, internally generated capital grew by 12% in 2021. Credit Risk Weighted Assets grew by 30%, due to robust lending growth in both domestic and international businesses, coupled with the translation impact of the Rupee devaluation; the latter alone impacted CAR by 51 bps. HBL's unconsolidated Tier 1 CAR declined to 13.4% while the total CAR reduced from 19.2% in December 2020 to 17.2% in December 2021. Both ratios remain comfortably above current regulatory requirements.

In Dec'20, the Bank exercised its call option on the existing Tier 2 subordinated debt TFCs. These stood fully redeemed on Feb 19, 2021.

Business Developments

In 2021, HBL maintained a deposit market share of over 14%, adding more than 900,000 new customers through its branch network. This included more than 100,000 new customers of HBL Asaan Account, a key product for inclusion of the unbanked population; the Bank now has over 1 million Asaan account customers with a total deposit of over Rs 15 billion.

HBL proudly serves over 3.5 million women customers, including 750,000 under its women's market program, Nisa, which has been recognized internationally. During 2021, with a completely refreshed and relevant value proposition, the program added over 110,000 new accounts with a deposit volume of Rs 15.8 billion. Nisa developed a unique toolkit to promote the program's financial literacy agenda and launched a recognition programme aimed at acknowledging and showcasing women across the country. The Nisa platform continues to be a leading initiative of the Bank, helping to bring an increasing number of women into the banking fold.

The Roshan Digital Account (RDA) was launched in 2020 as a joint initiative by the Government and the SBP to engage Non-Resident Pakistanis seeking to undertake banking, payment, and investment activities in Pakistan. The initiative has seen an overwhelming response and has now evolved into an entire product suite of lifestyle services by providing innovative and convenient digital banking solutions. As part of HBL's national agenda, the Bank has played a leading role in the design and launch of the RDA. HBL is amongst the highest contributors to RDA with USD 0.5 billion channeled into the country and a market leading share of 20% of RDA accounts.

The High Net Worth client strategy translated into the launch of HBL Prestige where the focus is on understanding the unique needs of the affluent client segment and creating bespoke solutions and tailored offers. Prestige offers a highly personalized and exclusive experience through dedicated portfolio managers who facilitate clients in fulfilling their financial needs. Prestige clients have access to one-of-a-kind lifestyle experiences and services including Pakistan's first World Elite Debit card, state of the art lounges and digital lockers. Currently, HBL has 24 Prestige touchpoints with the ambition of expanding this to 50 during 2022, taking this signature offering to an increasing number of cities across Pakistan.

HBL continues to introduce services aimed at making banking easier by increasing its digital footprint. During 2021, HBL piloted digital account opening using tablets, enabling the Bank to open accounts by visiting clients at their premises. Recently, in line with an SBP initiative, self-service onboarding was launched, allowing clients to open bank accounts through HBL's website, at their convenience. LED screens were installed in 200 branches to engage customers by creating a high-visibility product display and awareness of value-added services. 2021 also saw the installation of HBL's first ever drive-through ATM in Karachi with plans to add another 15 such ATMs across the country in 2022.

HBL strengthened its lead role in farmer financing with a 20% growth in its portfolio to a record Rs 40 billion; the Bank has market share of ~34% amongst commercial banks. Given the significance of the dairy sector to the agricultural economy, the Bank re-launched dairy financing and, in the first year, booked a portfolio of Rs 1.5 billion, reaching out to more than 900 dairy farmers. HBL also disbursed more than Rs 1 billion to customers who provide value-added services to the rural economy such as seed processing and cold storage. To help farmers mitigate climate related risks HBL, in partnership with insurance players, launched an Area Yield Index Insurance pilot for wheat-paddy farmers. This provides insurance to farmers in case their crop yield falls below historical norms due to unexpected climate events and thus builds up their resilience.

HBL has played a leading role in developing the agriculture ecosystem, focusing on digitalization as a means to achieve farmer convenience. In 2020, HBL invested in Naymat Collateral Management Company which accredits warehouses to international storage standards and issues Electronic Warehouse Receipts (EWRs) against stored crops. In 2021 HBL became the first bank to fund an EWR, approving Rs 400 million against EWRs for paddy, rice and maize. HBL remains the most active user of the Punjab Land Record Authority's portal with more than 60% of total record extractions. This portal provides a one-stop solution to farmers for collateral documentation, facilitating the retrieval of revenue documents and charge creation through computerized land records.

HBL "Kissan ki Awaz" a flagship interactive feedback platform for farmers continued virtually during the year to facilitate and serve farmers with innovative product developments, impartial agronomic advisory and financial literacy sessions. This has helped the Bank to have a better understanding of the farming community and their specific banking requirements.

HBL's farm-to-processor pilots successfully expanded during 2021, scaling up in-kind financing from 444 acres in 2020 to almost 18,000 acres in 2021. To create a more integrated agriculture ecosystem, HBL partners with input suppliers, mechanization vendors, and bulk buyers who provide inputs at the farmers doorstep and modern farm machinery on a rental basis. This engagement serves to raise capacity, increase production efficiency and improve crop yield. HBL's fundamental shift is led by a team of more than 40 agronomists and field officers who guide farmers on best practices. In order to reduce time away from farm activities, HBL has launched a digitally enabled farmer onboarding system through HBL Pay. As a result of HBL's interventions, small leasehold farmers achieved a 22% increase in average maize yield with a 116% increase in net income. These results have been independently validated by Princeton University development economists and demonstrate a double bottom-line impact both for the Bank and the farmers.

HBL's Consumer Banking business had another stellar year, with total consumer lending growing by 31% to cross a landmark Rs 100 billion. In 2 years, HBL has moved from 5th position in Auto Financing to industry leadership in 2021. HBL has a market-leading 21% share with 6.2 million debit cards, on which spend volume increased by 64% to Rs 77 billion in

2021; Credit Card spend grew by 63% to Rs 113 billion. 25% of the total spend on cards is on e-commerce, reflecting the growing share of digital payments. The Merchant Acquiring business expanded its POS network to more than 39,000 machines, the highest in the industry. Throughput at HBL's terminals grew by 53% to Rs 180 billion, accounting for more than a third of the country's total sales volume. The launch of the Ready Cash product in the last quarter of 2021 completed the unsecured product suite by offering a running finance facility to individuals to meet their short-term financing needs.

Digital initiatives in the Consumer business gained substantial momentum in 2021; its digital lending platform saw renewed interest with 31% of new credit cards and 20% of new Personal Loans booked through the HBL Mobile App. In addition to efficiency gains, this solution provides customers with a seamless, paperless and real-time digital experience without ever having to visit a branch. "Tap n Pay acceptance" was launched and enabled on 10,000 POS terminals, allowing customers to simply tap their credit card on the machine for payment. This was followed by the launch of the Tokenization feature for Credit Cards under the HBL Pay brand; customers can now pay just by tapping their phone on suitably enabled POS machines.

In 2021, HBL has been recognized as the "Best Bank for Small and Medium Businesses" for the 3rd consecutive year by the Pakistan Banking Awards. The business has been revitalized under new leadership; in 2021, loans increased by 17% to nearly Rs 74 billion and over 3,000 new customers were added. The Bank is an active participant in SBP-led schemes and has disbursed more than Rs 3 billion under the Kamyab Jawan Scheme. HBL has also launched collateral free financing under the aegis of the SBP's SME Asaan Finance (SAAF), a scheme which will boost the SME sector.

HBL intends to play a meaningful role in the rapidly growing Islamic Banking space. This requires a sizeable dedicated footprint, and in 2021, after an extensive project to convert Islamic windows to branches, the network of Islamic branches increased from 62 to 259. Islamic financing increased to Rs 226 billion, with deposits growing by 35% to Rs 347 billion. The focus on trade resulted in volumes more than doubling to USD 826 million.

HBL's goal is to provide a one window solution for corporate customers and their employees across the range of HBL product offerings, from Treasury to consumer lending and banking products. In 2021, improved focus on Trade products, solutions, and delivery has resulted in the Bank making strong gains in market share, with HBL now recognized amongst the top trade finance banks in the country. Strong penetration in the commodities business and increased focus on structuring trade finance solutions to meet unique customer needs has yielded impressive growth in the Commercial segment, which caters to clients at the higher end of the SME spectrum.

HBL has maintained its dominant position in both cash management and employee banking. Cash management throughput increased by 58% with a record volume of nearly Rs 8 trillion. HBL was awarded the Best Domestic Cash Management Bank by Asia Banking & Finance and was also ranked first in Asiamoney's Cash Management Poll 2021 for Pakistan Market Leader and Best Service. It is particularly gratifying that both awards were won based on votes by clients, a validation of HBL's increasingly customer-centric approach.

HBL Pay Business Banking, a fully digital transaction banking platform for corporates, was launched in Pakistan in 2020 and is being introduced in six international locations. The platform aims to provide clients with the complete suite of corporate payments products through a single sign-on. In Pakistan, digital payments through this platform more than doubled, with 29 million transactions and Rs 3.4 trillion in volume processed.

During 2021 HBL continued to provide a complete suite of innovative investment banking solutions to its customers across a diverse range of industries, with a team that is recognized for its ability to cater to unique customer needs. This has resulted in HBL winning several international and domestic awards including multiple awards for Best Investment Bank in Pakistan, Equity Transaction of the year, and Project Finance transaction of the year.

Strong partnerships with global counterparts helped HBL to be the bank of choice for cross-border transactions. HBL was able to successfully close landmark investment banking deals across the full spectrum of segments. Noteworthy transactions included Advisory and Underwriting for the largest domestic corporate Rights Issue, as well as being the co-manager for the first-ever USD 500 million Eurobond for a large public sector utility. This was also a debut green bond for Pakistan and will serve as a model transaction for green investors looking at potential opportunities in this market. With HBL's commitment to the environment and focus on renewable energy, the Bank has increased engagement with multilateral institutions, partnering with the CDC Group, UK on a 100MW solar power project. In addition, the Bank has a strong pipeline of infrastructure projects under the Public Private Partnership mode.

HBL has taken several initiatives that demonstrate its commitment to embracing Environmental, Social and Governance (ESG) matters as a strategic issue. As Pakistan's largest financial institution, we are committed to ensuring that climate-related risks and opportunities are properly managed within our business and will continue to evaluate the impact of climate change on our business and financial results.

HBL continued to challenge market norms in 2021, raising the bar by undertaking trendsetting initiatives to combat climate change. In 2020, HBL had announced that it would cease any new financing for coal. In 2021, HBL has extended this to industries that contribute to deforestation with the goal of ultimately phasing out other ESG negative industries from its portfolio. During the year, HBL initiated an arrangement to introduce Green analytics for its products and services through the development of Green Taxonomy. This will provide transparency in HBL's practices and guidance to investors who are focused on making environmentally conscious decisions.

HBL has also entered into an engagement with IFC to strengthen environmental and social risk management capacity. In partnership with WWF Pakistan, HBL and WWF will develop sustainable tourism, agriculture, and the coastal environment. HBL has been at the forefront of utilizing the SBP's facility for financing renewable energy projects and disbursed over Rs 5.5 billion in 2021 to encourage and enhance the use of sustainable energy for business needs.

To reduce the impact of the Bank's own operations on the environment, solar panels were installed at a number of premises leading to a 220 metric ton reduction in HBL's carbon footprint. HBL's efforts towards health and safety were recognized through two prestigious awards: the Environmental Excellence Award from the National Forum for Environment & Health and a Fire Safety Award from the Fire Protection Association of Pakistan.

HBL's Treasury stepped up client engagement in 2021 and conducted a series of 'Global Markets Outlook' seminars in 3 cities, providing clients with an insight into current and future trends underpinning the markets. In response to clients' requirements for real-time market information, 'HBL Market Insight' – short video updates on market events and movements – was initiated, and is circulated to clients and other stakeholders on social media and email. HBL Infinity® – the Bank's unique FX portal – was upgraded with added user functionality, providing HBL access to a larger user base and cementing the Bank's position as the leader in e-Trading solutions. In a highly competitive environment, HBL successfully also regained the #1 Primary Dealer position in the SBP's rankings.

Driven by a 29% growth in volumes to USD 2.7 billion, HBL's market share in home remittances increased from 8.2% in 2020, to 8.8% in 2021; by December 2021, monthly market share had reached double-digits. HBL expanded the customer base through: partnerships with leading global money transfer companies; deeper commercial bank penetration in traditional remittance markets; and the development of new corridors. A number of initiatives were taken to digitize the remittance business and have helped expand reach as well as enhance customer experience.

HBL's commitment to serving its customers with a superior banking experience is underpinned by digitization and innovation. It aims to use data driven insights to provide more contextualized products to the right audience and extend relevant banking services to previously unbanked communities while remaining true to consumer needs. Collectively, HBL's digital channels for retail customers processed more than Rs 2.3 trillion in 2021.

In line with its "Mobile First" strategy, HBL continued to enhance its Mobile App by partnering with a number of FinTechs and e-commerce players, developing APIs to simplify integration. This allows HBL to empower its customers by continuously introducing new features and partners through the App. More than 700,000 new users signed up for the App, taking the user base to 2.5 million, by far the largest for any commercial bank in Pakistan; more than 60% of these are monthly active users. HBL Mobile was also rolled out to 6 international locations. In 2021, more than Rs 1 trillion in transactions were processed through HBL Mobile and Internet Banking.

In 2021, HBL Digital introduced Conversational Banking through two new channels: WhatsApp and Facebook Chat Messenger. HBL's customers can now fulfil their basic banking needs through these popular social media platforms, without having to login to the App. These channels are also expected to help divert ~20% of information-only traffic landing at the Call centre, thus freeing up that capacity for more complex transactions.

HBL continued its market leadership in shaping the e-commerce space in 2021. HBL's e-commerce payments solution – HBL Pay Checkout – continued to demonstrate strong growth with over 4.4 million transactions, totaling Rs 28 billion, processed in 2021. These numbers are a near doubling over 2020 and are a testament not just to changing consumer preferences, but also to HBL's agility in responding to market needs. Cardless e-commerce transactions were also enabled for customers of more than 10 local banks and locally operated digital wallets, thereby increasing merchants' reach to millions of new customers previously excluded from this ecosystem.

HBL became the first bank in Pakistan to launch the Dynamic QR code transaction process in partnership with Visa, for which it remains the sole acquirer. The new transaction process offers a seamless, safe, and convenient payment mechanism. HBL has a network of over 54,000 QR merchants spread across urban and rural areas. QR payment volumes doubled over 2020 to more than Rs 700 million.

Konnect by HBL remains the primary vehicle for offering easy access to the unbanked and under-banked segments of society, with women continuing to make up 24% of the client base. Konnect now has 7.1 million accounts with more than 1 million monthly active users. During the year we continued to enable third parties to consume Konnect platform APIs exposed by us to offer basic banking services at their counters through their own front-end.

HBL has dominated the G2P payments space with demonstrated delivery ability. Konnect strengthened its partnership with the Punjab and KPK agriculture departments to digitize subsidy payments, disbursing Rs 11 billion to more than 1 million farmers. Simultaneously, 750,000 Konnect accounts were opened for these farmers, all of whom also subscribed to Kisaan Cards, making Konnect the largest issuer of PayPak debit cards in the country. Under the Ehsaas Kafalat Program, Rs 127 billion were disbursed to 5.7 million regular beneficiaries. Konnect also supported the Sindh government in disbursing education stipends to 100,000 female students.

HBL has grown its agent network by 43% with more than 66,000 agents across Pakistan and is aggressively partnering with top distributors to facilitate cash collections from Agents, thus diverting traffic away from branches. This also allows us to on-board new distributors, as their cash collection agents can deposit smaller amounts of cash at regular intervals at

multiple agent locations throughout the day instead of being restricted to branch timings and locations. Konnect also offers collections services to a number of corporates and microfinance institutions with monthly volumes exceeding Rs 6 billion.

Early in 2021, Robotic Process Automation (RPA) was introduced with successful proof of concept deliveries and more than 50 processes were converted to RPA. The resultant reduction in turnaround times of back-end processes and enablement of 24x7 operations through RPA is expected to translate into significant improvements in customer service and experience. This initiative is expected to be rolled out across a number of new locations and businesses in 2022.

The Bank continues to reshape its International business to become relevant to its global clients and deliver sustainable profitability. Client activity remained strong during the year with twice as many global clients on-boarded as in 2020, and HBL managing their trade, cash and working capital needs. Business momentum strengthened across the network resulting in significant growth in balance sheets with a 25% growth in deposits and a 40% increase in loans. Trade volumes increased by nearly 70%, driven by network synergies and effective beneficiary marketing. The focus on diversifying deposits and soliciting operating accounts delivered a 36% growth in current accounts.

During the year, the China franchise enhanced its role of originating deals for HBL globally, creating revenue opportunities in excess of USD 10 million. The progress made in 2021 in developing this global client business, the financial institutions and trade segments, and growing remittances has provided the platform to continue building the international franchise across target corridors. Digital applications have been launched in several markets, improving customer access and product delivery. There have also been significant improvements to the infrastructure, systems, and the risk, control and compliance environment – these will support sustainable and controlled growth in the years to come.

HBL's Beijing Branch commenced operations in March 2021 and serves as the main engine for origination and execution of Chinese transactions. HBL continued to leverage its unique position of being one of only 3 banks in MENA and South Asia to offer end-to-end RMB intermediation; RMB transactions through Urumqi now account for over 45% of all HBL CNY transactions, compared to a mere 4% in 2020. HBL's successful China coverage model now covers UAE, Sri Lanka, Bangladesh and Maldives; in 2021, the Bank expanded this to East Africa in partnership with its affiliate, Diamond Trust Bank. HBL now serves some of the largest Chinese enterprises in multiple countries, furthering our objective of being a bank of relevance in the region.

To further its stated goal of digital financial inclusion and supporting entrepreneurship initiatives in the country, HBL created a venture capital fund to invest in technology startups, including Fintechs. In 2021, the VC Fund invested in Finja, a digital lending platform for SMEs, and in a digital healthcare platform that boosts ease and quality of the patient journey across multiple healthcare providers. The VC Fund also supported the launch of an "Innovation Banking" segment targeting high growth areas like startups, VC Funds and freelancers, and provided opportunities to startups for short collaborations with HBL.

In line with the call for a Service Emergency in 2021, HBL continued to focus on improving the customer experience by initiating an "Aagahi" – Let's Bridge the Gap – drive. This creates a two-way training channel, using simple, visual, bilingual communications and videos on a number of focus areas from branch hygiene to governance, all aimed at engaging branch staff and improving the customer experience. The programme facilitates deeper engagement and ownership across all Operations teams and helps to bridge knowledge, behavioral and communication gaps between customer expectations and branch staff.

In line with HBL's value of being a customer-centric organization, front-line staff was empowered to provide quick turnaround and superior service to customers. Overall customer satisfaction level was maintained above 80% with problem resolution satisfaction at 50%. During 2021, a total of 204,577 complaints were received by the Bank. These were resolved, on average, within 5 days, while more than 50% of complaints were resolved within 2 days.

HBL's Contact Centre delivered uninterrupted 24 x 7 service to the Bank's customers while handling 13 million interactions over the year. The menu of customer touchpoints was expanded to include WhatsApp and Social Media which collectively facilitated 50k+ monthly customer interactions. IVR services underwent a major upgrade with a host of new self-service features through which 1 million transactions were executed by customers.

The Bank took several initiatives to reduce customer turn-around-times (TATs) including dedicated account opening desks for Prestige Banking, which halved TAT from ~30 to ~15 minutes. Additionally, all branches were provided access to an automated customer complaint system, thus promoting a culture of effectively lodging, reporting and monitoring customer complaints. This has led to improvements in timely resolution of customer complaints and a better customer experience.

The policy for Fair Treatment to Customers was enhanced to include updated regulatory requirements for consumer protection, ensuring a higher level of transparency and accuracy in disclosures. A culture of service excellence was promoted through trainings and regular publication of service stories appreciating exceptional staff efforts. A highly-sought annual Presidential Award for Service Excellence further reinforces the message of constantly raising the service bar.

HBL led focused efforts to migrate customers from branch counters to alternate channels including ATMs, HBL Mobile, and Konnect. This initiative provided convenience to customers, alleviated crowding in branches and enabled branch staff to improve service for complex transactions. Ramps were constructed at 600 branches and ATMs to make banking services accessible to persons with disabilities. All Diebold and Wincor ATMs were upgraded and availability of ATM services was further improved with an uptime of 97%.

HBL's core banking solution, Misys was upgraded to the latest version and has provided much needed additional processing capability to cater for the increased throughput that is being witnessed in the digital space. To improve resilience and reliability, diagnostic tools were deployed within the infrastructure, thus making it easier to identify and address issues proactively. The Bank has decided to migrate to a new core banking solution that would be able to deliver against the demands to be placed upon it for at least the next decade. After an extensive evaluation process, spread over eight months, Temenos, the global leader in this space, was found to be the best fit to meet HBL's aspirational growth plans. A formal contract has recently been signed and the program will be completed over the next three years.

In 2021, HBL's flagship platform, HBLPSL, took place in Pakistan and Abu Dhabi. This was the sixth edition of HBL's sponsorship of the single largest sporting event in the country. To capture the spirit of the game, the Bank launched an advertising campaign "Jahan Fans, Wahan Stadium", its tribute to the millions of cricket fans across the world. HBL also renewed its commitment to be the lead sponsor of the Pakistan Super League for a further four years, till 2025, marking 10 years of support for this national initiative. HBL is proud to have won the prestigious Effie Award 2021 for "Best Influencer Marketing Campaign – HBLPSL 6" as well as the "Web Series of the Year – HBLPSL Jeet ki Jang", at the Pakistan Digital Awards. These are independent validations of the work the Bank has done to build the HBL brand by leveraging the HBLPSL sponsorship.

2021 saw the launch of the new HBL website, which recorded an 84% increase in traffic and a significant improvement in the website load time. HBL won an award for the "Best Website of the Year" at the Pakistan Digital Awards. The Bank continued to enhance its use of social media to market its products and services and served more than 3 billion impressions, a growth of 62% over 2020.

As the country's pre-eminent bank, HBL and Pakistan are inextricably linked. This association is particularly evident and celebrated on patriotic occasions such as Pakistan Day and Independence Day with presence across conventional and social media. This year, HBL was proud to sponsor the Pakistan Pavilion at Expo2020 Dubai. In 2021, HBL also launched a major campaign to mark the 50th anniversary of the iconic HBL Plaza, a symbol of Karachi's skyline.

Human Resources

During 2021, focus continued on employee well-being and development. Operating within the parameters of the Covid pandemic has become the 'new normal', and the Bank continues to support its staff through provision of medical support. In these unprecedented times, HBL has made available unprecedented facilities to its entire workforce. In 2020, HBL offered benefits unique in Pakistan by guaranteeing unlimited medical care to employees who contracted Covid; the Bank also provided interest free loans to staff to take care of non-dependent family members with the virus. In 2021, as part of its #HBLCares initiative, the Bank again led the industry by arranging vaccinations for 100% of staff and their families, as well as for all contract staff, including security guards, at its own cost, through private hospitals. Once vaccines were widely available, HBL facilitated multiple in-house vaccinations in a safe and convenient manner. All in all, HBL vaccinated over 25,000 of its employees, third-party staff and their families; later, the same protocol was followed for boosters. The Bank's employees are now also provided with on-line medical consultation (HBL Sehat Kahani), counselling, and a number of other assistance programs. In these uncertain times, the Bank also introduced a Pay Continuity Plan for all staff, in addition to life insurance. Aligning itself to evolving global practices, HBL became the first bank in Pakistan to launch flexible work arrangements including work from home, part time work and flexible timing.

HBL is committed to embedding Diversity, Equity and Inclusion (DEI) in its people, processes and culture. The Bank has proudly created a workspace that welcomes, celebrates, and empowers Persons with Disabilities and provides them accessibility and employment opportunities through training, internships and buddy programs. HBL has also made concerted efforts to promote the recruitment and retention of women – including a batch of 56 women tellers – and was able to reach a diversity ratio of more than 19%. In 2021, HBL's gender-based initiatives were recognized by Global Diversity and Inclusion Benchmarks (GDIB) through eight global awards for Diversity, Equity and Inclusion.

The Mercer Employee Engagement Survey was repeated after a 3-year period, with over 83% of the employees participating. The results indicated a very healthy employee engagement score of 86% compared to 78% in 2018, with 90% of employees saying they are very proud to work for HBL. Scores on engagement dimensions were above HBL's 2018 scores and above Mercer's global norms for financial institutions. These results are reflective of the focused effort that has been put into this area and the resulting employee engagement, commitment, and loyalty.

Under the new SOPs, staff training and development continued through virtually delivered programs. Over 2,500 sessions for 321 programs were delivered; in all, 570,000 people-hours were invested on staff training. The Bank embarked on an ambitious program of developing university alliances across the country to build a pipeline of future talent and to bridge the gap between academia and industry. In 2021 HBL inducted 34 Management Trainees from top Pakistani and international universities under its acclaimed 'The League' programme. Furthermore, as part of the talent management process, the Bank continued to provide targeted development, growth and career opportunities to high potential staff.

Building a customer-centric, digital and ethical culture remains the Bank's focus and a number of initiatives were undertaken to advance this during the year. As part of creating a positive and enabling culture based on HBL's values, all employees were, for the first time, assessed not just on 'what' they achieved but also on 'how' they achieved it. Senior managers went through a 360-degree feedback process on their values-related behaviours and all staff was trained on how to live the values every day.

Risk Management Framework

To ensure a comprehensive management of risks throughout the Bank, HBL employs a risk management framework that is applicable to all levels of the organization with strong Board oversight, multi-tier management supervision, and efficient systems. This framework has been developed to correspond to the bank's operational complexity, size, and geographical and target market diversification; it is designed to be flexible enough to evolve in line with market dynamics, regulatory changes and the Bank's strategy.

As part of the governance structure, The Board Risk Management Committee (BRMC) monitors, assesses and manages the risk profile of the Bank on an ongoing basis. At senior management level, various risk committees are responsible for oversight and execution while day-to-day risk management activities are delegated to different levels through multi-tier management supervision and clearly articulated policies and procedures. In 2021, a Risk Governance function has been introduced, whose role is to formulate credit policies and procedures and provide oversight related to portfolio management and automation.

The Bank has strong credit management practices that include regular Early Alert Committee meetings and rapid portfolio reviews to help ensure the strength and resilience of its credit portfolio. Since the onset of the pandemic, the Bank regularly conducts Covid impact assessments to monitor any potential impact on the portfolio quality.

To further develop its bench strength and provide structured risk management training, the Bank has introduced a comprehensive modular training program. The objective is to develop a uniform credit risk assessment mindset that is focused on forward-looking risk drivers, and hence proactive, rather than a reactive approach based on historical data. The program has been developed in-house and is being delivered by the Bank's senior resources.

In 2021, Risk Management strengthened its internal credit risk rating framework. A new, data-driven behavioural scorecard model was developed for Small Business Finance under the ambit of SME lending, whilst a new quantitative Consumer Risk Rating Model was developed and implemented for the Consumer business. To support the Government and SBP's Housing Finance initiative, HBL developed an income estimation tool which is now being used by the entire banking industry. Risk management systems continued to evolve to facilitate business growth whilst limiting the effect of any residual risks.

Market and liquidity risk indicators are reviewed on a monthly basis by the Market & Liquidity Risk Committee and by ALCO. A comprehensive structure is in place to ensure that the Bank does not exceed its tolerance for market risk.

Policies and procedures are in place to govern operational risk management practices in a systematic and consistent manner. Key tools such as Risk & Control Self-Assessment, Key Risk Indicators and Operational Loss Data Management are used to gauge the likelihood and severity of operational risk incidents. The Bank's operational risk profile and fraud risk assessment are regularly shared with senior management and the BRMC.

The Enterprise Risk Management (ERM) function, set up in 2020, applies to all functions within HBL, ensuring a robust and consistent approach to risk management at all levels of the organization. HBL's ERM framework outlines the components, key principles and concepts of ERM; suggests a common risk language; and provides a clear direction and guidance for integrated risk management within the Bank. This is expected to bring synergies across the various risk management components and strengthen the risk identification, monitoring and controlling mechanism across the Bank. The ERM department also includes a Model Risk Management unit whose goal is to provide an independent review and validation of all models being used within risk management. During the year, ERM implemented a New Product Initiative Assessment process which aims to comprehensively identify, assess and mitigate all risks within new products and services, to ensure that they are adequately addressed before launch.

HBL places reliance on Compliance Risk Management (CRM) as a prudent mitigation strategy. Global Compliance, as an independent function, assists senior management in designing, implementing, and enabling the CRM framework in all relevant jurisdictions in liaison with relevant businesses. The objective of this framework is to proactively manage regulatory expectations and also to identify emerging compliance and Anti-Money Laundering risks. HBL's CRM strategy dovetails with the Bank's strategy and incorporates industry trends, evolving regulatory requirements and global best practices.

Global Compliance has implemented an appropriate organizational structure for seamlessly connecting with the businesses and enabling the necessary touchpoints with regulators, with whom it continues to work closely. Enhancements were made to a number of policies to create a more appropriate and enabling framework. The Enhanced Due Diligence process was standardised across all HBL geographies. A comprehensive assessment was completed for domestic branches in high-risk areas to capture inherent, changing geographical risk and to strengthen the existing Customer Due Diligence process in line with SBP recommendations. A regulatory Risk & Control Self-Assessment (RCSA) exercise is also underway where RCSAs based on different regulatory themes are being implemented. During the year, a regulatory repository management process was rolled out for monitoring compliance with regulatory instructions.

In 2021, the Bank conducted a skills assessment and training project for all domestic and international Compliance staff with the assistance of an external consultant. A compliance awareness program was also launched across the first and second lines of defence. During the current dynamic economic environment and evolving geopolitical situation, financial crime risk continues to be a key compliance matter. Specialized trainings were conducted for international teams, focusing

on Financial Crime Compliance applications and procedures along with a series of webinars on financial crime and sanctions regimes which were led by recognized international experts.

The Board Compliance and Conduct Committee (BCNCC) and the Compliance Committee of Management, chaired by the President, monitors, reviews and oversees compliance and conduct related matters. HBL's whistleblowing program is directed at safeguarding the Bank's integrity and reputation and aims to increase employee ownership in reporting suspected cases of fraud, corruption, harassment and other infringements of the Bank's Code of Conduct. The BCNCC also oversees ethics and conduct related matters including whistle-blowing; any related investigations are overseen by the Board Audit Committee (BAC) and disciplinary actions are reviewed by the Board Human Resource & Remuneration Committee. During the year, further efforts were made to spread awareness of the various communication channels available for lodging complaints.

It is vitally important for HBL to protect its customers and their data from cyberattacks and data breaches. The Bank's Information Security function plays a pivotal role in protecting HBL's data assets from both internal and external threats through the effective management of cybersecurity risk, supported by preventive and detective controls capable of responding to emerging external threats. The Bank's 24x7 Security Operations Centre continues to contribute to a robust security posture through various monitoring, detection and preventive mechanisms.

The new pandemic-induced remote-working models, the rise of social engineering frauds and HBL's continued drive towards increasing digitalization of products and channels offer opportunities to cyber-criminals. Security protocols for remote working were strengthened, enabling employees to work in a secure and seamless manner, ensuring continuity of business. An extensive internal awareness campaign was launched to provide training and guidance on information security related matters and was supplemented by targeted awareness campaigns for customers. Robust authentication and behavioural analytics of customers transacting over digital channels are essential controls in the prevention of cyber-frauds which are on the rise. A focused effort has helped the Bank to reduce the quantum of such incidents. The Bank also successfully completed the annual requirement of demonstrating compliance to the SWIFT Customer Security Program through an independent, SWIFT certified entity.

Corporate Social Responsibility (CSR)

Giving back to the country and the communities that we serve is part of HBL's strategic agenda. To promote sustained economic and social uplift of the communities it serves, HBL contributes 1% of its annual profit after tax to the HBL Foundation. The Foundation was established in 2009 to promote the development of the underserved and underprivileged sections of society, empowering them to improve their quality of life. It supports organisations primarily working in the fields of healthcare, education, and community development and, in 2021, distributed Rs 313 million to 26 organizations across Pakistan.

In the healthcare sector, the HBL Foundation made total contributions of Rs 243 million. Funding was provided to Shaukat Khanum Hospital for the construction of their new center in Karachi. Support was also given to the Marie Adelaide Leprosy Centre which provides free eye surgical and medical camps in the remotest areas of the country. The Foundation also donated funds to the Patients' Aid Foundation at JPMC for procurement of a cancer treatment machine to provide free treatment where most needed, and to Indus Hospital for a pediatric ICU.

HBL, along with the HBL Foundation, donated Rs 133 million to various entities in the education sector, most notably The Noorani Foundation Trust, the Network of Organizations Working for People With Disabilities, The Citizens Foundation and the Aga Khan University. The Foundation also focuses on contributing to entities that carry out excellent work in underserved provinces; in line with this objective, donations were made to organisations in Mansehra (KPK) for girls education, and to the University of Engineering & Technology in Khuzdar, Balochistan. In line with its focus on addressing environmental and climate change issues, HBL and the HBL Foundation both contributed to the Urban Forest in Karachi which carries out reforestation activities in urban areas.

Art plays a critical role in the lives of people and its impact on society. As a patron of art in Pakistan, HBL is committed to celebrating the outstanding artists that the country has produced and to creating opportunities for the public to engage with art. The Bank organises a monthly interactive art series which is conducted remotely for the bank's staff, their families and friends and is led by HBL's art consultant. The HBL Art Collection comprises of works by contemporary artists of Pakistani origin and is on display throughout the Bank's properties and in its Prestige branches. HBL has partnered with the Lahore Biennale since its inception. In 2021, the Bank commissioned works from Waqas Khan, one of Pakistan's internationally acclaimed artists, which were put on display for HBL's employees, customers as well as the general public, who could view the works by appointment. Recently, HBL sponsored a major public retrospective of Aisha Khalid at Frere Hall; this was visited by more than 30,000 people from all walks of life. As part of this exhibition, HBL supported the restoration and renovation of the Galerie Sadequain at the Frere Hall, enabling it to become a permanent, international standard, public exhibition space.

The Bank played an instrumental role in supporting the government's ongoing efforts to contain the Covid-19 pandemic and encourage vaccinations. In collaboration with the Government of Sindh, HBL set up a drive-through vaccination facility in Karachi through which over 31,000 citizens were vaccinated.

Donations to the HBL Foundation and others are disclosed in Note 28.3 to the unconsolidated financial statements.

Credit Ratings

In June 2021, the Bank's credit ratings were re-affirmed by VIS Credit Rating Company Limited at AAA/A-1+ for long-term and short-term respectively. The rating of the TFCs issued as Additional Tier 1 Capital has also been re-affirmed as AA+. The Outlook on all ratings is Stable. The ratings incorporate HBL's position as the largest commercial bank in the country and reflect its strong financial profile and systemic importance. VIS also pointed out that HBL's strategy of enhancing its digital footprint remains a competitive advantage for the Bank. Moody's also reaffirmed HBL's local and foreign currency deposit ratings at B3 and the baseline credit assessment at caa1. The Outlook on the ratings is Stable.

Future Outlook

Pakistan enters 2022 in a substantially less benign position than the one in which it entered 2021. The growth momentum continues with a more supportive policy framework, headline GDP continues to march towards the 4.0% - 4.5% range and business confidence is at elevated levels. However, a number of structural imbalances – the key one being the external account – have built up in 2021 and need to be addressed. Policymakers are tackling them via various administrative measures such as withdrawal of tax exemptions and restrictions on consumer financing. Deliverables under the resumed EFF programme, such as further hikes in energy tariffs, lowering of stimuli for the construction sector and unwinding of subsidised refinance facilities will all create additional headwinds to growth. The adjustments required on both the fiscal and monetary fronts are expected to moderate growth in FY'22.

The factors behind the sharp reversal in the Current Account from the dovish FY'21 now appear to be alleviating to a degree as imports are moderating on the back of tightening measures by the SBP; the country may return to a more sustainable deficit of < 3% of GDP later in the year. While the structural reforms may create short-term pressures, ultimately they should help to place the country's growth on a firmer footing. In summary, after a challenging H1'22, a more conducive growth environment should prevail in the second half of the year.

HBL has had a record year with leadership positions achieved or sustained across a wide swathe of areas. This year, we are particularly pleased that our achievements over the last few years have been recognised through our winning the elusive Best Bank in Pakistan award at the IBP Banking Awards. Our Transaction Banking business has won a number of awards, made all the more gratifying because they are based on feedback from our clients. We dedicate these results to our customers, many of whom have banked with us across generations and are at the heart of all we do.

HBL continues to invest in every aspect of the agriculture economy – from digitalization of the lending process to actively providing agronomic advisory through feedback sessions, to integrating every aspect of the rural value chain. It is the first commercial bank to have devoted this quantum of resources in a systematic manner to the mainstay of Pakistan's economy. Our pilot interventions are transforming farmers' lives in every way – providing high-quality inputs, reducing cycle times, bringing the branch to the farm – and have resulted in a doubling of farmer income. As we scale this up, it has the potential to radically change Pakistan's agriculture landscape and lift millions out of poverty.

Our several years of technology investment are now resulting in tangible gains as the world adapts to a more virtual way of life. Across all our businesses we see digitalization playing an ever-increasing role and helping us to break from the pack. From HBL Mobile to Konnect, e-commerce to QR payments, HBL continues to set benchmarks in digital adoption and customer uptake. As we draw the curtain on 2021, HBL aims to build on its current successes, accelerating its digital momentum in 2022, and thus realizing our vision of seeing HBL as a technology company with a banking license – one that is spearheading the digital banking revolution in Pakistan.

HBL is an integral part of the nation's fabric – as the country's premier financial institution, HBL has, and always will, step up in every sphere to support the country. We continue to provide thought leadership across all our businesses, working with federal and provincial governments under a public-private partnership model in areas from large-scale infrastructure projects to subsidies targeted at the lower end of the economic pyramid. We have recently extended our support to a full decade of HBLPSL – a balm to this cricket-mad nation in these difficult times. HBL has long been a patron of the arts and this year we made art egalitarian – through renovating public art spaces, sponsoring major Pakistani artists and providing opportunities to the public from all walks of society to enjoy and appreciate art. HBL continues to take bold initiatives to tackle the world's most important issue – climate change – by continually raising the bar, even at the cost of foregoing business. We continue to pursue financial inclusion in all its aspects – inclusion of women through HBL Nisa, inclusion of the underserved through our strong microfinance business, inclusion of millennials through digital banking – to ensure a brighter future for all Pakistanis.

Dividend

The Board has recommended a final cash dividend of Rs 2.25 per share for the year ended December 31, 2021, bringing the total cash dividend for the year to Rs 7.50 per share. The Board had earlier declared and paid interim cash dividends of Rs 5.25 per share.

Change in Directors

Ms. Diane Moore and Mr. Salim Chinoy retired from the Board of Directors on March 26, 2021, at the conclusion of their terms on the previous Board. The Board wishes to place on record its appreciation for their contribution. On March 26, 2021, the Annual General Meeting elected seven Directors to a new three-year term on the Board of HBL, including Ms Saba Kamal and Mr. Khaleel Ahmed.

Ms. Kamal has over 3 decades of experience in the area of Information Technology, with more than 20 years in leadership positions with IBM in Pakistan and internationally. She has an MBA from the Institute of Business Administration (IBA), Karachi, and has completed a number of certifications and trainings at international IBM Centers and from Insead, Boston University and China Europe International Business School (CEIBS). Ms. Kamal has completed her Director certification from the Pakistan Institute of Corporate Governance and currently serves on the Board of Packages Ltd. She is also a member of the IBA Board of Governors.

Mr. Ahmed has over 40 years of financial markets experience. He was Chief investment Officer at the International Finance Corporation (World Bank Group), where he worked for 30 years on emerging economies and financial markets. Mr Ahmed is a Chartered Accountant, qualifying from the Institute of Chartered Accountants of England and Wales and is a Fellow of the Institute of Chartered Accountants, Pakistan. He has prior work experience at Price Waterhouse (London) and National Development Finance Corporation, Pakistan.

The Board welcomes Ms Kamal and Mr Ahmed and looks forward to their contributions.

Meetings of the Board

	Board Meeting	
	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	9	9
Mr Khaleel Ahmed	5	5
Mr. Salim Yahya Chinoy*	1	1
Mr. Shaffiq Dharamshi	9	9
Mr. Moez Ahamed Jamal	9	9
Ms. Saba Kamal	5	5
Ms. Diane Elizabeth Moore*	1	1
Mr. Salim Raza	9	9
Dr. Najeeb Samie	9	9
Mr. Muhammad Aurangzeb	9	9

Meetings of Board Committees

	Board Audit Committee **		Board Risk Management Committee		Board Human Resource and Remuneration Committee **		Board Compliance & Conduct Committee **	
	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	N/A	N/A	N/A	N/A	5	5	N/A	N/A
Mr. Khaleel Ahmed	5	5	N/A	N/A	3	3	5	5
Mr. Salim Yahya Chinoy*	1	1	N/A	N/A	N/A	N/A	1	1
Mr. Shaffiq Dharamshi	N/A	N/A	6	6	5	5	7	7
Mr. Moez Ahamed Jamal	8	8	N/A	N/A	N/A	N/A	8	8
Ms. Saba Kamal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Diane Elizabeth Moore*	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Mr. Salim Raza ***	2	2	6	6	1	1	N/A	N/A
Dr. Najeeb Samie	8	8	N/A	N/A	5	5	N/A	N/A
Mr. Muhammad Aurangzeb	N/A	N/A	6	6	N/A	N/A	N/A	N/A

	Board Development Finance Committee **		Board Nomination & Remuneration Committee		Board IT Committee **		Board Oversight Committee – International Governance	
	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance	Meetings held during tenure	Attendance
Mr. Sultan Ali Allana	2	2	N/A	N/A	N/A	N/A	4	4
Mr. Khaleel Ahmed	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Salim Yahya Chinoy *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Shaffiq Dharamshi	N/A	N/A	3	3	N/A	N/A	N/A	N/A
Mr. Moez Ahamed Jamal	N/A	N/A	3	3	3	3	N/A	N/A
Ms. Saba Kamal	3	3	N/A	N/A	3	3	N/A	N/A
Ms. Diane Elizabeth Moore*	N/A	N/A	N/A	N/A	1	1	N/A	N/A
Mr. Salim Raza ***	3	3	3	3	4	4	N/A	N/A
Dr. Najeeb Samie	N/A	N/A	3	3	N/A	N/A	4	4
Mr. Muhammad Aurangzeb	3	3	N/A	N/A	1	1	4	4

* Mr. Salim Yahya Chinoy and Ms. Diane Elizabeth Moore retired from the Board on March 26, 2021, at the conclusion of their terms

** These Board Committees were reconstituted with effect from April 29, 2021. The Board Development Finance Committee was further reconstituted on December 1, 2021

*** Mr. Salim Raza was co-opted in two meetings of the BAC held on March 29, 2021 and April 19, 2021 and in one meeting of the BHRRC held on April 20, 2021, to meet quorum requirements.

Meetings of the Shariah Board

	Shariah Board Meeting	
	Meetings held during tenure	Attendance
Dr. Muhammad Zubair Usmani (Chairman)	4	4
Dr Ejaz Ahmed Samadani (Member)	4	4
Mufti Muhammad Yahya Asim (Resident Shariah Board Member)	4	4

Auditors

The current auditors, Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and, being eligible, offer themselves for reappointment at the Annual General Meeting. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, as the auditors of the Bank for the financial year 2022 at a fee of Rs 37.086 million with out of pocket expenses and taxes to be paid at actuals.

Statement on Corporate and Financial Reporting

The Board is committed to ensuring that the requirements of corporate governance set by the Securities and Exchange Commission of Pakistan are fully met and the Directors are pleased to report that:

- The financial statements prepared by the management of the Bank present a true and fair view of the state of its affairs, operational results, cash flows and changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The Bank has followed International Financial Reporting Standards (as applicable to Banks in Pakistan) in the preparation of its financial statements and there is no departure from the said standards.
- As a continuous process, efforts have been made to implement an adequate and effective internal control system. HBL follows the SBP Internal Control Guidelines, including the roadmap and the guidelines for Internal Controls over Financial Reporting (ICFR). The Bank has developed a Framework for the management of ICFR.
- There are no doubts about 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 Code.
- Key operating and financial data for the last six years is presented in the financial statements under the section "Growth 2016 to 2021 – Consolidated".
- The Directors, CEO, CFO and Company Secretary have confirmed that neither they nor their spouses are engaged in the business of stock brokerage.

- j) Audit, Human Resource and Remuneration, Risk Management, IT, Compliance and Conduct, Development Finance, Board Oversight for International Governance, and Nomination & Remuneration Committees constituted by the Board are functioning efficiently in accordance with their Terms of Reference. The Board has held nine (9) meetings in the year, including at least once in every quarter.

The Board is pleased to endorse the statement made by the management relating to Internal Controls. The Statement of Internal Control, the Statement of Compliance with the Code, the Review Report on Statement of Compliance with the Code and the Auditors' Reports are attached to the Financial Statements.

Value of Investments in Employee Retirement Benefits Funds

The table below shows the value of the investments of the provident, pension, gratuity and benevolent funds maintained by the Bank, based on their audited financial statements as at December 31, 2021.

	Rupees in million
Employees' Provident Fund	5,342
Employees' Pension Fund	6,140
Employees' Gratuity Fund	2,476
Employees' Benevolent Fund – Executives and Officers	1,781
Employees' Benevolent Fund – Clerical and Non-Clerical	903

Pattern of Shareholding

The pattern of shareholding as at December 31, 2021 and the trading in the Bank's shares by Executives, as defined by the Board of Directors under the Code, is given in the Annual Report under the requirements of the Code.

Parent Company

As disclosed in Note 1.1 of the financial statements, the Aga Khan Fund for Economic Development (AKFED) S.A., is the parent company of the Bank and its registered office is in Geneva, Switzerland.

Training programs attended by Directors

A majority of the Directors have previously attended an SECP approved Directors' Training program and are certified as Directors in accordance with the Code.

In 2021, the Board attended two training sessions. One was on Islamic Finance, both local and global; the other focused on the latest developments in the AML/CFT landscape and how HBL can achieve stability and sustainability in this area. These sessions were conducted by well-recognized external experts.

Board Performance Evaluation

HBL's Board has opted for an external annual evaluation of the Board and its Committees, which was carried out by the Pakistan Institute of Corporate Governance (PICG) in 2021. The evaluation assessed performance both as a Board as well as at the individual Director level, and covered Board Composition, Strategic Planning, Board & CEO Effectiveness, Board Information, Board Committees, Board Procedures and the Control Environment.

Process of Appointment and Nomination of Board members:

Directors are elected to a 3-year term by the shareholders of the Bank. Any casual vacancies are filled by the Board of Directors in line with the Bank's Articles of Association and in compliance with applicable laws and regulations. The nomination of Board members is undertaken by the Board Nomination and Remuneration Committee (BNRC). This can arise either in case of a casual vacancy or where specific requirements are introduced by regulators. Once a potential candidate is identified, the Committee, having undertaken its due diligence, submits a recommendation for the Board's approval. All Directors are approved by the SBP in line with its Fit and Proper Test (FPT) criteria; further, the Independent Directors meet the additional requirements for independence as specified in the SBP's Code of Corporate Governance.

Composition of the Board and Board Committees

The composition of the Board and details of Board Committees are given in the Statement of Compliance with the Code of Corporate Governance.

The Board has the following committees for providing support in strategic direction and enhanced oversight. The board committees function as per their respective Terms of Reference (TORs) approved by the Board. A brief description of the functions of each sub-committee, is as follows:

Board Audit Committee (BAC): The BAC facilitates the Board in setting the ‘tone at the top’ for a strong and effective system of internal controls. The Committee reviews the adequacy and effectiveness of the Bank’s internal control environment, including financial and operational controls, accounting systems, and reporting structure. The Committee provides oversight of the Bank’s Internal Audit function; approves and monitors the progress of the risk-based annual audit plan; and ensures that the Internal Audit Function has adequate resources and is appropriately placed within the organization structure to maintain its independence. The BAC also reviews the Group’s financial statements and associated matters before recommending them to the Board for approval; as part of this process, the Committee also interacts with the External Auditors of the Bank and recommends the appointment, both of the statutory auditors, as well as the auditors of overseas branches, to the Board. The BAC is also responsible for monitoring the implementation of new accounting standards; in particular, the Board has designated the BAC as the committee responsible for oversight of the implementation of IFRS 9 in HBL. For areas that are under its purview, the BAC recommends policies to the Board for approval.

Board Risk Management Committee (BRMC): The Committee is responsible for oversight and advice to the Board on risk related matters, including governance, with respect to the Bank’s risk appetite and profile. The BRMC also ensures the structure and completeness of the Bank’s internal risk framework in relation to the risk profile, and the development and maintenance of an independent, supportive and proactive risk management culture. The Committee also takes a forward-looking approach to ensure that evolving risks are identified and mitigated.

Board Human Resource and Remuneration Committee (BHRRC): The Committee recommends key Human Resources and Remuneration policies including major terms of employment and benefits, Performance Management and Compensation Plans for all key executives and other staff members of the Bank. It also reviews and recommends policies for staff training, career development, talent management and succession planning in line with relevant regulatory requirements and best practices.

Board Compliance & Conduct Committee (BCNCC): The BCNCC supports the Board in overseeing the implementation of a compliance and conduct culture along with governance over the implementation of a bank-wide compliance program. It also monitors the Compliance function’s mandate and capabilities to effectively manage the Bank’s compliance risk profile. The Committee reviews inspection reports from domestic and international regulatory authorities including management actions thereof. In order to enhance the overall conduct environment, the BCNCC also oversees ethics and conduct related matters.

Board Development Finance Committee (BDFC): The Committee assists the Board in providing strategic oversight of financial inclusion objectives, products and services for the underserved and unbanked segments and areas of the country, and initiatives that support the development of the capital markets. A key focus area is to promote financial inclusion in the highly productive but underserved communities throughout the agriculture value chain.

Board IT Committee (BITC): The Board IT Committee reviews, evaluates and makes recommendations to the Board regarding the Bank’s major technology investment plans and strategies. The BITC also reviews the benefits and returns derived from technology spend. The Committee focuses on digital initiatives that can help customer centricity, reduce costs and enhance revenues, and provides guidelines on engaging with Fintechs and using Cloud services. Further, the BITC ensures that effective oversight is provided to the Information Security function of the Bank and that the Information Security posture is aligned with the Bank’s risk appetite.

Board Oversight Committee – International Governance (BOC-IG): The Committee assists the Board in providing oversight of governance of overseas business operations, including subsidiaries, in accordance with the SBP’s Governance Framework for Banks’ Overseas Operations.

Board Nomination & Remuneration Committee (BNRC): The Committee assists the Board in identifying an appropriate structure, size and balance of skills on the Board as deemed necessary to support the strategic objectives and values of HBL for sustainable growth. The BNRC also recommends to the Board, the remuneration arrangements for Directors in line with the regulatory framework.

Appointment and Composition of the Shariah Board

To appoint a Shariah scholar, the management first conducts the screening of the proposed Shariah Board member in line with the SBP’s Fit and Proper Criteria (FAPC). This is then forwarded to HBL’s Board of Directors for approval, after which it is submitted to the SBP along with the filled FAPC form and Board approval and other supporting documents. After receipt of SBP’s clearance, the management engages the member Shariah Board, executes the contract and informs SBP.

HBL’s Shariah Board comprises of three members

Dr. Muhammad Zubair Usmani is amongst the most experienced Shariah Board Members and serves as Chairman of the Shariah Board. He completed his Takhassus fil Iftaa (Islamic Jurisprudence) and Shahdat ul Aalimiyah from Jamia Dar ul Uloom, Karachi. He holds a PhD in Islamic Finance from University of Karachi and a Masters degree in International Relations. He has been associated with the banking and financial services industry since 1999 and has provided Shariah Advisory services to various financial institutions. He also served as a member of the Shariah Board of the State Bank of Pakistan.

Dr. Ejaz Ahmed Samadani is an eminent Shariah scholar. He received his religious qualifications of Takhassus fil Iftaa (Islamic Jurisprudence) and Shahdat ul Aalimiyah from Jamia Dar ul Uloom, Karachi. He holds a PhD in Islamic Studies from Karachi University, a Masters degree in Islamic Studies from Bahauddin Zakariya University and an LLB from Sindh Muslim Government College. He has been associated with the banking and the financial services industry since 2004 and has provided Shariah Advisory services to various financial institutions locally and globally.

Mufti Muhammad Yahya Asim received his religious qualifications of Takhassus fil Iftaa (Islamic Jurisprudence) and Shahdat ul Aalimiyah from Jamia Dar ul Uloom, Karachi. He also holds a Masters degree in International Relations, Arabic and Islamic Studies. Currently, he is pursuing a PhD from the University of Karachi. He has been associated with Islamic Banking and the financial services industry since 2004 and has provided Shariah Advisory services to HBL, Habib Metropolitan Bank, Atlas Asset Management, HBL Asset Management and TPL Window Takaful. He serves as the Resident Shariah Board Member of the HBL Shariah Board.

As per changes introduced by SBP effective July 1, 2021, a Shariah Board Member should be dedicated to one commercial bank only. We are pleased that all our Shariah Board Members have opted to stay with us and surrendered their positions in other institutions.

The Terms of Reference of the Shariah Board (SB) are in accordance with the Shariah Governance Framework issued by the SBP. These include, inter alia, the following:

- The SB is empowered to consider, decide and supervise all Shariah related matters of HBL. All decisions, rulings, fatawas of the SB shall be binding on the Bank whereas the SB shall be responsible and accountable for all its Shariah-related decisions.
- The SB shall ensure the development a comprehensive Shariah compliance framework for all areas of operations of HBL Islamic Banking. All products or services to be offered by HBL Islamic Banking shall have prior approval of the SB.
- The SB shall approve all procedure manuals, product programs/structures, process flows, related agreements, marketing advertisements, sales illustrations and brochures so that they are in conformity with the rules and principles of Shariah.

Compensation of Directors

The shareholders of the Bank approved the Board Remuneration policy at the Annual General Meeting held on March 30, 2020. Under this policy, the Directors' fee for attending Board and Committee meetings is Rs. 600,000 per meeting. The policy also provides travel and daily allowance entitlements for Non-Executive Directors for business related travel.

The details of fees paid to the Directors and the remuneration of the CEO are disclosed in Note 38.1 to the unconsolidated financial statements.

Compensation of Shariah Board Members

The Head, Islamic Banking recommends the compensation of Shariah Board members, based on industry practice, to the President. After approval of the President, it is forwarded to the Head HR for recommendation to the Board Human Resource and Remuneration Committee. The Committee reviews and recommends the compensation of Shariah Board members to the Board of Directors for approval.

At the 229th meeting of the Board of Directors, held on March 26, 2021, the Board had approved monthly remuneration of Rs. 950,000, Rs. 900,000 and Rs. 800,000 for the Chairman, Shariah Board, Member Shariah Board and Resident Shariah Board Member, respectively. The Resident Shariah Board Member is also entitled to a car allowance in addition to the above.

As per their contracts of employment, The Shariah Board members are entitled to travel and daily allowance as per the Bank's Travel Policy in accordance with their grades.

The details of remuneration paid to Shariah Board Members are disclosed in Note 38.1 to the unconsolidated financial statements.

Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these unprecedented times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continue to brave these hazardous conditions to ensure that our customers are able to meet their critical needs in this time of crisis. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

Muhammad Aurangzeb
President & Chief Executive Officer

Moez Ahamed Jamal
Director

February 24, 2022

HBL نے 2021 میں اپنے کاروبار میں کئی سنگ میل عبور کیے اس لیے یہ بینک کے لیے ایک غیر معمولی سال رہا۔ بینک کی بیلنس شیٹ 12% اضافے سے 4.1 کھرب روپے ہو گئی۔ یہ قومی اور بین الاقوامی دونوں سطح پر کاروبار میں مستحکم ڈپازٹ کے استعمال کے نتیجے میں حاصل ہوا، جس میں کل ڈپازٹس 19% بڑھ کر 3.2 کھرب روپے ہو گئے۔ بینک کے ملکی ڈپازٹ 450 ارب روپے سے بڑھ کر 3.0 کھرب روپے پر پہنچ گئے، جس نے مارکیٹ شیئر 14.14% تک بڑھا دیا۔ دسمبر 2021 میں HBL ملکی کرنٹ اکاؤنٹس میں 1 کھرب روپے کا لینڈ مارک پانے والا پاکستان کا پہلا بینک بن گیا۔ کل کرنٹ اکاؤنٹس 17% اضافے سے تقریباً 1.1 کھرب روپے ہو گئے۔

HBL کا بنیادی مقصد وسیع پیمانے پر محتاط طرز پر کریڈٹ کی توسیع کے ذریعے اپنے کلائنٹس اور اصل معیشت کی مدد ہے۔ ملکی قرضہ جات 20% بڑھ کر 1.2 کھرب روپے تک ہو گئے۔ یہ نمونہ تمام تر کاروباری شعبہ جات میں رہی۔ بینک کے دیہی قرضہ جات کا پورٹ فولیو 40 ارب روپے سے اب تک کی بلند ترین سطح پر پہنچ گیا؛ ہاؤسنگ اور کنسٹرکشن فنانسنگ 41% بڑھ کر 42 ارب روپے ہو گئی۔ دسمبر 2021 میں صارفی قرض رکاوٹیں عبور کرتے ہوئے، 100 ارب روپے سے تجاوز کر گیا۔ HBL کے کل قرضہ جات 24% بڑھ کر 1.4 کھرب روپے سے زائد ہو گئے۔ دسمبر 2021 میں ADR بہتری کے ساتھ 41.9% سے بڑھ کر 43.5% ہو گیا۔

اسپیڈ کے شدید دباؤ کے اثرات بیلنس شیٹ کی توسیع کے باعث معتدل ہونے کی وجہ سے 2021 کی خالص منافع آمدن 121 ارب روپے کے ساتھ فلیٹ ہو کر 2020 کی سطح پر رہی۔ بینک کی نان فنڈ آمدن 2020 کے مقابلے میں 19% بڑھ کر 31 ارب روپے ہو گئی۔ سرمایہ جاتی حاصلات نکال کر، اس میں 56% اضافہ ہوا ہے۔ بینک نے فیس کی آمدن میں اپنی قائمانہ حیثیت وسیع کی، جس سے 36% زبردست نمو 22 ارب روپے تک پہنچ گئی۔ بیشتر کاروباروں میں نظر آنے والی نمود ہرے ہند سے میں رہی جس میں فلیگ شپ کارڈز کا حصہ 50% سے زائد رہا۔ تجارت پر مسلسل توجہ مرکوز رکھنے کے نتیجے میں حجم بڑھ کر 16.0 ارب امریکی ڈالر ہو گیا جبکہ فیس 27% اضافے سے 3.8 ارب روپے پر پہنچ گئی۔ ٹریڈری سے منسلک سرگرمیوں سے آمدن (سرمایہ جاتی حاصلات نکال کر) دو گنا سے زائد ہو کر 5.9 ارب روپے ہو گئی۔ نتیجتاً HBL نے بھی 2021 میں 152 ارب روپے کی ریکارڈ آمدن کی۔

HBL اپنے لوگوں سمیت ڈیجیٹل انفراسٹرکچر اور منفرد و متنوع کسٹمر سلوشنز کی فراہمی میں مسلسل سرمایہ کاری کر رہا ہے۔ HBL اپنے معاشرے کی خدمت کے عہد پر قائم ہے جہاں یہ کام کرتا ہے اور اس عزم کا مظاہرہ انڈسٹری کی پہلی ویکی نیشن مہم، ایک دہائی سے کرکٹ کے فروغ میں معاونت اور فن وثقافت کی ترویج کے لیے دیگر تقریبات کے انعقاد سے کرتا رہا ہے۔ کل انتظامی اخراجات کی نمو 2021 میں 2% رہی، جس سے لاگت / آمدن کا تناسب 2020 کے 56.3% سے کم ہو کر 2021 میں 55.8% رہ گیا۔

بینک کے کل پرووژن 2020 کے مقابلے میں 38% کم ہوئے جس میں 5.4 ارب روپے کا عمومی پرووژن شامل ہے۔ 2021 میں بنیادی طور پر انڈسٹری کے مسائل پر مبنی کریڈٹس کے باعث مخصوص چارج لگے۔ بینک کے نان فارمنگ قرضوں میں دسمبر 2020 کی نسبت 1.3 ارب روپے کمی آئی، جس میں ملکی اور بین الاقوامی کاروباروں میں بھی کمی واقع ہوئی۔ افیکیشن کا تناسب دسمبر 2020 میں 6.3% سے بہتری کے ساتھ دسمبر 2021 میں تاریخ کی کم ترین سطح 5.1% پر آ گیا۔ مخصوص کوریج بھی دسمبر 2021 میں 93% سے زائد ہو کر کل کوریج 100% سے زائد پر برقرار رہی۔

ذخائر میں اتار چڑھاؤ

2020

2021

ملین روپے

31,524	34,271
104,668	129,263
31,524	34,271
(155)	206
45	181
31,415	34,658
136,083	163,921

بعد از محصل منافع

افتتاحی غیر تخصیص شدہ منافع

بعد از محصل منافع

وضاحت شدہ منفعت کی ذمہ داریوں پر (نقصان) / منافع کی دوبارہ پیمائش - محصل کا خالص اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ - محصل کا خالص

مناسب کارروائی کے لیے دستیاب منافع

ڈائریکٹر رپورٹ-2021ء

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے سالِ مختتم 31 دسمبر 2021ء کے غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

کلیاتی اقتصادیات کا جائزہ

مالی سال 21 میں بحالی اور نمو کا امتزاج نظر آیا کیونکہ تحریری اقدامات اور موثر ویکسینیشن کے عمل سے ملکی معیشت نے پلٹا کھایا۔ جس کے نتیجے میں مالی سال 21 میں پاکستان نے توقع سے زیادہ 15.6% اصل GDP نمو پیش کی۔ یہی نمو کاربحان مالی سال 22 میں بھی جاری رہا۔ مالی سال 22 کی پہلی ششماہی میں LSM انڈیکس میں 7.4% کا اضافہ ہوا، کیوں کہ اہم شعبوں کی پیداوار میں اضافہ ہوا۔ مزید حرکی اشاریوں نے مذکورہ قبل از با سطح میں نمایاں بہتری دکھائی جس سے سروس سیکٹر کا منظر نامہ مضبوط ہوا۔ اسی دوران عالمی اجناس کی قیمت میں اضافے اور روپے کی ارزانی کے ساتھ طلب میں اضافے سے افراط زر میں بھی اضافہ ہوا۔ نتیجتاً جنوری 22 میں CPI نے دو سالہ بلندی 13.0% ریکارڈ کی، جس کی اوسط مالی سال 22 کے 7 ماہ کے لیے 10.2% رہی جو کہ گزشتہ برس اسی مدت کے لیے 8.2% تھی۔ SBP نے اب اپنے گزشتہ افراط زر کی پیشین گوئی 7%-9% برائے مالی سال 22 میں تبدیلی کر کے 9%-11% کر دی ہے۔

بہتر عالمی منظر نامے، ٹیکسٹائل کی ریکارڈ شپمنٹ اور چاولوں کی مضبوط برآمدات سے مالی سال 22 کی پہلی ششماہی میں 27% نمو ہوئی۔ تاہم درآمدات میں تیز اضافے سے اس پر اثرات مرتب ہوئے جو 54% ہے اور بنیادی طور پر اس کی تین وجوہات ہیں، گزشتہ سال ایشیا کی قیمتیں دگنی ہوئیں۔ خصوصاً توانائی کی؛ اصل منافع کی شرح میں طویل منفیت سے مقامی طلب دوبارہ پیدا ہوئی؛ اور افغانستان کی صورتحال کے باعث پاکستان نے متعدد درآمدات کی ادائیگی کی۔ نتیجتاً اس عرصے میں تجارتی خسارہ دگنا 23.0 ارب امریکی ڈالر ہوا۔ ترسیلات کا بہاؤ ماہانہ 2.5 ارب امریکی ڈالر کے تھریشلڈ سے اوپر یعنی تیز رہا اور مالی سال 22 کی پہلی ششماہی میں 11.3% کی نمو کے ساتھ 15.8 ارب امریکی ڈالر ہو گیا۔ گو کہ اس سے کسی حد تک تجارتی خلا پر کرنے میں مدد ملی، مالی سال 22 کی پہلی ششماہی میں کرنٹ اکاؤنٹ کا خسارہ 9.1 ارب (GDP کا 5.7%) امریکی ڈالر ہو گیا اس کے مقابلے میں مالی سال 21 کی پہلی ششماہی میں سرپلس 1.2 ارب امریکی ڈالر (GDP کا 0.9%) تھا۔

بیرونی اکاؤنٹ پر بڑھتے ہوئے دباؤ کے باوجود، FX کے ذخائر قابو میں رہے؛ مگر اس کے برے اثرات روپے پر مرتب ہوئے، جس کی قدر سال میں 10% (~17\$/ روپے) گھٹی۔ اگست 21 میں بلند ترین سطح پر پہنچنے کے بعد، جنوری 22 کے اختتام تک ذخائر کم ہو کر 22 ارب امریکی ڈالر رہ گئے۔ تاہم، بین الاقوامی سکوک کے اجراء سے 1 ارب امریکی ڈالر سمیت حال ہی میں IMF کی 1 ارب امریکی ڈالر کی چھٹی قسط کی وصولی نے ذخائر کو مزید قوت بخشی۔ روشن ڈیجیٹل اکاؤنٹس میں مسلسل اضافہ ہو رہا ہے اور دسمبر 21 تک مجموعی بہاؤ 3.0 ارب امریکی ڈالر کی حد عبور کر چکے ہیں۔

مالی سال 21 کی پہلی ششماہی میں مالی خسارہ مالی سال 22 کی پہلی ششماہی کی نسبت 21% روپے کی ضمن میں بڑھ گیا مگر GDP کے 2.1% پر برقرار رہا۔ ٹیکس کلکیشن میں 30% اضافے سے ریونیو میں بھی 18% اضافہ ہوا۔ تاہم اخراجات میں اضافی موجودہ اور ترقیاتی لاگت کے سبب 19% اضافے سے ان کا اثر زائل ہو گیا۔ نتیجتاً بنیادی سرپلس جس میں منافع کی ادائیگی شامل نہیں، گزشتہ برس کی سطح سے تیزی سے گر کر محض GDP کا 0.1% رہ گیا۔

یہ سال ایکویٹی مارکیٹس کے لیے ملا جلا رہا جس میں مارکیٹ زیادہ تر حد کی پابند رہی۔ COVID-19 کی لہر کی بار بار آمد، معاشی اقتصادی اشاریے میں بگاڑ، روپے کی قدر میں کمی اور بڑھتی ہوئی غیر یقینی سیاسی صورتحال جذبات سرد کرنے کا سبب بنے۔ نومبر 21 کے آخر میں ایئر لائننگ مارکیٹس میں MSCI کی دوبارہ درجہ بندی سے، سال 21 کی چوتھی سہ ماہی میں خصوصاً ایکویٹی مارکیٹ حساسیت کا شکار رہی، جس کے نتیجے میں بیرون ملک بھاری فروخت ہوئی۔ صرف آخری دن میں ہی 58 ملین امریکی ڈالر کی خالص بیرون ملک فروخت ہوئی، جو پوری سہ ماہی کے بیرونی بہاؤ کا ایک تہائی سے زائد ہے۔ اس طرح PSX انڈیکس دسمبر 20 کے مقابلے میں 1.9% معمولی بحال ہوا۔

SBP نے افراط زر پر قابو پانے کے لیے متعدد اقدامات کیے: اس نے مالیاتی پالیسی کو تیزی سے چست کیا، جس سے پالیسی کی شرح ستمبر 21 سے 9.75% تک یعنی مجموعی طور پر 275bps تک بڑھی۔ بینک کے ذخائر کی شرائط میں اضافے؛ صارفین کے مالیاتی ضوابط کی سختی اور زائد مارجن کی شرائط کے ذریعے درآمدات میں کمی کی۔ مارکیٹ کی صورت حال کے لیے فوری تیار رہنے کے لیے SBP نے سالانہ مانیٹری پالیسی کے اعلانات میں بھی اضافہ کیا ہے۔ اپنی جنوری 21 کی میٹنگ میں، SBP نے غور کیا کہ مالیاتی اور زری اقدامات طلب کا دباؤ کامیابی سے معتدل کر رہے ہیں اور دسمبر 21 کی ہدایات کے مطابق شرح بھی حسب سابق برقرار رکھ رہے ہیں۔ بیان میں بتایا گیا کہ پالیسی کا مقصد ترقی کی رفتار کی یقینی پائیداری تھا اور کسی بھی اچانک سختی کے خاتمے کے اشارے کے طور پر کہا گیا کہ موجودہ حقیقی شرح سود موزوں اور آئندہ تبدیلیاں مناسب ہوں گی۔ سست روسال 2020 کے بعد، صنعتی قرضہ جات نے 2021 میں رفتار پکڑی جن میں 20% اضافہ ہوا جب کہ دو ماہی نمو کے مطابق، مارکیٹ ڈپازٹس میں 17% اضافہ ہوا۔ صنعتی اسپرڈ 2021 کے دوران 79 بی پی اےس سے کم ہوئے، مگر 2022 میں دوبارہ بحالی کی توقع ہے کیونکہ اضافی شرح کا بہاؤ اثاثہ جات کی بیلنس شیٹس کی جانب اپنے اثرات ڈالے گا۔

مالیاتی کارکردگی

2021 میں HBL نے ریکارڈ قبل از محصول منافع 59.0 ارب روپے دیا ہے، جو 2020 میں رپورٹ کیے گئے 53.0 ارب روپے سے 11% زیادہ ہے، جو اس کے متنوع کاروباری شعبوں میں مضبوط کارکردگی کو نمایاں کرتا ہے۔ بعد از ٹیکس منافع 2020 میں 31.5 ارب روپے سے بڑھ کر 2021 میں 34.3 ارب روپے ہو گیا۔ فی شیئر آمدنی 2020 میں 21.49 روپے سے بڑھ کر 2021 میں 23.36 روپے ہو گئی۔

کی اجازت دینا ہے۔ 200 شاخوں میں LED اسکرینز نصب کی گئیں تاکہ صارفین اضافی قدر والی خدمات کے بارے میں آگہی حاصل کر سکیں۔ 2021 میں HBL کی پہلی ڈرائیو تھر ATM کراچی میں اس مقصد کے تحت لگائی گئی کہ 2022 میں ملک بھر میں 15 ایسی ATM لگائی جائیں گی۔

HBL نے اپنے پورٹ فولیو میں 20% اضافے سے، جو ریکارڈ 40 ارب روپے تک جا پہنچا، کسانوں کے لیے سرمائے کی فراہمی میں اپنے نمایاں کردار کو مزید تقویت دی۔ بینک کا دوسرے تجارتی بینکوں کے درمیان مارکیٹ شیئر 34 فیصد ہے۔ زرعی معیشت کے لیے ڈیری سیلکری اہمیت کے پیش نظر بینک نے ڈیری فنانسنگ کو دوبارہ متعارف کروایا اور پہلے سال 900 سے زائد ڈیری فارمرز تک رسائی حاصل کرتے ہوئے 1.5 ارب روپے کی سرمایہ کاری کا اندراج کیا۔ HBL نے ایک ارب سے زائد روپے ایسے صارفین کو ادا کیے جنہوں نے دیہی معیشت کو اضافی قدر والی خدمات فراہم کیں جن میں بیج کی پروسیسنگ اور کولڈ اسٹوریج شامل ہیں۔ کسانوں کی مدد اور موسم سے جڑے خطرات کم کرنے کے لیے HBL نے انشورنس اداروں کے ساتھ مل کر گندم، دھان کے کسانوں کے لیے ایک ایئر بیلیڈ انڈیکس انشورنس پروگرام آزمائشی طور پر متعارف کروایا۔ یہ ایسی صورت میں کسانوں کو انشورنس فراہم کرتا ہے کہ جب غیر متوقع موسمی حالات کی وجہ سے ان کی فصل کی پیداوار کم ہو جائے۔

HBL نے کسان کی سہولت کے ذرائع کے طور پر ڈیجیٹلائزیشن پر توجہ دیتے ہوئے ایگری کلچر ایکوسیستم کی تیاری میں اہم کردار ادا کیا۔ 2020 میں HBL نے نعت کو لیٹرل مینیجمنٹ کمپنی میں سرمایہ کاری کی جو گوداموں کی بین الاقوامی معیارات کے مطابق منظوری دیتی ہے اور ذخیرہ شدہ فصلوں کے بدلے الیکٹرانک ویڈیو رسیڈس (EWRs) جاری کرتی ہے۔ HBL، 2021 میں وہ پہلا بینک بنا جس نے دھان، مکئی اور چاول کے بدلے 400 ملین روپے کی منظوری دیتے ہوئے EWRs کو فنڈز دیے۔ مجموعی ریکارڈ نکالنے کے عمل میں 60% سے زائد کے ساتھ HBL پنجاب لینڈ ریکارڈ اتھارٹی کے پورٹل کا سب سے زیادہ سرگرم صارف رہا۔ یہ پورٹل کسانوں کو متوازی دستاویزات بندی، ریونیو دستاویزات کی بحالی اور کمپیوٹرائزڈ ریکارڈز کے ذریعے رہن رکھنے کے لیے ایک مرحلے کی سہولت فراہم کرتا ہے۔

HBL ”کسان کی آواز“ نامی فلیگ شپ انٹر ایکٹو فیڈبیک پلیٹ فارم نے کسانوں کے لیے سال بھر وچولی اختراعی مصنوعات، غیر جانبدار دیہی معیشت سے متعلق مشورے اور مالی خواندگی کے سیشن کے ذریعے خدمات فراہم کرنے کا سلسلہ جاری رکھا۔ اس کی مدد سے بینک کو کسان برادری اور اس کی مخصوص بینکنگ کی ضروریات سمجھنے میں مدد ملی۔

HBL کے فارم ٹوپروسیس پائلٹس 2021 کے دوران کامیابی سے پھیلے اور اس قسم کی فنانسنگ 2020 کی 444 ایکڑ کے مقابلے میں 2021 میں 18000 ایکڑ تک پہنچ گئی۔ مزید مربوط ایگری کلچر ایکوسیستم کے لیے HBL ان پٹ سپلائرز، میکینائزیشن اینڈ ریزرو اور بڑی مقدار میں خریداری کرنے والوں کے ساتھ شراکت کرتا ہے جو کسانوں کو ان کی دہلیز پر ان پٹس فراہم کرتے ہیں۔ اس عمل کے نتیجے میں گنجائش اور فصل کی پیداوار میں اضافہ ہوتا ہے۔ HBL کی بنیادی تبدیلی کی قیادت چالیس سے زائد ماہرین کاشتکاری اور فیلڈ افسران کرتے ہیں جو کسانوں کو بہترین رہنمائی فراہم کرتے ہیں۔ زرعی سرگرمیوں سے دوری کا وقت کم کرنے کے لیے HBL پے کے ذریعے ڈیجیٹل فارمز آن بورڈنگ سسٹم متعارف کروایا گیا ہے۔ HBL کے توسط سے چھوٹی لیز رکھنے والے کسانوں نے اوسط مکئی کی پیداوار میں 22% اضافہ حاصل کیا جب کہ ان کی خالص آمدنی میں 116% اضافہ ہوا۔ ان نتائج کی آزادانہ طور پر پرنسٹن یونیورسٹی کے ڈیولپمنٹ ماہرین اقتصادیات نے توثیق کی اور اس کا بینک اور کسانوں دونوں پر دگنا اثر ہوا۔

HBL کے کینزیومر بینکنگ بزنس کے لیے یہ ایک اور اہم سال ثابت ہوا۔ 2021 میں مجموعی صارفین کے قرض دینے کے عمل میں 31% اضافہ ہوا اور اس نے 100 ارب کا سنگ میل عبور کیا۔ دو برسوں میں HBL آٹو فنانسنگ میں پانچویں پوزیشن سے انڈسٹری کی قیادت پر پہنچ گیا۔ HBL کا 6.2 ملین ڈیٹ کارڈز کے ساتھ مارکیٹ میں سب سے زیادہ شیئر 21% ہے جس پر 2021 میں خرچ کے حجم میں 64% یعنی 77 ارب روپے اضافہ ہوا۔ کریڈٹ کارڈز کے ذریعے خرچ میں 63% تک یعنی 113 ارب روپے اضافہ ہوا۔ مجموعی اخراجات کا 25% کارڈز پر ہونے سے پتہ چلتا ہے کہ ڈیجیٹل ادائیگیوں کے شیئر میں اضافہ ہو رہا ہے۔ مرچنٹ ایکوائزنگ بزنس نے اپنا POS نیٹ ورک 39 ہزار سے زائد مشینوں تک بڑھایا جو انڈسٹری میں سب سے زیادہ ہے۔ HBL کے ٹرمینلز میں 53% یعنی 180 ارب روپے تک اضافہ ہوا جو ملک کی کل فروخت کے حجم کے ایک تہائی سے زائد ہے۔ ریڈی کیش پراڈکٹ کے 2021 کی آخری سہ ماہی میں متعارف کروائے جانے سے افراد کو ان کی قلیل المیاد مالی ضروریات پوری کرنے کی پیشکش کر کے غیر محفوظ پراڈکٹ سویٹ مکمل کیا گیا۔

صارفی کاروبار میں 2020 میں ڈیجیٹل اقدامات کو حرکت ملی، بینک کے ڈیجیٹل لینڈنگ پلیٹ فارم نے 31% نئے کریڈٹ کارڈز اور 20% نئے ذاتی قرضہ جات سے، جو HBL موبائل ایپ سے درج کیے گئے، تجدید شدہ منافع کا تجربہ کیا۔ یہ پراڈکٹ صارفین کو برانچ میں آئے بغیر ہمارے، بے کاغذ اور بروقت ڈیجیٹل مشاہدہ فراہم کرتی ہے۔ ”ٹیپ اینڈ پے“ آپشنس، کو متعارف اور 10 ہزار POS ٹرمینلز پر فعال کیا گیا جس سے صارفین مشین پر اپنا کارڈ ٹیپ کر کے یا ہلکی سی دسک دے کر ادائیگی کر سکتے ہیں۔ اس کا آغاز HBL پے برانڈ کے تحت کریڈٹ کارڈز کے لیے ٹوکنائزیشن فیچرز متعارف کروائے جانے کے بعد کیا گیا۔ اب صارفین POS مشین پر اپنا فون ٹیپ کر کے یا ہلکی سی دسک دے کر ادائیگی کر سکتے ہیں۔

2021 میں پاکستان بینکنگ ایوارڈ کی جانب سے مسلسل تیسرے سال HBL کو ”چھوٹے اور درمیانے درجے کے کاروبار کے لیے بہترین بینک“ قرار دیا گیا۔ نئی قیادت کے تحت کاروبار کو دوبارہ زندگی ملی اور 2021 میں قرضوں میں 17% تقریباً 74 ارب روپے اضافہ ہوا اور 3 ہزار سے زائد نئے صارفین کا اضافہ کیا گیا۔ یہ بینک SBP کے تحت چلنے والی اسکیمز میں ایک سرگرم شریک ہے اور کامیاب جو ان اسکیم کے تحت 3 ارب سے زائد روپے ادا کر چکا ہے۔ HBL نے SBP کے ایک ونگ SME آسان فنانسنگ (SAAF) کے تحت ایک متوازی فری فنانسنگ متعارف کروائی ہے۔ اس اسکیم سے SME کو فروغ ملے گا۔

HBL تیزی سے بڑھتی ہوئی اسلامک بینکنگ میں بھی ایک با معنی کردار ادا کرنے کی خواہش رکھتا ہے۔ اس مقصد کے لیے ایک بڑی سطح پر موجودگی کی ضرورت ہوتی ہے اور 2021 میں اسلامی ونڈوز کو برانچز میں تبدیل کرنے کے وسیع پراجیکٹ کے بعد اسلامک برانچز کا نیٹ ورک 62 سے بڑھ کر 259 ہو گیا۔ اسلامی فنانسنگ میں 266 ارب روپے کا اضافہ ہوا اور ڈپازٹ 35% اضافے کے ساتھ 347 ارب تک پہنچ گئے۔ تجارت پر توجہ دینے کی وجہ سے حجم دگنے سے زائد ہو کر 826 ملین امریکی ڈالر تک پہنچ گیا۔

(3,152)	(3,427)
(1,834)	(4,401)
(1,834)	(2,567)
—	(2,567)
—	(2,567)
(6,820)	(15,529)
129,263	148,392
21.49	23.36

مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ
نقد منافع منقسمہ - حتمی
پہلا نقد عبوری منافع منقسمہ
دوسرا نقد عبوری منافع منقسمہ
تیسرا نقد عبوری منافع منقسمہ
مجموعی مناسب کارروائیاں
اختتامی غیر تخصیص شدہ منافع

فی حصص (شیر) آمدنی (روپے)

سرمائے کا تناسب

مضبوط نتائج کے ساتھ اندرونی سرمائے کی پیداوار میں 2021 میں 12% اضافہ ہوا۔ کریڈٹ رسک ویڈیو اثاثہ جات 30% بڑھے جبکہ ملکی اور بین الاقوامی کاروباروں میں قرض میں اضافے کے ساتھ روپے کی قدر میں کمی کے نتیجے میں CAR پر 51bps اثرات مرتب ہوئے۔ HBL کا غیر مجموعی Tier 1 CAR کم ہو کر 13.4% ہو گیا جبکہ کل CAR دسمبر 2020 کے مقابلے میں 19.2% سے کم ہو کر دسمبر 2021 میں 17.2% ہو گیا۔ دونوں تناسب موجودہ روگولٹری تقاضوں سے آراستہ سطح تک اوپر رہے۔

دسمبر 2020 میں بینک نے اپنے Tier 2 کے ماتحت قرضوں TFCs پر کال آپشن کی مشق کی جو 19 فروری 2021 تک مکمل باقیاب ہو گئے۔

کاروباری ترقی

2021 میں HBL نے اپنے شاخوں کے نیٹ ورک کے ذریعے 9 لاکھ سے زائد نئے صارفین کے اضافے سے اپنا 14% سے زائد ڈپازٹ مارکیٹ کا شیئر برقرار رکھا۔ اس میں HBL آسان اکاؤنٹ کے ایک لاکھ سے زائد نئے صارفین شامل تھے جو بینک اکاؤنٹ نہ رکھنے والی آبادی کے لیے ایک کلیدی پراڈکٹ ہے۔ اس وقت بینک کے 15 ارب روپے کی مجموعی جمع شدہ رقم کے ساتھ ایک ملین سے زائد آسان اکاؤنٹ کسٹمرز ہیں۔

HBL، 3.5 ملین سے زائد خواتین کو خدمات فراہم کرتا ہے۔ ان میں سے 7 لاکھ 50 ہزار خواتین نساء مارکیٹ پروگرام کے تحت شامل ہیں جسے بین الاقوامی طور پر تسلیم کیا گیا ہے۔ 2021 کے دوران ایک مکمل دوبارہ تازہ کیے گئے اور متعلقہ صارفین کے لیے پرکشش بنائے گئے پروگرام نے 15.8 ارب روپے کے ڈپازٹ کے حجم سے ایک لاکھ 10 ہزار نئے اکاؤنٹس کا اضافہ کیا۔ نساء نے پروگرام کے مالی خواندگی کے ایجنڈے کے فروغ کے لیے ایک منفرد ٹول کٹ متعارف کروائی اور ملک بھر میں خواتین کی خدمات تسلیم اور ان کی نمائش کے لیے ایک باقاعدہ قدر شناسی پروگرام کا آغاز کیا۔ نساء پلیٹ فارم بینک کا ایک بڑا اقدام ہے جو خواتین کی بڑھتی ہوئی تعداد بینکنگ کی طرف لانے میں معاونت فراہم کر رہا ہے۔

روشن ڈیجیٹل اکاؤنٹ RDA حکومت اور SBP کی جانب سے 2020 میں ایک مشترکہ اقدام کے طور پر متعارف کروایا گیا تھا۔ اس اقدام کا مقصد پاکستان میں بینکنگ، ادائیگی اور سرمایہ کاری کی سرگرمیوں کی جانب غیر مقیم پاکستانیوں کو راغب کرنا تھا۔ اس اقدام کو بھرپور پذیرائی ملی اور اب یہ اختراعی اور باسہولت بینکنگ خدمات کی فراہمی کے ذریعے ایک مکمل لائف اسٹائل پراڈکٹ میں تبدیل ہو چکی ہے۔ HBL کے قومی ایجنڈے کے طور پر بینک نے RDA کی تیاری اور اسے متعارف کروانے میں قائدانہ کردار ادا کیا۔ HBL، RDA کو امداد دینے والے سب سے بڑے اداروں میں شامل ہے اور اس کا اندازہ اس بات سے لگایا جاسکتا ہے کہ اس کے ذریعے 0.5 ارب امریکی ڈالر ملک میں آئے اور RDA اکاؤنٹس میں اس کا نمایاں حصہ 20% ہے۔

ہائی نیٹ ورک تھ کلائنٹ اسٹریٹیجی HBL پر سٹیج میں تبدیل ہوئی جس میں دولت مند افراد کی منفرد ضروریات سمجھنے، پیشکشوں کی تیاری اور فرمائشی خدمات پر توجہ دی جاتی ہے۔ پر سٹیج اپنے سرگرم پورٹ فولیو منیجرز کے ذریعے بہت زیادہ ذاتی اور غیر معمولی تجربہ فراہم کرتا ہے جو اپنے صارفین کو ان کی ضروریات کی تکمیل کے لیے سہولت فراہم کرتے ہیں۔ پر سٹیج کلائنٹس کو منفرد اقسام کے تجربات و مشاہدات اور خدمات تک رسائی حاصل ہے جن میں پاکستان کا پہلا ورلڈ ایلٹی ڈیٹ کارڈ، اسٹیٹ آف دی آرٹ لاؤنجر اور ڈیجیٹل لاکر شامل ہیں۔ اس وقت HBL کے 24 پوائنٹس ہیں جنہیں 2022 میں 50 تک بڑھانے کا عزم کیا گیا ہے تاکہ پاکستان کے مختلف شہروں میں یہ سہولت فراہم کی جا سکے۔

HBL اپنے ڈیجیٹل موجودگی میں اضافے کے ذریعے بینکاری کو آسان بناتے ہوئے خدمات فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ 2021 کے دوران HBL نے ٹیلیس استعمال کرتے ہوئے ڈیجیٹل اکاؤنٹ کھولنے کی سہولت فراہم کی۔ اس کے ذریعے بینک کو صارفین کے گھروں میں جا کر بینک اکاؤنٹس کھولنے کی استعداد حاصل ہوئی۔ حال ہی میں SBP کے اقدام کے تحت سیلف سروس آن بورڈنگ کا آغاز کیا گیا جس کا مقصد صارفین کو ان کی سہولت کے مطابق HBL کی ویب سائٹ کے ذریعے اپنے اکاؤنٹ کھولنے

کی بینکنگ میں نمبر ایک پر انٹری ڈیلر کی پوزیشن دوبارہ حاصل کر لی۔

جسم میں 29% اضافے یعنی 2.7 ارب امریکی ڈالر ہونے کی وجہ سے HBL کا داخلی ترسیلات زر میں مارکیٹ شیئر 2020 میں جو 8.2% تھا، وہ 2021 میں 8.8% تک جا پہنچا جب کہ دسمبر 2021 تک ماہانہ مارکیٹ شیئر دو ہندسوں تک پہنچ گیا۔ HBL نے رقم منتقل کرنے والی نمایاں کمپنیوں سے شراکت، روایتی ترسیلات زر کی مارکیٹ میں گہرے تجارتی بینکنگ نفوذ اور نئی راہداریاں بنا کر اپنے صارفین کی تعداد میں اضافہ کیا۔ ترسیلات زر کے کاروبار کو ڈیجیٹائز کرنے کے لیے متعدد اقدامات کیے گئے اور ان سے نہ صرف رسائی میں اضافہ ہوا بلکہ صارف کا تجربہ و مشاہدہ بھی بہتر ہوا۔

ڈیجیٹائزیشن اور اختراع کے نتیجے میں HBL کے اپنے صارفین کو بہترین خدمات فراہم کرنے کے عزم کی حوصلہ افزائی ہوئی۔ بینک کا مقصد ہے کہ ڈیٹا پر مشتمل معلومات کی مدد سے درست حاضرین کو سیاق و سباق سے متعلق پراڈکٹس فراہم کی جائیں اور صارف کی ضروریات سے مخلص رہتے ہوئے پہلے بینک اکاؤنٹ نہ رکھنے والی کمیونٹی تک یہ سلسلہ بڑھایا جائے۔ مجموعی طور پر 2021 میں HBL کے ڈیجیٹل چینل نے ریٹیل صارفین کے لیے 2.3 کھرب روپے سے زائد پروسیس کیے۔

اپنی ”موبائل فرسٹ“ اسٹریٹیجی کے مطابق HBL نے متعدد فن ٹیکس اور ای کامرس کے اداروں سے شراکت داری کرتے ہوئے اپنی موبائل ایپ کو بڑھانے اور انضمام کو سادہ بنانے کے لیے APIs بنانے کا سلسلہ جاری رکھا۔ ایپ کے ذریعے مستقل نئی خصوصیات اور شراکت دار متعارف کروا کر HBL نے اپنے صارفین کو بااختیار بنایا۔ 7 لاکھ سے زائد نئے صارفین ایپ پر سائن اپ ہوئے جس سے انٹرنیٹ پر موجود صارفین کی تعداد 2.5 ملین تک پہنچ گئی جو پاکستان میں کسی تجارتی بینک کے لیے سب سے بڑی تعداد ہے اور ان میں سے 60% سے زائد ماہانہ فعال صارف ہیں۔ HBL موبائل بھی 6 بین الاقوامی مقامات پر پھیلا گیا۔ 2021 میں HBL موبائل اور انٹرنیٹ بینکنگ کے ذریعے ایک کھرب روپے سے زائد کالین دین ہوا۔

2021 میں HBL ڈیجیٹل نے دو نئے ذرائع سے مکالماتی بینکاری متعارف کروائی: وائس ایپ اور فیس بک چیٹ میسینجر۔ HBL کے صارفین اب ایپ پر لاگ ان ہوئے بغیر ان مشہور سوشل میڈیا پلیٹ فارمز کی مدد سے اپنی بینکنگ کی بنیادی ضروریات پوری کر سکتے ہیں۔ یہ توقع بھی کی جاتی ہے کہ یہ ذرائع صرف معلومات پر مشتمل ٹریفک کا 20- فیصد کال سینٹر سے دور موڑنے میں مدد کریں گے اور اس طرح زیادہ پیچیدہ لین دین کے لیے گنجائش نکالے گی۔

HBL نے 2021 میں ای کامرس اسپیس کی صورت گری کرتے ہوئے مارکیٹ کی قیادت کا سلسلہ جاری رکھا۔ HBL کی ای کامرس ادائیگیوں کے لیے سہولت HBL چیک آؤٹ نے 4.4 ملین ٹرانزیکشنز کے ساتھ زبردست بہتری دکھائی اور 2021 میں کل 28 ارب روپے کالین دین ہوا۔ یہ اعداد و شمار 2020 کے مقابلے میں تقریباً دو گنے ہیں اور یہ نہ صرف صارفین کی تبدیل ہوتی ترجیحات کا پتہ دیتے ہیں بلکہ مارکیٹ کی ضروریات کے پیش نظر HBL کی جوابی کارروائی کا بھی مظہر ہیں۔ 10 سے زائد مقامی بینکوں اور مقامی طور پر چلائے جانے والے ڈیجیٹل والٹز کے صارفین کے لیے کارڈ کے بغیر ای کامرس لین دین بھی آسان بنایا اور اس کے سبب بڑھتے ہوئے تاجر ان نئے صارفین تک پہنچے جو پہلے اس ایکوسسٹم میں شامل نہیں تھے۔

HBL پاکستان کا وہ پہلا بینک بن گیا جس نے ویزا کے ساتھ شراکت داری کرتے ہوئے ڈائنامک QR کوڈ ٹرانزیکشن پروسیس متعارف کروایا اور جس کا یہ اکیلا حاصل کنندہ رہا۔ یہ نیا ٹرانزیکشن پروسیس ایک ہموار، محفوظ اور سہولت ادائیگی کا میکزم فراہم کرتا ہے۔ HBL 54 ہزار سے زائد QR تاجروں کا ایک نیٹ ورک رکھتا ہے جو شہری اور دیہی علاقوں میں پھیلے ہوئے ہیں۔ QR ادائیگی کا حجم 2020 سے دگنا ہو کر 700 ملین سے زائد ہو گیا۔

HBL کی پراڈکٹ کنیکٹ بینک اکاؤنٹ نہ رکھنے والے اور بینک پر کم انحصار کرنے والے افراد کو آسان رسائی دینے کا اولین ذریعہ رہی جس میں صارفین کی تعداد میں خواتین کا حصہ 24% ہے۔ اس وقت کنیکٹ کے 7.1 ملین اکاؤنٹس ہیں اور ان میں سے ایک ملین سے زائد ماہانہ فعال صارف ہیں۔ سال کے دوران ہم نے فریقین ثالث کو اس قابل بنانے کا سلسلہ جاری رکھا کہ وہ کنیکٹ پلیٹ فارم APIs کو استعمال کر سکیں تاکہ انہیں بنیادی بینکاری خدمات اپنی سطح پر اپنے کاؤنٹر ز کے ذریعے مہیا ہوں۔

HBL ڈیجیٹل کی صلاحیت کے عملی مظاہرے کے باعث G2P ادائیگیوں میں غالب رہا۔ کنیکٹ نے سبڈی ادائیگیوں اور ایک ملین سے زائد کسانوں کو 11 ارب روپے ادا کرنے کے لیے اس کی پنجاب اور کے پی کے کے ایگری کلچر ڈیپارٹمنٹ کے ساتھ شراکت داری کو مستحکم کیا۔ درس اٹھان کسانوں کے لیے 7 لاکھ 50 ہزار اکاؤنٹس کھولے گئے اور ان تمام کسانوں کو کسان کارڈز کے لیے بھی سبسکرائب کیا گیا جس کے نتیجے میں کنیکٹ ملک میں پے پاک کریڈٹ کارڈز کا سب سے بڑا اجراء کنندہ بنا۔ احساس کفالت پروگرام کے تحت 127 ارب روپے 5.7 ملین باقاعدہ مستفید ہونے والوں کو ادا کیے گئے۔ علاوہ ازیں کنیکٹ نے ایک لاکھ طالبات کو تعلیمی وظائف کی ادائیگی کے لیے سندھ حکومت کی بھی معاونت کی۔

HBL نے اپنے ایجنٹ نیٹ ورک کو 43% تک بڑھایا اور اس وقت پاکستان بھر میں اس کے 66 ہزار سے زائد ایجنٹس موجود ہیں۔ بینک اعلیٰ درجے کے تقسیم کاروں کے ساتھ شراکت داری کر رہا ہے تاکہ ایجنٹس سے کیش کی وصولی میں انہیں سہولت فراہم کی جاسکے اور یوں براؤنچر سے ٹریفک کو دور کیا جائے۔ اس کی وجہ سے ہم نئے تقسیم کاروں کو آن بورڈ بھی لے سکتے ہیں کیوں کہ ان کے کیش جمع کرنے والے ایجنٹس براؤنچ کے اوقات اور مقامات تک محدود رہنے کے بجائے دن بھر میں متعدد مقامات پر کم مقدار میں کیش جمع کر سکتے ہیں۔ کنیکٹ 6 ارب سے زیادہ کے ماہانہ حجم کے ساتھ متعدد کاروباری اداروں اور مائیکرو فنانش اداروں کو بھی رقوم جمع کرنے کی سروس پیش کرتا ہے۔

2021 کی ابتدا میں کانسیپٹ ڈیولپرز کے کامیاب ثبوت کے ساتھ روبو لنک پروسیسز آٹومیشن (PRA) متعارف کروایا گیا اور 50 کارروائیوں کو PRA میں تبدیل کیا گیا۔ PRA کے ذریعے 24x7 جاری رہنے والے آپریشنز سے ٹرن اراؤنڈ ٹائم میں ہونے والی تخفیف سے کسٹمر سروس میں بہتری واقع ہوگی اور اس پروگرام کو 2022 میں متعدد مقامات اور کاروباروں تک پھیلانے کی توقع ہے۔

اپنی تمام خدمات کے حوالے سے HBL کا مقصد اپنے کاروباری صارفین اور ان کے ملازمین کو ایک ون ونڈو سلوشن فراہم کرنا ہے۔ 2021 میں تجارتی مصنوعات، خدمات اور ڈیپوٹری پر توجہ دینے کے نتیجے میں بینک کے مارکیٹ شیئر میں اضافہ ہوا اور اب HBL کو ملک کے بڑے تجارتی فنانس بینکوں میں سے ایک تسلیم کیا جاتا ہے۔ اشیائے کاروبار میں مضبوط نفوذ اور صارفین کی منفرد ضروریات پوری کرنے کے لیے تجارت کی مالی سہولت پر توجہ بڑھنے سے تجارتی حصے میں متاثر کن اضافہ ہوا جو SME ایکسپریس کے گراں قدر صارفین کا بھی خیال رکھتا ہے۔

HBL نے کیش مینجمنٹ اور ملازمین کی بینکاری دونوں میں اپنی پوزیشن برقرار رکھی۔ کیش مینجمنٹ میں 58% اضافہ ہوا اور یہ تقریباً 8 کھرب روپے کے ریکارڈ حجم تک پہنچ گیا۔ HBL کو ایٹیا بینکنگ اور فنانس کی جانب سے بیسٹ ڈومیسٹک کیش مینجمنٹ بینک کا ایوارڈ دیا گیا اور پاکستان مارکیٹ لیڈر اور بہترین خدمات کے لیے ہونے والے Asiameoney's Cash Management Poll 2021 میں پہلے نمبر پر آیا۔ یہاں اطمینان بخش بات یہ ہے کہ دونوں ایوارڈ صارفین کی جانب سے دیے گئے ووٹوں کی مدد سے جیتے گئے جو HBL کی صارفین سے بڑھتی رسائی کی توثیق ہے۔

HBL پے بزنس کو، جو کاروباری افراد کے لیے مکمل ڈیجیٹل لین دین کا حامل بینکنگ پلیٹ فارم ہے، پاکستان میں 2020 میں متعارف کروایا گیا اور اب تک یہ 6 بین الاقوامی مقامات پر متعارف کروایا جا چکا ہے۔ اس پلیٹ فارم کا مقصد سنگل سائن آن کے ذریعے کارپوریٹ سیکٹرز کو ادائیگی کی تمام خدمات فراہم کرنا ہے۔ پاکستان میں اسی پلیٹ فارم کے ذریعے ڈیجیٹل ادائیگیاں گنتی سے زائد ہو گئیں۔ اس کا اندازہ اس بات سے لگایا جاسکتا ہے کہ 3.4 کھرب روپے کی 29 ملین ٹرانزیکشنز ہوئیں۔

2021 کے دوران HBL نے صارفین کی منفرد ضروریات پوری کرنے کے قابل ٹیم کی مدد سے مختلف اقسام کی انڈسٹریز میں موجود اپنے صارفین کو اختراعی سرمایہ کاری بینکاری کی سہولت فراہم کرنے کا سلسلہ جاری رکھا۔ اس کے نتیجے میں HBL کو کئی بین الاقوامی ایوارڈ ملے جن میں بیسٹ انویسٹمنٹ بینک ان پاکستان، ایکویٹی ٹرانزیکشن آف دی ایئر اور پراجیکٹ فنانس ٹرانزیکشن آف دی ایئر جیسے ایوارڈز شامل ہیں۔

اپنے عالمی ہم عصروں سے مضبوط شراکت داری کی وجہ سے HBL کو سرحد پار لین دین کے لیے پسندیدہ بینک بننے میں مدد ملی۔ HBL نے کامیابی کے ساتھ انویسٹمنٹ بینکنگ کے سنگ میل طے کیے۔ ان میں قابل ذکر ٹرانزیکشن سب سے بڑے مقامی کاروباری رائٹس الیشو کے لیے ایڈوائزری اور انڈر رائٹنگ ہے۔ علاوہ ازیں ایک بڑے سرکاری شعبے کی یوٹیلیٹی کے لیے پہلی مرتبہ 500 ملین ڈالرز کے یوروبانڈز کے لیے شریک بیجنر بننا ہے۔ یہ پاکستان کے لیے بھی پہلا گرین بانڈ تھا اور ان سرمایہ کاروں کے لیے ماڈل ٹرانزیکشن ہوگی جو اس مارکیٹ میں ممکنہ مواقع پر نظر رکھے ہوئے ہیں۔ ماحول کے حوالے سے HBL کی وابستگی اور قابل تجدید توانائی پر توجہ کے نتیجے میں بینک نے کثیر الجہتی اداروں سے روابط بڑھائے ہیں اور برطانیہ سے CDC گروپ سے 100MW کے شمسی توانائی کے منصوبے میں شراکت داری کی ہے۔ علاوہ ازیں پبلک پرائیویٹ پارٹنرشپ کے تحت بینک کے مضبوط انفراسٹرکچر کے پراجیکٹس زیر عمل ہیں۔

HBL کے ایسے کئی اقدامات ہیں جن سے اس کے ماحولیاتی، سماجی اور انتظامی (ESG) معاملات کے ایک حکمت عملی کے مسئلے کے طور پر قبول کرنے کا پتہ چلتا ہے۔ پاکستان کے ایک سب سے بڑے مالیاتی ادارے کے طور پر ہم اس بات کو یقینی بنانے کے لیے پرعزم ہیں کہ ہمارے کاروبار میں موسم سے جڑے خطرات اور مواقع کی باقاعدگی سے نگرانی کی جائے اور ہم موسمیاتی تبدیلی کے اپنے کاروبار اور مالی نتائج پر اثرات کا تجزیہ جاری رکھیں گے۔

HBL نے موسمیاتی تبدیلی پر قابو پانے کے لیے رجحان ساز اقدامات کے ذریعے 2021 میں مارکیٹ کے رائج اصولوں کو چیلنج کرنے کا سلسلہ جاری رکھا۔ 2020 میں HBL نے اعلان کیا کہ وہ کونسل کے لیے نئی فنانسنگ کو بند کر دے گا۔ 2021 میں HBL نے اس سلسلے کو توسیع دیتے ہوئے ایسی انڈسٹریز کو بھی اس میں شامل کر لیا جو درختوں کی کٹائی میں ملوث تھیں۔ اس اقدام کا مقصد یہ تھا کہ اپنے پورٹ فولیو میں سے مزید منفی ESG رکھنے والی انڈسٹریز کو نکال دیا جائے۔ سال کے دوران HBL نے گرین ٹیکسٹائل کے ذریعے اپنی مصنوعات اور خدمات کے لیے گرین اینالیٹکس متعارف کروانے کی خاطر بندوبست کرنا شروع کیا۔ یہ HBL کی سرگرمیوں میں شفافیت فراہم کرے گا اور ساتھ ہی ایسے سرمایہ کاروں کی رہنمائی بھی کرے گا کہ جو ماحولیاتی طور پر حساس فیصلوں پر توجہ مرکوز رکھے ہوئے ہیں۔

HBL ماحولیاتی اور سماجی خطرات میں کمی کی استعداد میں استحکام کے لیے IFC کے ساتھ مصروف عمل ہے۔ WWF پاکستان کے ساتھ شراکت داری کے ذریعے HBL اور WWF ایک دیرپا ساحتی، زرعی اور ساحلی ماحول تیار کریں گے۔ HBL قابل تجدید توانائی کے منصوبوں کے حوالے سے SBP کی سہولت استعمال کرنے کے اعتبار سے صف اول میں ہے اور 2021 میں اس نے کاروباری ضروریات کے لیے دیرپا توانائی کے استعمال کی حوصلہ افزائی کے لیے 5.5 ارب روپے ادا کیے۔

بینک نے اپنے انتظامات کے ماحول پر اثرات کم کرنے کے لیے کئی مقامات پر سولر پینلز نصب کیے گئے ہیں جس کی وجہ سے HBL کے کاربن فٹ پرنٹ میں 220 میٹرک ٹن کمی واقع ہوئی۔ دوا علی درجے کے ایوارڈز کے ذریعے HBL کی حفاظت اور صحت کے لیے خدمات کو تسلیم کیا گیا۔ ان میں نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ کی جانب سے انوائرنمنٹل ایکسی لینس ایوارڈ اور فائر فیکشن ایبوسٹی ایشن آف پاکستان کی جانب سے دیا گیا ایک فائر سیفٹی ایوارڈ شامل ہے۔

HBL ٹریڈری نے 2021 میں اپنے صارفین سے رابطے کے لیے تین شہروں میں ”گلوبل مارکیٹس آؤٹ لک“ سیمینارز کے ایک سلسلے کا آغاز کیا۔ ان سیمینارز میں صارفین کو مارکیٹ کے موجودہ اور مستقبل کے رجحانات کے بارے میں آگہی دی گئی۔ مارکیٹ سے متعلق بروقت معلومات کی صارفین کی ضرورت کے جواب میں مارکیٹ میں رونما ہونے والے واقعات سے ان کو باخبر رکھنے کے لیے ایک مختصر ویڈیو اپ ڈیٹس ”HBL مارکیٹ انسائٹ“ کا آغاز کیا گیا اور اسے سوشل میڈیا اور ای میل کی مدد سے صارفین اور دوسرے اسٹیک ہولڈرز تک پھیلا دیا گیا۔ HBL ایفینسٹی کو، جو بینک کا منفرد ایف ایکس پورٹل ہے، صارف کی فعالیت میں اضافے اور بڑے پیمانے پر صارفین کی HBL تک رسائی کی فراہمی کے ذریعے بہتر بنایا گیا اور ای ٹریڈنگ کی سہولت میں ایک لیڈر کے طور پر بینک کی پوزیشن کو مستحکم کیا گیا۔ سخت مقابلے کی فضا میں HBL نے کامیابی سے SBP

HBL کی بینکنگ کی بنیادی سہولت MISYS کو جدید ترین ورژن کے ساتھ اپ گریڈ کیا گیا اور ڈیجیٹل اسپیس کی ضروریات پوری کرنے کے لیے اس کی صلاحیت میں اضافہ کیا گیا۔ رجوع اور بھروسے کو بہتر بنانے کے لیے انفراسٹرکچر میں تشخیصی آلات لگائے گئے تاکہ مسائل کا موثر انداز میں اور آسانی سے پتہ لگا کر ان کے حل پر توجہ دی جائے۔ بینک نے اب ایک نئی اور اہم بینکنگ کی سہولت کی جانب منتقل ہونے کا فیصلہ کیا ہے جو اگلے عشرے تک مطالبات کی تعمیل کے قابل ہو گا۔ کافی غور و خوض کے بعد، جو آٹھ ماہ سے زائد پر مشتمل تھا، ٹیموں، جو اس شعبے میں ایک عالمی لیڈر ہے، HBL کے ترقی کے منصوبوں کی تکمیل کے لیے موزوں تسلیم کیا گیا۔ اس حوالے سے ایک رسمی معاہدہ حال ہی میں ہوا ہے اور یہ پروگرام اگلے تین برسوں میں مکمل ہو جائے گا۔

2021 میں HBL کا فلنگ شپ پلیٹ فارم HBLPSL پاکستان اور ابو ظہبی میں ہوا۔ یہ ملک میں HBL کے تعاون سے سب سے بڑے اسپورٹس ایونٹ کا چھٹا ایڈیشن تھا۔ کھیل کے جذبے کو ابھارنے کے لیے بینک نے ایک تشہیری مہم چلائی ”جہاں فیز، وہاں اسٹیڈیم“ جس کے ذریعے دنیا بھر میں لاکھوں شائقین نے کرکٹ کو خراج تحسین پیش کیا گیا۔ HBL نے اپنے اس عزم کی بھی تجدید کی کہ یہ اگلے چار برس 2025 تک پاکستان سپر لیگ کا نمایاں اسپانسر رہے گا اور یوں اس قومی پروگرام کی مدد و حمایت کا سلسلہ 10 برس تک پہنچ جائے گا۔ HBL ”میٹ انفلوئنسر مارکیٹنگ سیمینار“ HBLPSL6 کے لیے ایف ایوارڈ 2021 اور پاکستان ڈیجیٹل ایوارڈز میں ”ویب سیریز آف دی ایئر HBLPSL جیت کی جنگ“ جیسے گراں قدر ایوارڈز جیتنے پر فخر محسوس کر رہا ہے۔ HBLPSL کی اسپانسر شپ کے ذریعے HBL کو برانڈ بنانے کے لیے بینک کی جانب سے کیے گئے اقدامات کی یہ آزادانہ توثیق ہے۔

2021 میں HBL کی ویب سائٹ متعارف کروائی گئی جس کی ٹریفک میں 84% اضافہ ریکارڈ کیا گیا اور ویب سائٹ کے لوڈ ٹائم میں بھی قابل ذکر بہتری رونما ہوئی۔ پاکستان ڈیجیٹل ایوارڈز میں HBL نے ”میٹ ویب سائٹ آف دی ایئر“ کا ایوارڈ حاصل کیا۔ بینک نے اپنی مصنوعات اور خدمات کو مارکیٹ کرنے کے لیے سوشل میڈیا کے استعمال میں اضافہ کیا اور تین ارب سے زائد ایمپرائزمنٹ حاصل کیے جو 2020 کے مقابلے میں 62% زیادہ بڑھوتری ہے۔

ملک کا نمایاں بینک ہونے کی وجہ سے HBL اور پاکستان الٹو طور پر جڑے ہوئے ہیں۔ یہ وابستگی بالخصوص یوم پاکستان اور یوم آزادی کے مواقع پر روایتی اور سوشل میڈیا پر واضح طور پر دیکھی جاسکتی ہے۔ رواں برس HBL ایکسپو 2020 دبئی میں پاکستان پولیٹکس کو اسپانسر کرنے پر فخر محسوس کر رہا ہے۔ 2021 میں HBL نے آئیکنک HBL پلازہ، جو کراچی کے افق کی ایک علامت ہے، کی پچاسویں سالگرہ منانے کے لیے ایک بڑی مہم متعارف کروائی۔

ہیومن ریسورسز

2021ء کے دوران، عملے کی صحت اور ترقی پر توجہ مرکوز رہی۔ کورونا وائرس کے باعث مقررہ پیمانوں کے تحت کام ’نیا معمول‘ بن چکا ہے اور بینک نے طبی سہولتوں کی فراہمی کے ذریعے اپنے عملے کی مدد جاری رکھی ہے۔ اس غیر معمولی وقت میں، HBL نے اپنے تمام کام کرنے والوں کو غیر معمولی سہولتیں فراہم کیں۔ 2020ء میں HBL نے کورونا وائرس سے متاثر ہونے والے عملے کو لا محدود طبی سہولتوں کی ضمانت دی جو پاکستان میں ایک منفرد پیشکش تھی؛ عملے کے اہل خانہ میں ایسے افراد جو ان پر انحصار نہیں کرتے، ان کے بھی وائرس سے متاثر ہونے کی صورت میں ان کا خیال رکھنے کے لیے بینک نے عملے کو سوسائٹس کے لیے اپنی فراہم کیے۔ 2021ء میں، اپنے #HBLCares منصوبے کے تحت، بینک نے اپنے 100% عملے اور ان کے اہل خانہ کے ساتھ کانٹریکٹ پر کام کرنے والے عملے، بشمول سکیورٹی گارڈز کے لیے اپنے خرچے پر نجی اسپتالوں کے ذریعے ویکسینیشن کا انتظام کر کے ایک بار پھر انڈسٹری میں سبقت حاصل کی۔ جب ویکسین بڑے پیمانے پر دستیاب ہو گئی تو HBL نے اپنی عمارت میں محفوظ اور سہولت انداز میں ویکسینیشن کے متعدد انتظامات کیے۔ مجموعی طور پر، HBL نے اپنے 25,000 سے زائد عملے، تھڑ پاپانی عملے اور ان کے اہل خانہ کو ویکسین فراہم کی؛ بعد ازاں، بوسٹرز کے لیے بھی یہی طریقہ کار اپنایا گیا۔ اب بینک کے عملے کو آن لائن طبی مشاورت (HBL صحت کہانی)، کاؤنسلنگ، اور دیگر متعدد معاونتی پروگرام بھی فراہم کیے جا رہے ہیں۔ غیر یقینی کی اس صورت حال میں، HBL نے لائف انشورنس کے علاوہ تمام عملے کے لیے تنخواہ جاری رکھنے کا منصوبہ بھی متعارف کروایا۔ عالمی طریقوں سے خود کو کم آہنگ کرتے ہوئے، HBL پاکستان میں کام کے چلک دار انتظامات متعارف کروانے والا پہلا بینک بن گیا، جس کے تحت گھر سے کام کرنے، جزوقتی کام کرنے اور کام کے چلک دار اوقات کی سہولت شامل ہے۔

HBL اپنے عملے، طریقہ کار اور کلچر میں تنوع، مساوات اور شمولیت (DEI) شامل کرنے کے لیے پُر عزم ہے۔ بینک نے فخر یہ طور پر ایسی جائے کار تیار کی ہے جہاں معذوری کے حامل افراد کو خوش آمدید کہا جاتا ہے، ان کا ساتھ دیا جاتا ہے اور انھیں با اختیار بنایا جاتا ہے، نیز تربیت، انٹرن شپ اور بڑی پروگراموں کے تحت سہولت اور ملازمت کے مواقع فراہم کیے جاتے ہیں۔ HBL نے خواتین کو بھرتی کرنے اور انھیں ملازمت پر برقرار رکھنے کے لیے ٹھوس اقدامات کیے ہیں۔ جن میں 56 خواتین ٹیلرز کی بھرتی بھی شامل ہے۔ اور تنوع کی شرح 19% سے اوپر لے جانے میں کامیاب رہا ہے۔ 2021ء میں، گلوبل ڈائریکٹوریٹ (GDIB) میں آٹھویں عالمی ایوارڈ برائے ڈائریکٹوریٹ، ایکویٹی اور انکلیوژن کے ذریعے HBL کے صنفی بنیادوں پر اقدامات کا اعتراف کیا گیا۔

تین سال کے عرصے کے بعد مرسر ایمپلوائی انگیجمنٹ سروے دہرایا گیا جس میں 83% سے زائد عملے نے شرکت کی۔ سروے کے نتائج میں ایمپلوائی انگیجمنٹ کا انتہائی صحت مندانہ اسکور 86% سامنے آیا جو 2018ء میں 78% تھا، جہاں 90% عملے کا کہنا تھا کہ انھیں HBL کے لیے کام کرنے پر بے حد فخر ہے۔ انگیجمنٹ کے پہلوؤں سے متعلق اسکورز نہ صرف HBL کے 2018ء کے اسکور سے، بلکہ مالیاتی اداروں کے لیے مرسر کے عالمی معیار سے بھی زیادہ تھے۔ یہ نتائج ان اس شعبے میں کی جانے والی بھرپور کوششوں کی عکاسی کرتے ہیں جن کا نتیجہ ایمپلوائی انگیجمنٹ، عزم، اور وابستگی کی صورت میں آیا ہے۔

نئے طریقہ کار کے مطابق، عملے کی تربیت اور نشوونما کا سلسلہ ورچوئل انداز میں فراہم کردہ پروگراموں کے ذریعے جاری رہا۔ 321 پروگراموں کے لیے 2,500 سے زائد سیشن کا انعقاد کیا گیا؛ مجموعی طور پر عملے کی تربیت میں 570,000 افرادی گھنٹوں کی سرمایہ کاری کی گئی۔ بینک نے ملک بھر میں جامعات کے ساتھ شراکت داری کے بلند حوصلہ

بینک خود کو اپنے عالمی صارفین کے مطابق بنانے اور دیرپا منافع کے لیے اپنے بین الاقوامی کاروبار کی نئی صورت گری کر رہا ہے۔ سال کے دوران کسٹمر کی سرگرمی مستحکم رہی جس میں 2020 کے مقابلے میں دگنے کسٹمر آن بورڈ ہوئے اور HBL ان کی تجارت، کیش اور ورکنگ کیسٹیل کی ضروریات کا انتظام کر رہا ہے۔ پورے نیٹ ورک میں کاروبار کی حرکت کو تقویت ملی اور اس کا نتیجہ بینلس شیٹس میں ڈپازٹس میں 25% اضافہ اور قرضوں میں 40% اضافہ کی صورت نظر آیا۔ نیٹ ورک کی ہم آہنگی اور موثر منفعت پر مبنی مارکیٹنگ سے تجارت کے حجم میں تقریباً 70% تک اضافہ ہوا۔ ڈپازٹس کو متنوع بنانے اور اکاؤنٹس آپریٹنگ کی درخواست دینے پر توجہ دینے سے کرنٹ اکاؤنٹس میں 36% اضافہ ہوا۔

سال کے دوران چینی فریجائز نے عالمی طور پر HBL کے لیے کاروبار کے مواقع پیدا کرنے کے لیے اپنے کردار میں اضافہ کیا اور 10 ملین امریکی ڈالر سے زائد کے آمدنی کے مواقع پیدا ہوئے۔ عالمی کلائنٹ کے کاروبار میں 2021 میں بڑھوتری ہوئی، مالی اداروں، تجارتی سیگمنٹ اور بڑھتے ہوئے ترسیلات زر نے ایک ایسا پلیٹ فارم مہیا کیا کہ جس کے ذریعے ہدف بنائی گئی راہداریوں میں بین الاقوامی فریجائز بنانے کا سلسلہ جاری رکھا جائے۔ کئی مارکیٹس میں ڈیجیٹل پیکیجیشنز، متعارف کروائی گئیں جس سے صارف کی رسائی اور خدمات کی فراہمی میں بہتری آئی۔ انفراسٹرکچر، سسٹمز اور رسک، کنٹرول اور تعمیل کے ماحول میں قابل ذکر بہتری آئی اور اس سے آنے والے برسوں میں دیرپا اور مضبوط ترقی کو مدد ملے گی۔

HBL کی بیجنگ برانچ نے مارچ 2021 میں آپریشن کا آغاز کیا اور جو چینی ٹرانزیکشنز کے آغاز اور ان کی تکمیل کے لیے ایک مرکزی انجن کا کردار ادا کر رہی ہے۔ HBL نے MENA اور جنوبی ایشیا میں صرف تین بینکوں میں سے ایک کی ایسی منفرد پوزیشن برقرار رکھی ہے جو اروپائی اکاؤنٹ کے ذریعے اینڈ ٹو اینڈ RMB مصلحت، RMB ٹرانزیکشنز HBL کی تمام CNY ٹرانزیکشنز میں سے 45% سے زائد کو پیش کرتا ہے جو 2020 میں بمشکل 4% تھی۔ HBL کا کامیاب چانکاوہ تیج ماڈل اب UAE، سری لنکا، بنگلہ دیش اور مالدیپ کا بھی احاطہ کرتا ہے۔ 2021 میں بینک نے خود سے ملحقہ ڈائمنڈ ٹرسٹ بینک کے ساتھ شراکت داری کرتے ہوئے اسے مشرقی افریقہ تک توسیع دی۔ HBL اس وقت متعدد ممالک میں بعض سب سے بڑی چینی انٹرپرائزز کو خدمات فراہم کرتے ہوئے ہمارے خطے کے متعلقہ بینک کے مقصد کو آگے بڑھا رہا ہے۔

اپنے ملک میں ڈیجیٹل فنانسنگ میں شمولیت اور انٹرپرائیز ورشپ کے اقدامات کی معاونت کے مقصد کو آگے بڑھاتے ہوئے HBL نے ٹیکنالوجی اسٹارٹ اپس بشمول فن ٹیکس میں سرمایہ کاری کے لیے ایک VC فنڈ قائم کیا۔ 2021 میں VC نے فنجائی، جو SMEs کے لیے ایک ڈیجیٹل لینڈنگ پروگرام ہے اور ایک ڈیجیٹل ہیلتھ کیئر پلیٹ فارم میں سرمایہ کاری کی جس کے نتیجے میں مریضوں کے علاج معالجہ فراہم کرنے والوں تک سفر مزید آسان ہوا اور اس کے معیار میں بہتری آئی۔ VC فنڈ نے ”انٹراپی بینکنگ“ کے آغاز میں بھی معاونت کی جس کا ہدف اسٹارٹ اپس جیسے زیادہ ترقی کرنے والے شعبے ہیں اور ان میں VC فنڈز اور فری لانسرز بھی شامل ہیں اور اس کے ساتھ ہی HBL کے ساتھ مختصر اشتراک کے لیے اسٹارٹ اپس کو مواقع فراہم کیے گئے۔

کال فار ایمر جنسی کے تحت 2021 میں HBL نے ”آگہی“ آؤ فاصلے مٹائیں مہم سے صارف کو مزید سہولتیں دیں۔ اس کے نتیجے میں دوطرفہ تربیتی چینل بنا۔ برانچ ہائی جین سے لے کر گورننس تک متعدد شعبوں کے حوالے سے سادہ، وژوئل، دوزبانوں میں ابلاغ اور ویڈیوز استعمال کی گئیں۔ ان تمام اقدامات کا مقصد برانچ اسٹاف سے رابطہ اور صارف کے تجربے کو بہتر بنانا تھا۔ اس پروگرام کی وجہ سے صارفین اور اسٹاف کے درمیان فاصلے کم کرنے میں مدد ملی۔

صارفین کو سہولت دینے والی آرگنائزیشن کی حیثیت سے صف اول کے اسٹاف کو اس کا محاذ بنایا گیا کہ وہ صارفین کی درخواست پر فوری جواب دیں اور اعلیٰ درجے کی خدمات فراہم کریں۔ صارف کی تشفی کی مجموعی شرح 80% سے زائد تک برقرار رکھا گیا جس میں مسائل حل ہونے پر تشفی کا تناسب 50% ہے۔ 2021 کے دوران بینک کو مجموعی طور پر 204577 شکایات موصول ہوئیں۔ یہ شکایات اوسطاً 5 دن کے اندر نمٹائی گئیں جب کہ 50% شکایات دو روز کے اندر نمٹائی گئیں۔

HBL کے کنیکٹ سینٹر نے بینک کے صارفین کو بلا تھقل 24x7 خدمات فراہم کیں اور ایک سال کے دوران 13 ملین انٹرا ایکشنز کو سنبھالا۔ کسٹمر ٹچ پوائنٹس کے مینو میں توسیع کرتے ہوئے ان میں وائس ایپ اور سوشل میڈیا کو شامل کیا گیا جس نے مجموعی طور پر ماہانہ 50 ہزار سے زائد صارفین کو انٹرا ایکشنز کی سہولت فراہم کی۔ IVR خدمات کو نئے سیلف سروس فیچرز کے ہوسٹ کے ذریعے اپ گریڈ کیا گیا جس کے ذریعے صارفین نے ایک ملین سے زائد ٹرانزیکشنز کیں۔

بینک نے صارفین کا ٹرن اراؤنڈ ٹائم (TATs) کم کرنے کے لیے کئی اقدامات کیے۔ ان میں پر سٹیج بینکنگ کے لیے اکاؤنٹ اوپننگ ڈیک بھی شامل ہیں جن کی وجہ سے TAT 30~ سے نصف ہو کر 15 منٹ ہو گیا۔ علاوہ ازیں تمام برانچز کو ایک خود کار کسٹمر کمپلین سسٹم تک رسائی دی گئی جس سے صارف کی شکایات کی نگرانی، رپورٹنگ اور موثر انداز سے جمع کرنے کا کلچر پروان چڑھا۔ اس کے نتیجے میں صارفین کی شکایات بروقت حل ہوئیں اور صارف کے تجربے میں بہتری آئی۔

صارفین کی حفاظت اور ان کے حالات میں درستی اور شفافیت کا بلند معیار قائم رکھنے کے لیے ٹریڈنٹ فار کسٹمرز کی پالیسی کو آگے بڑھایا گیا۔ سروس کی برتری کے ماحول کو تربیت اور باقاعدگی سے خدمت پر مبنی کہانیاں شائع کر کے فروغ دیا گیا۔ ان میں اسٹاف کی غیر معمولی کاوشوں کو سراہا گیا۔ دوسری جانب ایک بہت زیادہ مطلوب سالانہ صدارتی ایوارڈ برائے سروس ایکی لینس نے خدمات کا معیار مستقل بلند رکھنے کے پیغام کو تقویت دی۔

صارفین کو برانچ کاؤنٹرز سے متبادل ذرائع جیسا کہ HBL، ATMs، موبائل اور کنیکٹ کی جانب منتقل کرنے کے لیے کوششیں کی گئیں۔ اس اقدام کے نتیجے میں صارفین کو سہولت ملی، برانچوں میں رش میں کمی واقع ہوئی اور اسٹاف کو پیچیدہ لین دین کے حوالے سے اپنی سروس بہتر بنانے میں آسانی ملی۔ معذور افراد کے لیے بینکاری کی خدمات قابل رسائی بنانے کے لیے 600 برانچز اور ATMs پر ڈھلوان بنائی گئیں۔ تمام ڈائی بولڈ اور وکٹوریس ATMs کی دستیابی کو مزید بہتر بناتے ہوئے اس کا پٹا 97% تک دیا گیا۔

انتظام سنبھالنا اور ابھرتے ہوئے کمپلائنس اور اینٹی منی لانڈرنگ کے خطرات کی شناخت کرنا بھی ہے۔ HBL کی CRM حکمت عملی بینک کی حکمت عملی سے ہم آہنگ ہے اور انڈسٹری کے رجحان، بدلتی ہوئی ریگولیٹری شرائط اور عالمی بہترین طریقوں کا اشتراک ہے۔

گلوبل کمپلائنس نے کاروباروں کے ساتھ ہموار روابط اور ریگولیٹرز کے ساتھ ضروری ٹچ پوائنٹس کے لیے مناسب ادارہ جاتی اسٹرکچر نافذ کیا ہے، جن کے ساتھ یہ قریبی تعلق رکھتے ہوئے کام کرتا ہے۔ مزید موزوں اور مددگار فریم ورک تشکیل دینے کے لیے متعدد پالیسیوں میں بہتریاں لائی گئیں۔ اضافی ڈیوڈ لیجنس کا طریقہ کار HBL کے تمام جغرافیائی اداروں میں معیاری بنایا گیا۔ ہائی رسک شعبوں میں ملکی برانچوں کے لیے جامع تشخیص مکمل کی گئی تاکہ فطری، تبدیل ہوتے ہوئے جغرافیائی خطرات کا اندراج کیا جاسکے اور SBP کی سفارشات کی روشنی میں کسٹمر ڈیوڈ لیجنس کا موجودہ طریقہ کار مستحکم ہو۔ ایک ریگولیٹری رسک اینڈ کنٹرول سیلف ایسیمنٹ (RCSA) کی سرگرمی بھی جاری ہے جس میں مختلف ریگولیٹری ہدایات کی بنیاد پر RCSAs نافذ کیے جا رہے ہیں۔ سال کے دوران، ایک ریگولیٹری رپازیریٹی مینجمنٹ کے عمل کا آغاز بھی کیا گیا تاکہ ریگولیٹری ہدایات پر عمل درآمد کی نگرانی ہو سکے۔

2021ء میں، بینک نے ایک بیرونی کنسلٹنٹ کی معاونت کے ساتھ کمپلائنس سے وابستہ تمام ملکی اور بین الاقوامی عملے کے لیے مہارتوں کی جانچ اور تربیت کا پروجیکٹ انجام دیا۔ پہلی اور دوسری صف دفاع کے لیے کمپلائنس سے آگاہی کا پروگرام بھی شروع کیا گیا۔ موجودہ متحرک معاشی صورت حال اور بدلتے ہوئے جغرافیائی-سیاسی حالات کے دوران، فنانشل کرائم رسک کمپلائنس کا اہم ترین پہلو رہا۔ بین الاقوامی ٹیموں کے لیے خصوصی تربیتی پروگراموں کا انعقاد کیا گیا جن میں فنانشل کرائم کمپلائنس کے نفاذ اور طریقہ ہائے کار پر زور دیا گیا، نیز معروف بین الاقوامی ماہرین کی نگرانی میں فنانشل کرائم اور پابندیوں کے نفاذ پر ویبنارز بھی منعقد کیے گئے۔

بورڈ کمپلائنس اینڈ کنٹرول کمیٹی (BCNCC) اور کمپلائنس کمیٹی آف مینجمنٹ، صدر کی سربراہی میں، کمپلائنس اور ضابطے سے متعلق معاملات کی نگرانی، جائزہ اور انتظام سنبھالتی ہے۔ HBL کا وٹسل بلوئنگ پروگرام بینک کی سالمیت اور سادہ کا تحفظ کرتا ہے اور اس کا مقصد دھوکا دہی، غبن، ہراسانی اور بینک کے ضابطہ اخلاق کی دیگر سنگین خلاف ورزیوں کے مشتبہ واقعات رپورٹ کرنے کے لیے عملے کے اختیارات میں اضافہ ہے۔ BCNCC اخلاقیات اور ضابطے سے متعلقہ معاملات، بشمول وٹسل بلوئنگ کا انتظام بھی دیکھتی ہے؛ دیگر متعلقہ تحقیقات بورڈ آڈٹ کمیٹی (BAC) انجام دیتی ہے اور بورڈ ہیومن ریسورس اور ریمونڈیشن کمیٹی انضباطی کارروائیوں کا جائزہ لیتی ہے۔ سال کے دوران، شکایات کے اندراج کے لیے دستیاب ابلاغ کے متعدد چینلوں کے بارے میں آگاہی عام کرنے کے لیے مزید کوششیں کی گئیں۔

سائبر حملوں اور ڈیٹا میں خلل سے اپنے کسٹمرز اور ڈیٹا کا تحفظ HBL کے لیے انتہائی اہم ہے۔ بیرونی خطرات کا مقابلہ کرنے کی صلاحیت رکھنے والے حفاظتی اور سراغ رساں کنٹرول سے لیں موثر سائبر سیکیورٹی رسک مینجمنٹ کے ذریعے، انفارمیشن سیکیورٹی HBL کے ڈیٹا کو اندرونی اور بیرونی خطرات سے محفوظ رکھنے میں مرکزی کردار ادا کرتی ہے۔ بینک کے سیکیورٹی آپریشنز سینٹر 24x7 کام کرتے ہوئے نگرانی، کھوج اور تحفظ کے مختلف میکانزم کے ذریعے سخت سیکیورٹی برقرار رکھنے میں اپنا کردار ادا کرتے ہیں۔

وبا کی صورت حال میں دفاتر کے علاوہ مقامات سے کام کرنے کے نئے ماڈل نے سائبر مجرموں کو مواقع فراہم کیے۔ بینک کی جانب سے ڈیجیٹائزیشن کے منصوبے، خطرات کے بدلتے ہوئے منظر نامے اور سوشل انجینئرنگ فراڈ میں اضافے کے باعث یہ مزید سنگین ہو گیا۔ دفاتر کے علاوہ مقامات پر کام کرنے کے لیے سیکیورٹی پروٹوکول نافذ کیے گئے جن کے ذریعے عملہ محفوظ اور ہموار انداز میں کام جاری رکھ سکا، اور یوں بزنس کے تسلسل کو یقینی بنایا گیا۔ انفارمیشن سیکیورٹی سے متعلقہ معاملات کے لیے مخصوص تربیت اور رہنمائی فراہم کرنے کے لیے اندرونی طور پر ایک بھرپور آگاہی مہم کا آغاز کیا گیا۔ اس کے ساتھ کسٹمرز کے لیے بھی خصوصی آگاہی مہم چلائی گئی۔ ڈیجیٹل چینلوں پر صارفین کی ٹرانزیکشنز کی کڑی تصدیق اور روپیوں کی اینیملیکس سائبر / دھوکا دہی کے بڑھتے ہوئے خطرات کے خلاف اہم کنٹرول ہیں۔ اس ضمن میں خصوصی کوششوں کی مدد سے بینک کو ایسے واقعات کی تعداد میں کمی لانی میں مدد ملی۔ بینک نے ایک آزادانہ، مستند SWIFT ادارے کے ذریعے SWIFT کسٹمر سیکیورٹی پروگرام پر عمل درآمد کے مظاہرے کی سالانہ شرط کو بھی کامیابی کے ساتھ انجام دیا۔

سماجی بہبود کی ذمہ داری (CSR)

ہم جس ملک اور معاشرے میں کام کرتے ہیں، اس کی خدمت کرنا HBL کے اسٹرٹجک ایجنڈا کا حصہ ہے۔ اپنے معاشرے کی پائیدار معاشی و سماجی ترقی کے فروغ کے لیے، بینک اپنے بعد از محصول سالانہ منافع کا 1% حصہ HBL فاؤنڈیشن کو دیتا ہے۔ یہ فاؤنڈیشن 2009ء میں معاشرے کے مستحق اور پسماندہ طبقات کی ترقی اور اُن کا معیار زندگی بہتر بنانے کے لیے قائم کی گئی تھی۔ یہ ایسے اداروں کی معاونت کرتی ہے جو مرکزی طور پر صحت، تعلیم، اور سماجی بہبود کے لیے کام کر رہے ہوں، اور 2021ء میں، پاکستان بھر میں 26 تنظیموں کے درمیان 313 ملین روپے تقسیم کیے گئے۔

صحت کے شعبے میں، HBL فاؤنڈیشن نے مجموعی طور پر 243 ملین روپے کے عطیات دیے۔ یہ عطیات شوکت خانم اسپتال کو کراچی میں اپنے نئے مرکز کی تعمیر کے لیے دیے گئے۔ ملک کے دور دراز علاقوں میں آنکھوں کی مفت سرجری اور میڈیکل کیمپ کی سہولت فراہم کرنے والے میری ایڈیلڈ لبریری سیٹرز کو بھی مدد فراہم کی گئی۔ فاؤنڈیشن نے ضرورت مند علاقوں میں مفت علاج فراہم کرنے کے لیے سرطان کے علاج کی مشینوں کی خریداری کے سلسلے میں JPMC کی پیشکش ایڈ فاؤنڈیشن کو، اور بچوں کے ICU کے لیے ایڈس اسپتال کو بھی رقم عطیہ کی۔

HBL نے، HBL فاؤنڈیشن کے ساتھ تعلیم کے شعبے میں مختلف اداروں کو 133 ملین روپے کے عطیات دیے، جس میں نورانی فاؤنڈیشن ٹرسٹ، معذوری کے حامل افراد کے لیے کام کرنے والی تنظیموں کا نیٹ ورک، سٹیزن فاؤنڈیشن اور آغا خان یونیورسٹی قابل ذکر ہیں۔ فاؤنڈیشن نے ایسے اداروں کو عطیات دینے پر بھی توجہ مرکوز رکھی جو مستحق صوبوں میں اعلیٰ کام کر رہی ہیں؛ اور اس مقصد کے تحت، مانسہرہ (خیبر پختونخوا) میں لڑکیوں کی تعلیم کے لیے کام کرنے والی تنظیموں، اور خضدار، بلوچستان میں یونیورسٹی آف انجینئرنگ کو عطیات دیے گئے۔ ماحولیاتی اور موسمیاتی تبدیلیوں کے مسئلے پر توجہ کے پیش نظر، HBL اور HBL فاؤنڈیشن، دونوں نے کراچی میں اربن فورسٹ کو عطیات

منصوبے کا آغاز کیا تاکہ مستقبل کے ٹیلنٹ کو تیار کیا جائے نیز تعلیمی اداروں اور انڈسٹری کے درمیان فاصلے کم کیے جائیں۔ 2021ء میں HBL نے اپنے شاندار 'دی لیگ' پروگرام کے تحت سر فہرست پاکستانی اور بین الاقوامی جامعات سے 34 مینجمنٹ ٹرینیز بھرتی کیے۔ اس کے علاوہ، ٹیلنٹ مینجمنٹ کے عمل کے تحت، بینک نے انتہائی قابل عملے کے لیے مخصوص ترقی، نشوونما اور کیریئر کے مواقع فراہم کرنا جاری رکھا۔

صارفین کو مرکزی حیثیت دینے والے، ڈیجیٹل اور اخلاقی کلچر کی تشکیل بینک کی توجہ کا مرکز رہی اور سال کے دوران اس شعبے میں پیش رفت کے لیے متعدد اقدامات کیے گئے۔ HBL کی اقدار کی بنیاد پر مثبت اور مددگار کلچر کی تشکیل کے لیے، پہلی بار تمام عملے کو نہ صرف اس معیار پر جانچا گیا کہ انہوں نے کیا کامیابیاں حاصل کیں، بلکہ یہ بھی دیکھا گیا کہ انہوں نے یہ کامیابیاں کیسے حاصل کیں۔ سینئر مینجمنٹ کو ان کے اقدار سے متعلقہ رویوں کی بنیاد پر 360 ڈگری کے فیڈبک کے عمل سے گزارا گیا اور تمام عملے کو تربیت دی گئی کہ وہ روزمرہ زندگی میں یہ اقدار کیسے اپنا سکتے ہیں۔

رِسک مینجمنٹ فریم ورک

بینک بھر میں خطرات سے نمٹنے کا جامع انتظام یقینی بنانے کے لیے، HBL ایک رِسک مینجمنٹ فریم ورک رکھتا ہے جو بورڈ کی بھرپور رہنمائی، مینجمنٹ کے کئی درجوں کی طرف سے نگرانی، اور موثر سسٹمز کے ساتھ ادارے کی تمام سطحوں پر نافذ العمل ہے۔ یہ فریم ورک بینک کے آپریشنز کی پیچیدگی، حجم، اور جغرافیائی و ہدف مارکیٹ کے تنوع کو پیش نظر رکھتے ہوئے ترتیب دیا گیا ہے؛ اور اسے مارکیٹ کی حرکیات، ریگولیٹری تبدیلیوں اور بینک کی حکمت عملی کے مطابق ڈھلنے کے لیے چلک دار رکھا گیا ہے۔

انتظامی ڈھانچے کے تحت، بورڈ رِسک مینجمنٹ کمیٹی (BRMC) مستقل بنیادوں پر بینک کی رِسک پر وفاق کی نگرانی، تشخیص اور انتظام کی ذمہ داری سنبھالتی ہے۔ روزمرہ کی رِسک مینجمنٹ سرگرمیاں مختلف سطح پر تفویض کرتے ہوئے، متعدد درجات پر مشتمل مینجمنٹ کی نگرانی اور واضح بیان کردہ پالیسیوں اور طریقہ کار کے ذریعے سینئر مینجمنٹ کی سطح پر بہت سی رِسک کمیٹیاں رہنمائی اور عمل درآمد کی ذمہ دار ہیں۔ 2021ء میں، رِسک گورننس کا شعبہ متعارف کروایا گیا جس کی ذمہ داری ہے کہ کریڈٹ پالیسیاں اور طریقہ ہائے کار ترتیب دیے جائیں اور پورٹ فولیو مینجمنٹ اور آئوٹیشن سے متعلق نگرانی فراہم کی جائے۔

بینک میں کریڈٹ مینجمنٹ سے متعلق مستحکم طریقہ کار ہیں جن میں 'Early Alert' کمیٹی کے اجلاس اور پورٹ فولیو کے تیز رفتار جائزے شامل ہیں تاکہ ان کے کریڈٹ پورٹ فولیو کا استحکام اور چلک کی استعداد یقینی بنانے میں مدد مل سکے۔ وبا کے آغاز سے، پورٹ فولیو کے معیار پر کسی ممکنہ اثرات پر نظر رکھنے کے لیے، بینک باقاعدگی سے کورونا وائرس کے اثرات سے متعلق جانچ کی سرگرمی انجام دیتا ہے۔

اپنی مضبوط استعداد کو مزید بہتر بنانے اور رِسک مینجمنٹ سے متعلق منظم تربیت فراہم کرنے کے لیے، بینک نے ایک جامع ماڈلر ٹریننگ پروگرام متعارف کروایا ہے۔ اس کا مقصد کریڈٹ کے خطرات کا جائزہ لینے کے لیے ایک یکساں طرز فکر تشکیل دینا ہے جو مستقبل کے خطرات کے اسباب پر توجہ دے، اور پھر ماضی کے ڈیٹا کو پیش نظر رکھتے ہوئے رد عمل کا طریقہ اپنانے کی بجائے پیش قدمی کا طرز عمل اپنانے۔ یہ پروگرام HBL نے ہی تیار کیا ہے اور اسے بینک کے سینئر عملے کو فراہم کیا جا رہا ہے۔

2021ء میں، رِسک مینجمنٹ نے اپنا اندرونی کریڈٹ رِسک ریٹنگ فریم ورک مستحکم کیا۔ چھوٹے کاروباروں کے فنانس کے لیے، SME قرضہ جات کے دائرہ کار کے تحت، ایک نیا، ڈیٹا پر مبنی رویہ جاری اسکو کارڈ ماڈل تیار کیا گیا، جبکہ کنزیومر کاروبار کے لیے ایک نیا مقدراری کنزیومر رِسک ریٹنگ ماڈل تیار اور نافذ کیا گیا۔ حکومت اور SBP کے ہاؤسنگ فنانس منصوبے میں معاونت کے لیے، HBL نے آمدنی کے تخمینے کا ٹول تیار کیا جسے اب پوری بینکاری صنعت استعمال کر رہی ہے۔ کاروباری ترقی میں سہولت لانے جبکہ باقی ماندہ خطرات کے اثرات محدود رکھنے کے لیے رِسک مینجمنٹ سسٹمز میں بہتری کا عمل جاری رہا۔

مارکیٹ اینڈ لیکویڈیٹی رِسک کمیٹی اور ALCO کی جانب سے مارکیٹ اور لیکویڈیٹی رِسک کے اشاریوں کا ماہانہ بنیادوں پر جائزہ لیا جاتا ہے۔ اس بات کو یقینی بنانے کے لیے ایک جامع اسٹرکچر قائم کیا گیا ہے کہ بینک مارکیٹ رِسک کے لیے اپنی استعداد سے تجاوز نہ کر جائے۔

منظم اور یکساں انداز میں آپریشنل رِسک مینجمنٹ کے طریقوں کے انتظام کے لیے پالیسیاں اور طریقہ کار ترتیب دیے گئے ہیں۔ آپریشنل رِسک کے واقعات کے امکانات اور شدت کی پیمائش کے لیے اہم ذرائع جیسے کہ رِسک اینڈ کنٹرول سیلف اسیسمنٹ، رِسک کے کلیدی اشاریے اور آپریشنل خسارے کی ڈیٹا مینجمنٹ کا استعمال کیا جاتا ہے۔ بینک کی آپریشنل رِسک پر وفاق اور فرار رِسک اسیسمنٹ باقاعدگی کے ساتھ سینئر مینجمنٹ اور BRMC کو فراہم کی جاتی ہے۔

2020ء میں قائم ہونے والا انٹرپرائز رِسک مینجمنٹ (ERM) فنکشن HBL میں تمام شعبوں پر لاگو ہوتا ہے، جو یقینی بناتا ہے کہ ادارے کے تمام درجات پر رِسک مینجمنٹ کے لیے مضبوط اور یکساں طریقہ کار ہو۔ HBL کے ERM فریم ورک میں ERM کے عناصر، بنیادی اصول اور تصورات بیان کیے گئے ہیں؛ یہ رِسک کی عمومی زبان تجویز کرتا ہے؛ اور بینک میں باہمی رِسک مینجمنٹ کے لیے واضح ہدایات اور رہنمائی فراہم کرتا ہے۔ توقع ہے کہ یہ بینک میں رِسک مینجمنٹ کے مختلف عناصر میں ہم آہنگی لائے گا اور رِسک کی شناخت، نگرانی اور کنٹرول کے طریقہ کار میں استحکام کا باعث ہو گا۔ ERM کے شعبے میں ایک ماڈل رِسک مینجمنٹ یونٹ بھی شامل ہے جس کا مقصد رِسک مینجمنٹ میں استعمال ہونے والے تمام ماڈلز کا آزادانہ جائزہ اور توثیق ہے۔ سال کے دوران، ERM نے ایک نیا پروڈکٹ انیشی ایٹو اسیسمنٹ طریقہ کار نافذ کیا جس کا مقصد نئی پروڈکٹس اور خدمات میں تمام خطرات کی جامع شناخت، تجزیہ اور خاتمہ شامل ہے تاکہ ان کی پیشکش سے پہلے ہی تمام خطرات سے مناسب طور پر نمٹنا یقینی بنایا جائے۔

HBL محتاط تخفیف کی حکمت عملی کے طور پر کمپلائنس رِسک مینجمنٹ (CRM) پر انحصار کرتا ہے۔ آزادانہ شعبے کے طور پر، گلوبل کمپلائنس تمام متعلقہ خطوں میں متعلقہ کاروباروں کے ساتھ مل کر CRM فریم ورک کی ترتیب، نفاذ، اور سرگرمی میں سینئر مینجمنٹ کی مدد کرتا ہے۔ اس فریم ورک کا مقصد ریگولیٹری توقعات کا فعال طریقے سے

HBL اپنی موجودہ کامیابیوں کو آگے لے کر جانے کا عزم رکھتا ہے، 2022 میں اپنی ڈیجیٹل رفتار کو تیز کرتے ہوئے HBL کو بینکاری لائسنس کے ساتھ ایک ٹیکنالوجی کمپنی کے طور پر دیکھنے کے وزن کی تکمیل اور پاکستان کو ایک ڈیجیٹل بینکاری انقلاب سے ہم کنار کرنا ہے۔

HBL ملک کے تانے بانے کا ایک لازمی حصہ ہے۔ ملک کے اہم مالیاتی ادارے کی حیثیت سے HBL پہلے اور آج تک ملک کی مدد کے لیے ہر شعبے میں ساتھ رہا ہے اور ہمیشہ ساتھ رہے گا۔ ہم اپنے تمام کاروباروں میں پُر سوچ قیادت فراہم کرتے رہتے ہیں، وفاقی اور صوبائی حکومتوں کے ساتھ پبلک پرائیویٹ پارٹنرشپ ماڈل کے تحت کام کرتے ہوئے بڑے پیمانے پر انفراسٹرکچر پروجیکٹس سے لے کر اقتصادی تنکون کے زیریں حصے تک اپنے سبسڈائزڈ ہدف کے مطابق کام کرنے تک۔ ہم نے حال ہی میں HBLPSL کے لیے ایک پوری دہائی کا تعاون فراہم کیا ہے۔ جو اس مشکل وقت میں کرکٹ کی دیوانی قوم کے لیے ایک مرہم ہے۔ HBL طویل عرصے سے فنون کا سرپرست رہا ہے اور اس سال عوامی آرٹ کی جگہوں کی تزئین و آرائش، اہم پاکستانی فنکاروں کی اسپانسرشپ اور معاشرے کے ہر طبقے سے تعلق رکھنے والے افراد کو فن سے لطف اندوز ہونے اور اسے سراہنے کے مواقع فراہم کر کے ہم نے آرٹ کو سب کے لیے برابری کا درجہ دے دیا ہے۔ HBL دنیا کے سب سے اہم مسئلے موسمیاتی تبدیلی کے حل کے لیے مسلسل معیار کی بلندی، یہاں تک کہ کاروبار کی قیمت پر جرات مندانہ اقدامات کر رہا ہے۔ ہم تمام پاکستانیوں کا روشن مستقبل یقینی بنانے کے لیے تمام شعبوں میں مالی شمولیت جاری رکھتے آرہے ہیں۔ HBL نساء کے ذریعے خواتین کی شمولیت، اپنے مضبوط مائیکرو فنانس کاروبار کے ذریعے پسماندہ طبقے کی شمولیت، ڈیجیٹل بینکنگ کے ذریعے مینسٹری کی شمولیت۔

منافع منقسمہ

بورڈ نے سال محترمہ 31 دسمبر 2021ء کے لیے 2.25 روپے فی حصص (شیر) کے حقیقی نقد منافع منقسمہ کی تجویز دی، جس سے سال کا مجموعی نقد منافع منقسمہ 7.50 روپے فی حصص (شیر) تک پہنچ گیا۔ اس سے قبل بورڈ مجموعی طور پر 5.25 روپے فی حصص کے عبوری منافع منقسمہ کا اعلان اور ادائیگی کر چکا تھا۔

ڈائریکٹرز میں تبدیلی

محترمہ ڈیان مور اور محترم سلیم چنائے گزشتہ بورڈ کے موقع پر اپنے دور کے اختتام کے ساتھ 26 مارچ 2021ء کو بورڈ آف ڈائریکٹرز سے ریٹائر ہو گئے۔ بورڈ میں اپنے عہدے کے دوران اُن کی قابل قدر کاوشوں پر بورڈ انھیں خراج تحسین پیش کرتا ہے۔ 26 مارچ 2021ء کو، سالانہ اجلاس عام کے موقع پر HBL کے بورڈ پر نئی تین سالہ مدت کے لیے سات ڈائریکٹرز کو منتخب کیا گیا جن میں محترمہ صبا کمال اور محترم خلیل احمد شامل تھے۔

محترمہ صبا انفارمیشن ٹیکنالوجی میں 3 دہائیوں سے زیادہ کا تجربہ رکھتی ہیں جس میں پاکستان میں اور بین الاقوامی سطح پر IBM میں لیڈر شپ عہدوں کا بیس سالہ تجربہ شامل ہے۔ انھوں نے انسٹیٹیوٹ آف بزنس ایڈمنسٹریشن (IBA)، کراچی سے MBA کیا، اور IBM سینئر، Insead، بوسٹن یونیورسٹی اور چائنا یورپ انٹرنیشنل بزنس اسکول (CEIBS) سے کئی سرٹیفکیٹس اور ٹریننگ حاصل کیں۔ محترمہ صبا نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس سے اپنی ڈائریکٹر سرٹیفیکیشن مکمل کی اور اس وقت وہ ٹیکجیز لمیٹڈ کے بورڈ میں خدمات انجام دے رہی ہیں۔ وہ IBA کے بورڈ آف گورنرز کی رکن بھی ہیں۔

محترم خلیل احمد مالیاتی شعبے کا 40 سال سے زائد کا تجربہ رکھتے ہیں۔ وہ IFC ورلڈ بینک گروپ میں چیف انویسٹمنٹ افسر تھے، جہاں انھوں نے 30 برسوں تک ابھرتی ہوئی معیشتوں پر کام کیا، اور IFC کے گلوبل فنانشل انسٹیٹیوٹس گروپ سے وابستہ رہے۔ محترم خلیل چارٹرڈ اکاؤنٹنٹ ہیں، انھوں نے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف انگلینڈ اینڈ ویلز سے تعلیم حاصل کی، نیز وہ انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس، پاکستان کے فیلو بھی ہیں۔ انھیں ماضی میں پرائس واٹر ہاؤس (یو کے) اور نیشنل ڈویلپمنٹ فنانس کارپوریشن، پاکستان میں کام کرنے کا تجربہ بھی ہے۔

بورڈ محترمہ صبا اور محترم خلیل کا خیر مقدم کرتا ہے اور اُن کی کاوشوں کا منتظر ہے۔

بورڈ کے اجلاس

بورڈ اجلاس		
حاضری	دوران مدت منعقدہ اجلاس	
9	9	محترم سلطان علی الانہ
5	5	محترم خلیل احمد
1	1	محترم سلیم یحییٰ چنائے*
9	9	محترم شفیق دھر مشی
9	9	محترم معیز احمد جمال
5	5	محترمہ صبا کمال
1	1	محترمہ ڈیان الزبتھ مور*
9	9	محترم سلیم رضا
9	9	ڈاکٹر نجیب سمیع
9	9	محترم محمد اورنگزیب

دیے جو شہری علاقوں میں شجرکاری کی سرگرمیاں انجام دے رہا ہے۔

لوگوں کی زندگیوں میں آرٹ اہم کردار ادا کرتا ہے اور معاشرے پر اس کے اثرات مرتب ہوتے ہیں۔ پاکستان میں آرٹ کی سرپرستی کرنے والے ادارے کے طور پر HBL ملک کے زبردست فن کاروں کا ساتھ دینے اور عوام کو آرٹ کے ساتھ جوڑنے والے مواقع فراہم کرنے کے لیے پرعزم ہے۔ بینک ماہانہ انٹر ایکٹیو آرٹ سیریز کا انعقاد کرتا ہے جو HBL کے آرٹ کنسلٹنٹ کی جانب سے اس کے عملے، اُن کے اہل خانہ اور دوستوں کے لیے آن لائن منعقد کی جاتی ہے۔ HBL کا آرٹ کلیکشن پاکستان سے تعلق رکھنے والے معاصر فن کاروں کے فن پاروں پر مشتمل ہے اور بینک کی املاک اور اس کی پریسٹج برانچوں میں آویزاں ہے۔ HBL نے لاہور پینالے کے ساتھ اس کے قیام سے شراکت داری کی ہے۔ 2021ء میں بینک نے پاکستان کے بین الاقوامی شہرت یافتہ فن کاروں میں سے ایک، وقاص خان کے فن پارے حاصل کیے جنہیں HBL کے عملے اور کسٹمرز کے ساتھ عوام الناس کو بھی نمائش کے لیے پیش کیا گیا جو وقت حاصل کر کے انہیں ملاحظہ کر سکتے تھے۔ حال ہی میں، HBL نے فریئر ہال میں عائشہ خالد کی اہم عوامی نمائش کو اسپانسر کیا، جس میں تمام شعبہ ہائے زندگی سے تعلق رکھنے والے 30,000 سے زائد افراد نے شرکت کی۔ اس نمائش کے تحت، HBL نے فریئر ہال میں گیلری صافین کی بحالی اور تزئین و آرائش میں بھی معاونت کی جس کے تحت اسے ایک مستقل، عالمی معیار کی عوامی نمائش گاہ بنایا گیا۔

بینک نے کورونا وائرس کی وبا پر قابو پانے کے لیے حکومت کی کوششوں میں نمایاں کردار ادا کیا اور ویکسی نیشن کی حوصلہ افزائی کی۔ حکومت سندھ کے ساتھ مل کر کام کرتے ہوئے، HBL نے کراچی میں ایک ڈرائیو تھر ووکی نیشن مرکز قائم کیا جہاں 31,000 سے زائد شہریوں کو ویکسین لگائی گئی۔

HBL فاؤنڈیشن اور دیگر کو دیے گئے عطیات غیر مجموعی مالیاتی بیان کے نوٹ 28.3 میں درج ہیں۔

کریڈٹ ریٹنگ

جون 2021ء میں، بینک کی کریڈٹ ریٹنگ کی دوبارہ تصدیق VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کے ذریعے بالترتیب طویل المیعاد اور قلیل المیعاد کے لیے AAA/A-1 ہوئی۔ اضافی Tier 1 سرمائے کے طور پر جاری کردہ TFCs کی ریٹنگ کی بھی AA+ کے طور پر دوبارہ تصدیق کی گئی۔ تمام ریٹنگ میں منظر نامہ مستحکم ہے۔ یہ ریٹنگ ملک کے سب سے بڑے کمرشل بینک کی حیثیت سے HBL کے مقام کی توثیق کرتی ہے اور اس کی مستحکم فنانشل پروفائل اور انتظامی اہمیت کی عکاس ہے۔ VIS نے اس بات کی نشاندہی بھی کی کہ HBL کی اپنے ڈیجیٹل نقش قدم میں اضافے کی حکمت عملی بینک کے لیے ایک مسابقتی فائدہ کی حیثیت رکھتی ہے۔ Moody's نے بھی HBL کے ملکی اور غیر ملکی کرنسی ڈیپازٹ کی ریٹنگ B3 ہونے اور بیس لائن کریڈٹ اسیسمنٹ caa1 ہونے کی دوبارہ تصدیق کی۔

مستقبل کی صورت حال

پاکستان 2022 میں 2021 کے مقابلے میں خاطر خواہ بے ضرر صورت حال میں داخل ہو رہا ہے۔ زیادہ معاون پالیسی فریم ورک کے ساتھ ترقی کی رفتار جاری ہے، ہیڈ لائن GDP 4.5% - 4.0% کی حد کی طرف گامزن ہے اور کاروباری اعتماد سسط پر ہے؛ تاہم 2021 میں پیدا ہوئے ساختی عدم توازن کے کئی پہلوؤں پر، جن میں ایکسٹرنل اکاؤنٹ اہم ہے، توجہ دینا ضروری ہے۔ پالیسی ساز مختلف انتظامی اقدامات کے ذریعے ان سے نمٹ رہے ہیں جیسا کہ ٹیکس کے استثنائی واپسی اور صارفین کی فنانسنگ پر پابندی۔ از سر نو شروع کیے گئے EFF پروگرام کے تحت ڈیپو زیبلز، جیسا کہ توانائی کے ٹیرف میں مزید اضافہ، تعمیراتی شعبے کے لیے محرکات میں کمی اور سبسڈائزڈ ری فنانس فیسلٹی ختم کرنے سے ترقی کے لیے اضافی مخالفت پیدا کریں گے۔ مالیاتی اور زرعی دونوں شعبوں میں درکار مطابقت سے مالی سال 22 میں میانہ نمو متوقع ہے۔

مصالحاتی مالی سال 21 سے کرنٹ اکاؤنٹ میں تیزی سے ریورسل کے پس منظر میں کار فرما عوامل میں کسی حد تک تخفیف ہو رہی ہے کیونکہ SBP کے سخت اقدامات کی وجہ سے درآمدات میں میانہ روی آ رہی ہے۔ سال کے آخر میں ملک GDP کے > 3% کے زیادہ پائیدار خسارے پر واپس جاسکتا ہے۔ اگرچہ ساختی اصلاحات قلیل المیعاد باؤ پیدا کر سکتی ہیں، لیکن حتمی طور پر یہ ملک کی ترقی مستحکم رکھنے میں مدد کریں گی۔ مختصراً، 22 کی پہلی چیلنجنگ ششماہی کے بعد، سال کے اگلے نصف میں ترقی کا زیادہ سازگار ماحول برقرار رہے گا۔

قائدانہ عہدوں کے حصول یا وسیع علاقوں میں ان کی برقراری کے ساتھ یہ HBL کا ایک ریکارڈ سال رہا ہے۔ اس سال، ہمیں بالخصوص خوشی ہے کہ گزشتہ چند سالوں میں ہماری کامیابیوں کو IBP بینکنگ ایوارڈز میں پاکستان میں بہترین بینک کا ایوارڈ جیتنے سے تسلیم کیا گیا ہے۔ ہمارے ٹرانزیکشن بینکنگ کے کاروبار نے متعدد ایوارڈز جیتے، جو مزید تشکر آمیز ہے کیونکہ وہ ہمارے کلائنٹس کی رائے پر مبنی ہیں۔ ہم یہ نتائج اپنے صارفین سے منسوب کرتے ہیں، جن میں سے کئی نے نسل در نسل ہمارے ساتھ بینکنگ کی ہے اور جو ہمارے ہر کام کا مرکز ہیں۔

قرض دینے کے عمل کی ڈیجیٹائزیشن سے لے کر فیڈ بیک سیشنز کے ذریعے بھرپور زرعی مشاورت کی فراہمی اور رورل ویلیو چین کے ہر پہلو کو مربوط کرنے تک HBL زرعی معیشت کے ہر شعبے میں سرمایہ کاری کر رہا ہے۔ یہ پہلا کمرشل بینک ہے جس نے وسائل کو اس حد تک منظم طریقے سے پاکستان کی معیشت کے لیے مختص کیا ہے۔ ہماری آزمائشی مدخلیتیں ہر پہلو سے کسانوں کی زندگی میں تبدیلی لارہی ہیں۔ اعلیٰ معیاری معلومات کی فراہمی، سائیکل کے دورانیے میں ٹکمی، برانچ کو فارم میں لانا اور اس کے نتیجے میں کسانوں کی آمدنی میں دوگنا اضافہ۔ جیسے جیسے ہم اسے آگے بڑھائیں گے، قومی امکان ہے یہ پاکستان کے زرعی منظر نامے کو یکسر بدل کر لاکھوں افراد کو غربت سے نکال لے گا۔

سالہا سال سے ٹیکنالوجی میں سرمایہ کاری کے نتیجے میں اب ٹھوس فوائد حاصل ہو رہے ہیں کیونکہ اب دنیا زیادہ ورچوئل طرز زندگی اپناتی جا رہی ہے۔ ہم اپنے تمام کاروباروں میں ڈیجیٹائزیشن کو ایک مسلسل بڑھتا ہوا کردار ادا کرتے دیکھ رہے ہیں اور یہ دنیا کو پیچھے چھوڑنے میں ہماری مدد کر رہا ہے۔ HBL موبائل سے کنکٹ تک، امی کامرس سے QR ادائیگیوں تک، HBL ڈیجیٹل طرز کار اپنانے اور کسٹمر کو آگے بڑھانے میں اپنا نقش قدم چھوڑتا جا رہا ہے۔ جیسے جیسے ہم 2021 سے پردہ ہمارے ہیں اسی کے ساتھ ساتھ،

آڈیٹرز

موجودہ آڈیٹرز، میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے اہل ہونے کے ناتے انھوں نے سالانہ اجلاس عام کے موقع پر اپنی دوبارہ تقرری کی پیشکش کی ہے۔ چنانچہ بورڈ آف ڈائریکٹرز نے، بورڈ آف ڈائریکٹرز کی تجویز پر، میسرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کے 37.086 ملین روپے کی فیس پر مالی سال 2022ء کے لیے بینک کے آڈیٹرز کے طور پر انتخاب کی سفارش کی ہے، جبکہ دیگر اخراجات اور ٹیکس حقیقی بنیاد پر ادا کیے جائیں گے۔

کارپوریٹ اور مالیاتی رپورٹنگ پر بیان

بورڈ اس بات کے لیے پُر عزم ہے کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مرتب کردہ کارپوریٹ گورننس کی ضروریات کو پورا کیا جائے اور ڈائریکٹرز یہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

- بینک کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، بینک کے معاملات کی صورت حال، انتظامی نتائج، کیش فلو اور ایکویٹی میں تبدیلی صحیح اور منصفانہ انداز میں پیش کیے گئے ہیں۔
 - بینک کے اکاؤنٹس کی بکس باقاعدہ طور پر برقرار رکھی گئی ہیں۔
 - مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ پالیسیوں کا یکساں اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے مناسب اور محتاط اندازے پر مبنی ہیں۔
 - بینک نے مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (جو پاکستان میں بینکوں پر لاگو ہیں) کی پیروی کی ہے اور کہیں بھی مذکورہ معیارات کی خلاف ورزی نہیں کی گئی۔
 - ایک مستقل عمل کے طور پر انٹرئل کنٹرول سسٹم پر موثر انداز میں عمل درآمد کرنے کی کوششیں کی جارہی ہیں۔ HBL، اسٹیٹ بینک آف پاکستان کی انٹرئل کنٹرول کی ہدایات سمیت انٹرئل کنٹرولز اور فنانشل رپورٹنگ (ICFR) کی ہدایات اور روڈ میپ پر عمل کرتا ہے۔ بینک نے ICFR کی مینجمنٹ کے لیے فریم ورک تیار کیا ہے۔
 - بینک کے اپنے امور کو جاری رکھنے کی صلاحیت پر کسی قسم کے شکوک و شبہات نہیں ہیں۔
 - ضابطے میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کسی قسم کا بنیادی انحراف نہیں کیا گیا ہے۔
 - مالیاتی گوشواروں کے سیکشن ”گروتھ 2016ء تا 2021ء“ مجموعی ”میں گزشتہ 6 سالوں کے اہم عملیاتی اور مالیاتی گوشوارے پیش کیے گئے ہیں۔
 - ڈائریکٹرز، سی ای او، سی ایف او اور کمپنی سیکریٹری نے تصدیق کی ہے کہ وہ اور ان کے ازواج کسی طرح کے بھی اسٹاک بروکر کے کاروبار میں شامل نہیں ہیں۔
 - بورڈ کی طرف سے قائم کردہ آڈٹ، ہیومن ریسورس اور ریمونریشن، رسک مینجمنٹ، IT، کمپلائنس اور کنڈکٹ، ڈویلپمنٹ فنانس، بورڈ اور سائٹ فار انٹرنیشنل گورننس، بورڈ اور سائٹ برائے نیویارک اور ریمونریشن کمیٹیاں اپنے اختیارات کے مطابق موثر انداز میں کام کر رہی ہیں۔ بورڈ باقاعدگی سے اس سال کے دوران 9 اجلاس کر چکا ہے، جن میں ہر سہ ماہی میں کم از کم ایک اجلاس شامل ہے۔
- بورڈ انٹرئل کنٹرولز سے متعلق انتظامیہ کی جانب سے دیے گئے بیان کی توثیق کرتے ہوئے خوشی محسوس کر رہا ہے۔ انٹرئل کنٹرول کا گوشوارہ، ضابطے پر عمل درآمد کا گوشوارہ برائے جائزہ رپورٹ، آڈیٹرز کی رپورٹس، مالیاتی گوشوارے کے ساتھ منسلک ہیں۔

ایمپلائز ریٹائرمنٹ بینیفٹ فنڈز میں سرمایہ کاریوں کی رقم

31 دسمبر 2021ء کے مطابق بینک کی جانب سے برقرار پروویڈنٹ، پنشن، گریجویٹ اور بینوولنٹ فنڈز میں سرمایہ کاریوں کی رقم، آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر درج ذیل جدول میں ظاہر کی گئی ہے:

ملین روپے	
5,342	ایمپلائز پروویڈنٹ فنڈ
6,140	ایمپلائز پنشن فنڈ
2,476	ایمپلائز گریجویٹ فنڈ
1,781	ایمپلائز بینوولنٹ فنڈز - ایگزیکٹوز اور افسران
903	ایمپلائز بینوولنٹ فنڈز - کلریکل اور نان کلریکل

پیٹرن آف شیئر ہولڈنگ

31 دسمبر 2021ء کو پیٹرن آف شیئر ہولڈنگ اور ایگزیکٹوز کی جانب سے بینک کے حصص میں کاروبار، جس کی بورڈ آف ڈائریکٹرز نے ضابطے کے تحت وضاحت کی ہے، ضابطے پر عمل درآمد کرتے ہوئے سالانہ رپورٹ میں دی گئی ہے۔

بورڈ کمیٹیوں کے اجلاس

بورڈ آؤٹ کمیٹی **		بورڈ ریسک مینجمنٹ کمیٹی		بورڈ ہیومن ریسورس اینڈ ریویژن کمیٹی **		بورڈ کیپٹالنس اور کنڈکٹ کمیٹی **		
حاضر	دورانِ مدت منعقدہ اجلاس	حاضر	دورانِ مدت منعقدہ اجلاس	حاضر	دورانِ مدت منعقدہ اجلاس	حاضر	دورانِ مدت منعقدہ اجلاس	
N/A	N/A	5	5	N/A	N/A	N/A	N/A	محترم سلطان علی الانہ
5	5	3	3	N/A	N/A	5	5	محترم خلیل احمد
1	1	N/A	N/A	N/A	N/A	1	1	محترم سلیم یحییٰ چنائے *
7	7	5	5	6	6	N/A	N/A	محترم شفیق دھرمشی
8	8	N/A	N/A	N/A	N/A	8	8	محترم معیز احمد جمال
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	محترمہ صبا کمال
1	1	N/A	N/A	N/A	N/A	N/A	N/A	محترمہ ڈیان الزبجہ مور *
N/A	N/A	1	1	6	6	2	2	محترم سلیم رضا ***
N/A	N/A	5	5	N/A	N/A	8	8	ڈاکٹر نجیب سمیع
N/A	N/A	N/A	N/A	6	6	N/A	N/A	محترم محمد اورنگزیب

بورڈ ڈیولپمنٹ فنانس کمیٹی **		بورڈ ٹیکنیشن اینڈ ریویژن کمیٹی		بورڈ IT کمیٹی **		بورڈ اوور سائٹ کمیٹی - انٹرنیشنل گورننس		
حاضر	دورانِ مدت منعقدہ اجلاس	حاضر	دورانِ مدت منعقدہ اجلاس	حاضر	دورانِ مدت منعقدہ اجلاس	حاضر	دورانِ مدت منعقدہ اجلاس	
2	2	N/A	N/A	N/A	N/A	4	4	محترم سلطان علی الانہ
1	1	N/A	N/A	N/A	N/A	N/A	N/A	محترم خلیل احمد
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	محترم سلیم یحییٰ چنائے *
N/A	N/A	3	3	N/A	N/A	N/A	N/A	محترم شفیق دھرمشی
N/A	N/A	3	3	3	3	N/A	N/A	محترم معیز احمد جمال
3	3	N/A	N/A	3	3	N/A	N/A	محترمہ صبا کمال
N/A	N/A	N/A	N/A	1	1	N/A	N/A	محترمہ ڈیان الزبجہ مور *
3	3	3	3	4	4	N/A	N/A	محترم سلیم رضا ***
N/A	N/A	3	3	N/A	N/A	4	4	ڈاکٹر نجیب سمیع
3	3	N/A	N/A	1	1	4	4	محترم محمد اورنگزیب

* محترم سلیم یحییٰ چنائے اور محترمہ ڈیان الزبجہ مور اپنی مدت کی تکمیل پر 26 مارچ 2021ء کو بورڈ سے ریٹائر ہو گئے۔

** یہ بورڈ کمیٹیاں 29 اپریل 2021ء سے دوبارہ تشکیل دی گئی۔ یکم دسمبر 2021ء کو بورڈ ڈیولپمنٹ فنانس کمیٹی کی مزید ترتیب نوکی گئی۔

*** کورم کے تقاضے پورے کرنے کے لیے، محترم سلیم رضا 29 مارچ 2021ء اور 19 اپریل 2021ء کو منعقدہ BAC کے دو اجلاسوں میں اور 20 اپریل 2021ء کو منعقدہ BHRRC کے ایک اجلاس میں شریک ہوئے۔

شریعہ بورڈ کے اجلاس

شریعہ بورڈ اجلاس		
حاضر	دورانِ مدت منعقدہ اجلاس	
4	4	ڈاکٹر محمد زبیر عثمانی (چیرمین)
4	4	ڈاکٹر اعجاز احمد صدیقی (رکن)
4	4	مفتی محمد یحییٰ عاصم (ریزیڈنٹ شریعہ بورڈ رکن)

کمپلائنس اور اخلاقی ضوابط، اسیکیلیشن میکانزم اور کمپلائنس سے متعلق امور کی رپورٹنگ بشمول مالیاتی جرائم، ریگولیٹری اور طرز عمل کے خطرات کی رپورٹنگ کا بھی جائزہ لیتی ہے۔

بورڈ ڈیولپمنٹ فنانس کمیٹی (BDFC): یہ کمیٹی ملک کے پسماندہ اور غیر بینکاری طبقات اور علاقوں کے لیے مالی شمولیت کے مقاصد، مصنوعات اور خدمات کے لیے لائحہ عمل و نگرانی اور سرمایہ کی منڈیوں کی ترقی کے اقدامات میں بورڈ کی مدد کرتی ہے۔ ایک اہم توجہ کا مرکز زرعی ویلیو چین میں انتہائی پیداواری لیکن پسماندہ معاشرے کے ذریعے دستیاب اضافہ کے مواقع استعمال کرنا ہے۔

بورڈ IT کمیٹی (BITC): بورڈ کی IT کمیٹی کمپنی کے اہم ٹیکنالوجی سرمایہ کاری منصوبوں اور حکمت عملیوں سے متعلق بورڈ کی سفارشات کا جائزہ لیتی ہے، جانچتی ہے اور سفارشات پیش کرتی ہے۔ BITC ٹیکنالوجی کی مد میں خرچ کے فوائد اور منافع کا جائزہ بھی لیتی ہے۔ کمیٹی ڈیجیٹل پیش رفت پر توجہ مرکوز رکھتی ہے تاکہ کسٹمر کی مرکزیت، لاگت میں کمی اور محصولات میں اضافہ کیا جاسکے اور کلاؤڈ سروس اور Fintech کے استعمال کے لیے ہدایات بھی فراہم کرتی ہے۔ BITC یہ بھی یقینی بناتی ہے کہ بینک کے اندر انفارمیشن سیکیورٹی فنکشن کو موثر نگرانی فراہم کی جائے اور انفارمیشن سیکیورٹی کی ساخت ریسک کی سکت سے ہم آہنگ ہو۔

بورڈ اور سائٹ کمیٹی (BOC-IG): بین الاقوامی گورننس کمیٹی ماتحت اداروں سمیت بیرون ملک کاروباری کاموں میں گورننس کی نگرانی میں بورڈ کی مدد کرتی ہے، جو SBP کے بینک کے بیرون ملک آپریشنز کے لیے گورننس فریم ورک کے مطابق ذیلی اداروں کے لیے بھی ہے۔

بورڈ مانیجمنٹ اینڈ ریمونیشن کمیٹی (BNRC): یہ کمیٹی HBL کی پابند اترتی کے لیے موزوں ڈھانچے، حجم اور مہارتوں کے توازن کی شناخت میں بورڈ کی معاونت کرتی ہے جو بورڈ کے لیے لازمی تصور کیے جاتے ہیں۔ BNRC ریگولیٹری فریم ورک کے مطابق ڈائریکٹرز کی ریمونیشن کے انتظامات کے لیے ہدایات بھی فراہم کرتی ہے۔

شریعہ بورڈ کی تقرری اور تشکیل

شریعہ اسکالر کی تقرری کے لیے، میجمنٹ پہلے SBP فٹ اینڈر پر اپر کرائیو (FAPC) کے مطابق مجوزہ شریعہ بورڈ رکن کی اسکریننگ کرتی ہے۔ بعد ازاں، اسے منظوری کے لیے HBL بورڈ آف ڈائریکٹرز کے پاس بھیجا جاتا ہے جس کے بعد اسے پُر FAPC فارم اور بورڈ کی منظوری نیز معاون دستاویزات کے ساتھ SBP میں جمع کروایا جاتا ہے۔ SBP کی جانب سے کلیئرنس ملنے کے بعد، میجمنٹ شریعہ بورڈ کے رکن سے رابطہ کرتی ہے، معاہدہ کرتی ہے اور SBP کو اطلاع دیتی ہے۔

HBL کا شریعہ بورڈ تین اراکین پر مشتمل ہے:

ڈاکٹر محمد زبیر عثمانی، شریعہ بورڈ کے سب سے تجربہ کار رکن ہیں۔ انھوں نے اپنا تخصص فی الفقہ (اسلامی فقہ) اور شہادۃ العالمیہ جامعہ دارالعلوم، کراچی سے مکمل کیا۔ آپ جامعہ کراچی سے اسلامک فنانس میں پی ایچ ڈی اور بین الاقوامی تعلقات میں ماسٹرز کی ڈگری بھی رکھتے ہیں۔ آپ 1999ء سے بینکاری اور مالی خدمات کے شعبے سے وابستہ ہیں اور متعدد مالیاتی اداروں کو شرعی مشاورت کی خدمات فراہم کر چکے ہیں۔ آپ نے اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کے رکن کی حیثیت سے بھی خدمات انجام دیں۔

ڈاکٹر اعجاز احمد صدیقی ممتاز شریعہ اسکالر ہیں۔ آپ نے تخصص فی الفقہ (اسلامی فقہ) اور شہادۃ العالمیہ کی اسلامی تعلیم جامعہ دارالعلوم، کراچی سے حاصل کی۔ آپ جامعہ کراچی سے اسلامک بینکنگ اور غرر (عدم یقین) پر پی ایچ ڈی ہیں، بہاول الدین زکریا یونیورسٹی سے اسلامک اسٹڈیز میں ماسٹرز اور سندھ مسلم گورنمنٹ کالج سے LLB کی اسناد بھی رکھتے ہیں۔ آپ 2004ء سے بینکاری اور مالیاتی خدمات کے شعبے سے وابستہ ہیں اور متعدد مقامی اور عالمی مالیاتی اداروں کے شریعہ بورڈ کو شرعی مشاورت کی خدمات فراہم کر چکے ہیں۔

مفتی محمد یحییٰ اعظم نے تخصص فی الفقہ (اسلامی فقہ) اور شہادۃ العالمیہ کی دینی تعلیم جامعہ دارالعلوم، کراچی سے حاصل کی۔ آپ بین الاقوامی تعلقات، عربی اور اسلامک اسٹڈیز میں ماسٹرز کی ڈگری بھی رکھتے ہیں۔ آپ اس وقت جامعہ کراچی سے پی ایچ ڈی کر رہے ہیں۔ آپ اسلامی بینکاری اور مالیاتی خدمات کے شعبے سے 2004ء سے وابستہ ہیں اور HBL، حبیب میٹروپولیٹن بینک، اٹلس ایسیٹ میجمنٹ، HBL ایسیٹ میجمنٹ، TPL ونڈو تکافل کو شرعی مشاورت کی خدمات فراہم کر چکے ہیں۔ فی الحال آپ HBL شریعہ بورڈ کے ریزنڈنٹ شریعہ بورڈ رکن کے طور پر کام کر رہے ہیں۔

SBP کی جانب سے متعارف کروائی گئی تبدیلیوں کی روشنی میں، جو یکم جولائی 2021ء سے نافذ العمل ہیں، ایک شریعہ بورڈ رکن کو صرف ایک کمرشل بینک کے ساتھ مخصوص ہونا چاہیے۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہے کہ ہمارے تمام شریعہ بورڈ نے ہمارے ساتھ کام کرنے کا فیصلہ کیا ہے اور دیگر اداروں میں اپنے عہدوں سے دستبردار ہو گئے ہیں۔

شریعہ بورڈ (SB) کے حوالے کی شرائط SBP کے جاری کردہ شریعہ گورننس فریم ورک کے مطابق ہیں۔ ان میں، دیگر امور کے ساتھ ساتھ، درج ذیل شامل ہیں:

- شریعہ بورڈ کو HBL کے شریعہ سے متعلق تمام معاملات پر غور، فیصلے اور نگرانی کا اختیار دیا گیا ہے۔ بینک، شریعہ بورڈ کی تمام آراء، فیصلے اور فتاویٰ کا پابند ہو گا جبکہ شریعہ بورڈ شریعہ سے متعلق اپنے تمام فیصلوں کا ذمہ دار اور جواب دہ ہو گا۔
- شریعہ بورڈ HBL اسلامک بینکنگ کے آپریشنز کے تمام شعبوں کے لیے جامع شریعہ کمپلائنس فریم ورک کی تیاری یقینی بنائے گا۔ HBL اسلامک بینکنگ کی پیش کردہ تمام مصنوعات یا خدمات کے لیے شریعہ بورڈ کی پیشگی منظوری درکار ہوگی۔
- شریعہ بورڈ تمام پروسیجر منیول، پروڈکٹ پروگرامز / اسٹریکچرز، پروسیس فلووز، متعلقہ معاہدے، مارکیٹنگ ایڈورٹائزمنٹ، سیلز اسٹریٹیشن اور بروشرز کی منظوری دے گا تاکہ یہ شرعی اصولوں کے مطابق ہوں۔

پیرنٹ کمپنی

جیسا کہ مالیاتی گوشوارے کے نوٹ 1.1 میں بیان کیا گیا ہے، آغا خان فنڈ فار اکنامک ڈویلپمنٹ (AKFED) S.A، بینک کی پیرنٹ کمپنی ہے اور اس کا رجسٹرڈ دفتر جنیوا، سوئٹزرلینڈ میں ہے۔

تربیتی پروگراموں میں ڈائریکٹرز کی شرکت

ڈائریکٹرز کی اکثریت SECP سے منظور شدہ ڈائریکٹر کے تربیتی پروگرام میں پہلے ہی شرکت کر چکی ہے اور ضابطے کے مطابق ڈائریکٹر کی حیثیت سے سند یافتہ ہے۔

2021ء میں بورڈ نے دو ٹریننگ سیشن میں شرکت کی۔ ایک سیشن، ملکی اور عالمی اسلاک فنانس پر تھا، جبکہ دوسرا سیشن AML/CFT کے شعبے میں تازہ ترین پیش رفت اور اس شعبے میں HBL کے لیے استحکام اور پائیداری حاصل کرنے کے طریقوں سے متعلق تھا۔ یہ سیشن معروف بیرونی ماہرین کی جانب سے منعقد کیے گئے۔

بورڈ کی کارکردگی کا جائزہ

HBL کے بورڈ نے اپنے بورڈ اور اس کی کمیٹیوں کے لیے سالانہ جائزے کا انتخاب کیا جو پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) نے 2021ء میں سرانجام دیا۔ جائزے میں بورڈ اور انفرادی دونوں حیثیتوں کے مد نظر کارکردگی کا تجزیہ کیا گیا اور بورڈ کے مشمولات، لائحہ عمل اور منصوبہ بندی، بورڈ اور سی ای او کی اثر انگیزی، بورڈ کی معلومات، بورڈ کمیٹیوں، بورڈ کا طرز کار اور ضابطوں کی صورت حال کا احاطہ کیا گیا۔

بورڈ کے اراکین کی تقرری اور نامزدگی کا طریقہ کار

بینک کے شیئر ہولڈرز 3 سال کی مدت کے لیے ڈائریکٹر کا انتخاب کرتے ہیں۔ اگر اتفاقی طور پر کوئی جگہ خالی ہو تو بینک کے آرٹیکل آف ایسوسی ایشن اور نافذ العمل قوانین و ضوابط کی روشنی میں بورڈ آف ڈائریکٹرز اس جگہ کو پُر کرتے ہیں۔ بورڈ نامینیشن اینڈ ریموونیشن کمیٹی (BNRC) کی جانب سے بورڈ اراکین کے لیے نامزدگی کی جاتی ہے۔ کوئی عہدہ اتفاقی طور پر خالی ہونے کی وجہ سے یا ریگولیٹرز کی جانب سے مخصوص شرائط متعارف کروائے جانے کی صورت میں ایسی صورت حال درپیش ہو سکتی ہے۔ ممکنہ امیدوار کی شناخت کے بعد، کمیٹی اپنی ڈیوٹی لیجنس انجام دیتے ہوئے بورڈ کی منظوری کے لیے سفارش بھیجتی ہے۔ تمام ڈائریکٹر SBP کے فٹ اینڈ پروپر ٹیسٹ (FPT) معیار پر SBP کی جانب سے منظور کیے جاتے ہیں؛ نیز، SBP کے ضابطہ برائے کارپوریٹ گورننس کے مطابق آزاد ڈائریکٹر غیر جانب داری کی اضافی شرط پر بھی پورا اترتے ہیں۔

بورڈ اور کمیٹیوں کی تشکیل

بورڈ کی تشکیل اور بورڈ کمیٹیوں کی تفصیلات کارپوریٹ گورننس کے ضابطے کے ساتھ اسٹیٹمنٹ آف کمپلائنس میں دی گئیں ہیں۔

بورڈ کے پاس حکمت عملی کی سمت اور بہتر نگرانی میں معاونت کے لیے درج ذیل کمیٹیاں موجود ہیں۔ بورڈ کمیٹی، بورڈ کی جانب سے منظور شدہ متعلقہ حوالہ کی شرائط (TORs) کے مطابق کام کرتی ہیں۔ ہر ذیلی کمیٹی کے فرائض کی ایک مختصر وضاحت درج ذیل ہے۔

بورڈ آڈٹ کمیٹی (BAC): BAC بینک کے داخلی کنٹرولز کے مضبوط اور موثر نظام کے لیے اعلیٰ سطح پر طرز کار کا تعین کرتی ہے۔ کمیٹی آپریشنل کنٹرولز سمیت بینک کے داخلی کنٹرولز کے ماحول، بشمول مالیاتی اور آپریشنل ضابطوں، اکاؤنٹنگ کے نظاموں، اور رپورٹنگ کے اسٹرکچر کی اہلیت اور افادیت کا جائزہ لیتی ہے۔ کمیٹی بینک کے داخلی آڈٹ فنکشن کی نگرانی اور رسک پر مبنی سالانہ آڈٹ کے منصوبے کی نگرانی کرتی ہے؛ رسک پر مبنی سالانہ آڈٹ پلان کی پیش رفت کی منظوری اور نگرانی کا عمل انجام دیتی ہے؛ اور یقینی بناتی ہے کہ انٹرئل آڈٹ کا شعبہ مناسب وسائل رکھتا ہو اور اپنی آزادانہ حالت برقرار رکھنے کے لیے ادارے کے اسٹرکچر میں موزوں مقام رکھتا ہو۔ BAC بورڈ کو منظوری کی درخواست سے پہلے بینک کے مالی بیانات اور اس سے وابستہ امور کا جائزہ بھی لیتی ہے۔ اس عمل کے ایک حصے کے طور پر، کمیٹی بینک کے بیرونی آڈیٹرز سے بھی بات چیت کرتی ہے اور اسٹیٹسٹوری آڈیٹرز کے ساتھ بیرون ملک آڈیٹرز کی تقرری کے لیے بھی سفارشات پیش کرتی ہے۔ BAC نے اکاؤنٹنگ کے معیارات کے اطلاق کی نگرانی کی بھی ذمہ دار ہے، بالخصوص HBL میں IFRS 9 کے اطلاق کے لیے بورڈ نے BAC کو ذمہ داری سونپی ہے۔ اس کے دائرہ کار میں شعبوں کے لیے BAC بورڈ کو منظوری کے لیے پالیسیز پیش کرتی ہے۔

بورڈ رسک مینجمنٹ کمیٹی (BRMC): یہ کمیٹی رسک سے متعلق معاملات کی نگرانی اور تجاویز کی ذمہ دار ہے، جس میں بینک کی رسک کی سکت اور رسک پروفائل کا انتظام شامل ہیں۔ BRMC بینک کے رسک پروفائل کی مناسبت سے اندرونی رسک فریم ورک کی تشکیل اور تکمیل کی یقینی دہانی بھی کرتی ہے اور رسک پروفائل کے ساتھ ایک آزاد، مددگار اور فعال رسک مینجمنٹ کلچر کی ترویج اور بحالی کی ذمہ دار ہے۔ کمیٹی روز افزوں بڑھتے ہوئے خطرات کی شناخت اور تدارک یقینی بنانے کے لیے دور رس نظریہ اختیار کرتی ہے۔

بورڈ ہیومن ریسورس اور ریموونیشن کمیٹی (BHRRC): کمیٹی اہم ہیومن ریسورس اور معاوضہ پالیسیاں تجویز کرتی ہے جس میں بینک میں ملازمت کی اہم شرائط اور فوائد کے ساتھ تمام عملے اور اہم افسران کے لیے پرفارمنس مینجمنٹ اور معاوضے کے منصوبے شامل ہیں۔ اس میں عملے کی تربیت، پیشہ ورانہ ترقی، ٹیلنٹ مینجمنٹ اور جانشینی کی منصوبہ بندی سے متعلق شرائط و ضوابط اور بہترین طرز کار کے مطابق جائزہ بھی لیا جاتا ہے۔

بورڈ کمپلائنس اور کنڈکٹ کمیٹی (BCNCC): کمیٹی پورے بینک میں مضبوط کمپلائنس اور بہتر طرز عمل کی ثقافت اپنانے میں بورڈ کی حمایت کرتی ہے۔ یہ ضابطہ اخلاق / تہذیب سمیت قانونی اور ریگولیٹری تقاضوں، داخلی پالیسیوں اور طریقہ کار کے ساتھ بینک کے کمپلائنس کی نگرانی کے لیے ایک نگران اتھارٹی کے طور پر کام کرتی ہے۔ کمیٹی

ڈائریکٹرز کا معاوضہ

30 مارچ 2020ء کو ہونے والے سالانہ اجلاس میں بینک کے حصص یافتگان نے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے ڈائریکٹرز کو ادا کی جانے والی فیس کے طور پر 600,000 روپے کی منظوری دی تھی۔ پالیسی میں نان ایگزیکٹو ڈائریکٹرز کے دفتری سفر کے لیے سفری اخراجات اور روزانہ الاؤنسز بھی بیان کیے گئے ہیں۔

ڈائریکٹرز کو مجموعی اد شدہ فیس اور CEO کو ادا کردہ معاوضے کی تفصیلات غیر مجموعی مالیاتی رپورٹ کے نوٹ 38.1 میں ظاہر کی گئی ہیں۔

شریعہ بورڈ کے اراکین کا معاوضہ

ہیڈ، اسلامک بینکنگ شریعہ بورڈ کے اراکین کا معاوضہ انڈسٹری پریکٹس کی بنیاد پر صدر کو تجویز کرتا ہے۔ صدر کی منظوری کے بعد، اسے ہیڈ HR کو بھیجا جاتا ہے تاکہ وہ بورڈ ہیومن ریسورس اور ریمونریشن کمیٹی کو سفارش کر سکے۔ کمیٹی شریعہ بورڈ کے اراکین کے معاوضے کا جائزہ لیتی ہے اور اسے منظوری کے لیے بورڈ آف ڈائریکٹرز کے پاس بھیجتی ہے۔

بورڈ آف ڈائریکٹرز کے 26 مارچ 2021ء کو منعقدہ 229 ویں اجلاس میں بورڈ نے بالترتیب چیئرمین شریعہ بورڈ، ریڈیٹنٹ شریعہ بورڈ ممبر اور ممبر شریعہ بورڈ کے لیے 950,000 روپے، 900,000 روپے اور 800,000 روپے کی منظوری دی گئی ہے۔ ریڈیٹنٹ شریعہ بورڈ ممبر کار الاؤنس کے بھی اہل ہوں گے۔

اپنی ملازمت کے معاہدے کی رو سے شریعہ بورڈ ممبر بینک کی ٹریول پالیسی کے مطابق گریڈ کے تحت سفری اور روزانہ الاؤنس کے اہل ہوں گے۔

شریعہ بورڈ کے اراکین کو ادا کردہ فیس کی تفصیلات غیر مجموعی مالیاتی رپورٹ کے نوٹ 38.1 میں ظاہر کی گئی ہیں۔

اظہارِ تشکر

بورڈ اور انتظامیہ کی جانب سے ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی وقت میں، انہوں نے ایسی پالیسیاں بنائیں اور اقدامات کیے جو مصلحت اندیش اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے صارفین کے احسان مند ہیں جن میں سے کئی نسلوں سے ہمارے ساتھ منسلک ہیں اور اپنے کاروبار اور اعتماد کے ذریعے اپنا بھرپور سہارا جاری رکھے ہوئے ہیں۔ ہمارے حصص یافتگان نے ثابت قدمی سے ہمارا ساتھ دیا اور اس کے ساتھ ہم تمام اسٹیک ہولڈرز کے انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے تہہ دل سے شکر گزار ہیں، جنہوں نے ان خطرناک حالات میں بہادری کا مظاہرہ کرتے ہوئے اس بحران میں ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنائی۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انہیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معین احمد جمال
ڈائریکٹر

محمد اورنگزیب
صدر اور چیف ایگزیکٹو آفیسر

24 فروری، 2022ء

INDEPENDENT AUDITOR'S REPORT

To the members of Habib Bank Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Habib Bank Limited** (the Bank), which comprise the unconsolidated statement of financial position as at December 31, 2021, and the unconsolidated profit and loss account, 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 152 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 profit and loss account, 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 December 31, 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 Unconsolidated 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Provision against advances Refer notes 4.4 and 9.5 to the unconsolidated financial statements for accounting policy and particulars of provision against advances. The Bank's advances to customers represent 35% of its total assets. These are stated net of provision against advances of Rs. 69.09 billion as at December 31, 2021. The provision against advances was identified as a key focus area in our audit as it involves a considerable degree of management judgment and estimation uncertainty along with compliance with the regulatory requirements.	 Our audit procedures for domestic advances included: - Assessed the design and tested the operating effectiveness of manual and automated controls over classification and grading of customers, including: - The accuracy of data input into the system used for credit grading; - The ongoing monitoring and identification of advances displaying indicators of impairment and whether they are migrating on a timely basis to early alert or to higher risk grade;

S. No.	Key audit matter	How the matter was addressed in our audit
		- Identification of past due customers. • For a sample of advances, where the management has not identified as displaying indicators of impairment, challenged the management's assessment by comparing the historical performance, financial ratios and reports on security maintained and formed our own view whether any impairment indicators are present. • Where management has identified as displaying indicators of impairment, assessed the number of days overdue and factors used for calculation of provision in accordance with the Prudential Regulations. • For consumer advances, analysed the days past due report and factors used for calculation of specific provision required in accordance with Prudential Regulations. • For consumer advances, where the management has not identified as displaying any indicators of impairment, compared the general provision calculated with provision required in accordance with Prudential Regulations. We issued instructions to auditors of those overseas branches which were selected for audit, highlighting 'Impairment of loans and advances' as a significant risk. The auditors of those overseas branches performed audit procedures to respond to the significant risk and reported the results thereof to us. We, as auditors of the Bank, also evaluated the work performed by the component auditors through their files review and discussions with them.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

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

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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:

- ② Identify and assess the risks of material misstatement of the unconsolidated 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.
- ② 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.
- ② Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ② 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 unconsolidated 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.
- ② Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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.

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 unconsolidated statement of financial position, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated 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.

Other Matter

The unconsolidated financial statements of the Bank for the year ended December 31, 2020 were audited by another auditor who vide their report dated February 24, 2021 expressed an unmodified opinion on those statements.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

Dated: March 3, 2022

UDIN: AR202110201RGPX5tDdo

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

2021
(US \$ in '000)

2020

Note 2021
(Rupees in '000)

2020

ASSETS

2,320,099	1,971,457	Cash and balances with treasury banks	5	409,528,880	347,988,749
182,287	217,676	Balances with other banks	6	32,176,188	38,422,719
531,078	170,832	Lendings to financial institutions	7	93,742,432	30,154,193
10,793,444	10,833,381	Investments	8	1,905,188,657	1,912,237,993
7,843,873	6,329,946	Advances	9	1,384,549,476	1,117,320,960
533,434	477,870	Fixed assets	10	94,158,252	84,350,518
37,467	26,042	Intangible assets	11	6,613,409	4,596,807
21,216	-	Deferred tax assets	12	3,744,933	-
820,821	615,476	Other assets	13	144,885,979	108,639,781
23,083,719	20,642,680			4,074,588,206	3,643,711,720

LIABILITIES

248,445	261,296	Bills payable	14	43,853,860	46,122,344
2,448,887	3,059,796	Borrowings	15	432,261,654	540,095,253
18,039,758	15,123,437	Deposits and other accounts	16	3,184,260,887	2,669,490,716
-	-	Liabilities against assets subject to finance lease		-	-
70,102	126,653	Subordinated debt	17	12,374,000	22,356,000
-	16,819	Deferred tax liabilities	12	-	2,968,857
815,286	679,574	Other liabilities	18	143,908,895	119,953,785
21,622,478	19,267,575			3,816,659,296	3,400,986,955
1,461,241	1,375,105			257,928,910	242,724,765

NET ASSETS

REPRESENTED BY

Shareholders' equity

83,101	83,101	Share capital	19	14,668,525	14,668,525
394,750	357,143	Reserves		69,678,669	63,040,638
142,704	202,550	Surplus on revaluation of assets - net of tax	20	25,189,245	35,752,856
840,686	732,311	Unappropriated profit		148,392,471	129,262,746
1,461,241	1,375,105			257,928,910	242,724,765

CONTINGENCIES AND COMMITMENTS

21

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		Note	2021 (Rupees in '000)	2020
1,389,424	1,460,380	Mark-up / return / profit / interest earned	23	245,252,121	257,776,834
704,223	768,921	Mark-up / return / profit / interest expensed	24	124,304,851	135,725,021
685,201	691,459	Net mark-up / return / profit / interest income		120,947,270	122,051,813
Non mark-up / interest income					
126,018	92,646	Fee and commission income	25	22,243,819	16,353,273
8,549	9,448	Dividend income		1,509,089	1,667,625
26,048	(2,388)	Foreign exchange income / (loss)		4,597,846	(421,527)
(1,032)	6,107	(Loss) / gain from derivatives		(182,098)	1,077,945
8,168	39,812	Gain on securities - net	26	1,441,844	7,027,427
6,311	216	Other income	27	1,113,933	38,211
174,062	145,841	Total non mark-up / interest income		30,724,433	25,742,954
859,263	837,300	Total income		151,671,703	147,794,767
Non mark-up / interest expenses					
479,327	471,078	Operating expenses	28	84,607,713	83,151,607
6,682	6,255	Workers' Welfare Fund - charge	29	1,179,500	1,104,030
3,157	1,817	Other charges	30	557,178	320,793
489,166	479,150	Total non mark-up / interest expenses		86,344,391	84,576,430
370,097	358,150	Profit before provisions and taxation		65,327,312	63,218,337
35,990	57,921	Provisions / (reversals) and write offs - net	31	6,352,849	10,223,853
334,107	300,229	Profit before taxation		58,974,463	52,994,484
139,949	121,638	Taxation	32	24,702,969	21,470,802
194,158	178,591	Profit after taxation		34,271,494	31,523,682
(Rupees)					
Basic and diluted earnings per share					
				33	23.36
					21.49

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020		2021 (Rupees in '000)	2020
194,158	178,591	Profit after taxation for the year	34,271,494	31,523,682
		Other comprehensive income / (loss)		
		<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
19,587	8,288	Effect of translation of net investment in foreign branches - net of tax	3,457,371	1,462,914
(59,573)	27,741	Movement in surplus / deficit on revaluation of investments - net of tax	(10,515,404)	4,896,687
		<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
1,166	(877)	Remeasurement gain/(loss) on defined benefit obligations - net of tax	206,025	(154,770)
-	34,222	Movement in surplus / deficit on revaluation of fixed assets - net of tax	-	6,040,669
753	281	Movement in surplus / deficit on revaluation of non-banking assets - net of tax	132,680	49,570
156,091	248,246	Total comprehensive income	27,552,166	43,818,752

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Share capital	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Statutory (note 19.5)	Capital		Investments	Fixed / Non-banking assets		
		Exchange translation (note 19.6)	Non - distributable				
..... (Rupees in '000)							

(Rupees in '000)

Balance as at December 31, 2019

14,668,525	33,463,859	23,263,185	547,115	3,573,355	21,237,500	104,668,407	201,421,946

Comprehensive income for the year

Profit after taxation for the year ended December 31, 2020

-	-	-	-	-	-	31,523,682	31,523,682
-	-	1,462,914	-	-	-	-	1,462,914
-	-	-	-	-	-	(154,770)	(154,770)
-	-	-	-	4,896,687	6,090,239	-	10,986,926

Other comprehensive income / (loss)

- Effect of translation of net investment in foreign branches - net of tax
- Remeasurement loss on defined benefit obligations - net of tax
- Movement in surplus / deficit on revaluation of assets - net of tax

Transferred to statutory reserves

Transferred from surplus on revaluation of assets - net of tax

Exchange loss realized on closure of Bank branch - net of tax

-	-	1,462,914	-	4,896,687	6,090,239	31,368,912	43,818,752
-	3,152,368	-	-	-	-	(3,152,368)	-
-	-	-	-	-	(44,925)	44,925	-
-	-	1,151,197	-	-	-	-	1,151,197

Transactions with owners, recorded directly in equity

Final cash dividend - Rs 1.25 per share declared subsequent to the year ended December 31, 2019

1st interim cash dividend - Rs 1.25 per share

-	-	-	-	-	-	(1,833,565)	(1,833,565)
-	-	-	-	-	-	(1,833,565)	(1,833,565)
-	-	-	-	-	-	(3,667,130)	(3,667,130)

Balance as at December 31, 2020

14,668,525	36,616,227	25,877,296	547,115	8,470,042	27,282,814	129,262,746	242,724,765

Comprehensive income for the year

Profit after taxation for the year ended December 31, 2021

-	-	-	-	-	-	34,271,494	34,271,494
-	-	3,457,371	-	-	-	-	3,457,371
-	-	-	-	-	-	206,025	206,025
-	-	-	-	(10,515,404)	132,680	-	(10,382,724)

Other comprehensive income / (loss)

- Effect of translation of net investment in foreign branches - net of tax
- Remeasurement gain on defined benefit obligations - net of tax
- Movement in surplus / deficit on revaluation of assets - net of tax

Transferred to statutory reserves

Transferred from surplus on revaluation of assets - net of tax

Exchange gain realised on partial repatriation of branch capital - net of tax

-	-	3,457,371	-	(10,515,404)	132,680	34,477,519	27,552,166
-	3,427,149	-	-	-	-	(3,427,149)	-
-	-	-	-	-	(180,887)	180,887	-
-	-	(246,489)	-	-	-	-	(246,489)

Transactions with owners, recorded directly in equity

Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020

1st interim cash dividend - Rs 1.75 per share

2nd interim cash dividend - Rs 1.75 per share

3rd interim cash dividend - Rs 1.75 per share

-	-	-	-	-	-	(4,400,556)	(4,400,556)
-	-	-	-	-	-	(2,566,992)	(2,566,992)
-	-	-	-	-	-	(2,566,992)	(2,566,992)
-	-	-	-	-	-	(2,566,992)	(2,566,992)
-	-	-	-	-	-	(12,101,532)	(12,101,532)

Balance as at December 31, 2021

14,668,525	40,043,376	29,088,178	547,115	(2,045,362)	27,234,607	148,392,471	257,928,910

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

2021 (US \$ in '000)	2020 (US \$ in '000)		Note	2021 (Rupees in '000)	2020 (Rupees in '000)
334,107	300,229	CASH FLOWS FROM OPERATING ACTIVITIES		58,974,463	52,994,484
(8,549)	(9,448)	Profit before taxation		(1,509,089)	(1,667,625)
325,558	290,781	Dividend income		57,465,374	51,326,859
36,341	30,968	Adjustments:		6,414,731	5,466,280
5,574	4,201	Depreciation		983,969	741,559
15,763	18,116	Amortisation		2,782,450	3,197,780
17,240	9,602	Depreciation on right-of-use assets		3,043,048	1,694,796
7,020	14,748	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		1,239,075	2,603,244
(6,974)	(3,020)	Mark-up / return / profit / interest expensed on subordinated debt		(1,230,989)	(533,085)
32,875	57,998	Reversal of provision for diminution in value of investments		5,802,879	10,237,475
1,077	3,728	Provision against loans and advances		190,136	658,088
8,727	2,180	Provision against other assets		1,540,508	384,791
(381)	(213)	Provision against off-balance sheet obligations		(67,261)	(37,550)
(1,396)	-	Unrealised gain on held-for-trading securities		(246,489)	-
(76)	(7,906)	Exchange gain realised on partial repatriation of branch capital - net of tax		(13,354)	(1,395,593)
-	6,522	Exchange gain realised on liquidation of subsidiary		-	1,151,197
(418)	(437)	Exchange loss realized on closure of Bank branch - net of tax		(73,824)	(77,204)
(91)	(14)	Gain on sale of fixed assets - net		(16,000)	(2,500)
6,682	6,255	Gain on sale of non - banking assets		1,179,500	1,104,030
121,963	142,728	Workers' Welfare Fund - charge		21,528,379	25,193,308
447,521	433,509			78,993,753	76,520,167
(360,246)	85,823	(Increase) / decrease in operating assets		(63,588,239)	15,149,006
(415,313)	767,602	Lendings to financial institutions		(73,308,334)	135,492,098
(1,546,802)	(308,984)	Held-for-trading securities		(273,031,395)	(54,539,766)
(203,391)	98,938	Advances		(35,901,214)	17,463,821
(2,525,752)	643,379	Other assets (excluding advance taxation)		(445,829,182)	113,565,159
(12,852)	93,976	Increase / (decrease) in operating liabilities		(2,268,484)	16,588,041
(610,909)	895,250	Bills payable		(107,833,599)	158,023,741
2,916,322	2,082,513	Borrowings from financial institutions		514,770,171	367,591,630
89,615	(1,409)	Deposits and other accounts		15,817,822	(248,794)
2,382,176	3,070,330	Other liabilities		420,485,910	541,954,618
303,945	4,147,218			53,650,481	732,039,944
(142,256)	(78,885)	Income tax paid		(25,110,163)	(13,924,234)
161,689	4,068,333	Net cash flows generated from operating activities		28,540,318	718,115,710
779,077	(3,546,772)	CASH FLOWS FROM INVESTING ACTIVITIES		137,517,545	(626,053,217)
(398,373)	(352,430)	Net investment in available-for-sale securities		(70,318,201)	(62,208,709)
(14,165)	(3,680)	Net investment in held-to-maturity securities		(2,500,374)	(649,603)
(1,726)	653	Net investment in subsidiaries		(304,652)	115,334
7,585	9,362	Net investment in associates		1,338,902	1,652,599
(73,973)	(35,186)	Dividend received		(13,057,294)	(6,210,883)
(16,784)	(10,204)	Investment in fixed assets		(2,962,517)	(1,801,173)
207	17,116	Investment in intangible assets		36,590	3,021,200
603	871	Proceeds realised on liquidation of subsidiary		106,525	153,674
1,224	241	Proceeds from sale of fixed assets		216,000	42,500
19,587	8,288	Proceeds from sale of non-banking assets		3,457,371	1,462,914
303,262	(3,911,741)	Effect of translation of net investment in foreign branches - net of tax		53,529,895	(690,475,364)
(56,551)	(23)	Net cash flows generated from / (used in) investing activities		(9,982,000)	(4,000)
(8,597)	(16,258)	Repayment of subordinated debt		(1,517,481)	(2,869,791)
(25,052)	(23,070)	Payment of mark-up on subordinated debt		(4,421,977)	(4,072,209)
(61,498)	(20,759)	Payment of lease liability against right-of-use assets		(10,855,155)	(3,664,234)
(151,698)	(60,110)	Dividend paid		(26,776,613)	(10,610,234)
313,253	96,482	Net cash flows used in financing activities		55,293,600	17,030,112
2,153,575	2,077,208	Increase in cash and cash equivalents during the year		380,135,020	366,655,443
35,558	15,443	Cash and cash equivalents at the beginning of the year		6,276,448	2,725,913
2,189,133	2,092,651	Effect of exchange rate changes on cash and cash equivalents		386,411,468	369,381,356
2,502,386	2,189,133	Cash and cash equivalents at the end of the year		441,705,068	386,411,468

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,648 (2020: 1,659) branches inside Pakistan including 259 (2020: 62) Islamic Banking Branches and 37 (2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and the company stands formally dissolved as on May 19, 2021. The entire capital has been repatriated to Pakistan.
- 1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.3 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.
- 1.4 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.5 HBL Microfinance Bank Limited (HBL MFB), was formerly known as First MircoFinance Bank Limited with the change of name taking effect from January 12, 2022. During the year, the Bank has subscribed to 200 million Rights shares issued by HBL MFB. Resultantly, the Bank's holding in HBL MFB has increased from 50.51% to 71.43%.

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic mode, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

Key financial figures of the Islamic banking branches are disclosed in Annexure I to these unconsolidated financial statements.

The US Dollar amounts shown in these unconsolidated financial statements are stated solely for information. The statement of financial position, profit and loss account, statement of comprehensive income and cash flow statement as at and for the years ended December 31, 2021 and 2020 have all been converted using an exchange rate of Rupees 176.5135 per US Dollar.

2.2 Statement Of Compliance

These unconsolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities & Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

The SECP has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' with effect from January 1, 2014. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and accordingly, the Bank prepares financial statements as per the format issued vide BPRD Circular 2 of 2018.

IFRS 10, Consolidated Financial Statements, was notified by the SECP as applicable for accounting periods beginning from January 1, 2015. However, the SECP, through SRO 56(I)/2016 dated January 28, 2016, has directed that the requirement of consolidation under this standard and under Section 228 of the Companies Act, 2017, is not applicable in the case of investments by a bank in mutual funds managed by its own asset management company and established under the trust structure. Therefore, investments by the Bank in mutual funds managed by HBL Asset Management Limited (HBL AMC) are not consolidated as would otherwise be required under the definition of control specified in IFRS 10.

These unconsolidated financial statements of the Bank are prepared using generally consistent accounting policies. However, Overseas branches comply with the local regulations enforced within their respective jurisdictions.

2.3 Amendments to existing accounting and reporting standards that have become effective in the current year.

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or to not have any significant impact on these unconsolidated financial statements.

2.4 Standards and amendments to existing accounting and reporting standards that are not yet effective.

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited.

Except for the implementation of IFRS 9 in Pakistan, The Bank expects that adoption of the amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

2.5 Critical accounting estimates

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan 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 experience, 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 financial statements or where judgement was exercised in the application of accounting policies are as follows:

- i) Classification of investments (note 4.3)
- ii) Valuation and impairment of subsidiaries, associates, joint venture and investments (note 4.3)
- iii) Provision against advances (note 4.4.1)
- iv) Valuation and depreciation of fixed assets (note 4.5)
- v) Valuation of right-of-use assets and their related lease liability (note 4.6)
- vi) Valuation and amortization of intangible assets (note 4.7)
- vii) Valuation of non-banking assets acquired in satisfaction of claims (note 4.8)
- viii) Valuation of defined benefit plans (note 4.12)
- ix) Taxation (note 4.15)
- x) Fair value of derivatives (note 4.21)

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

During the year, the bank has reviewed the useful life of biometric Devices which are used for customer verification and are classified as office equipment. This review has resulted in a change in the useful life of these assets. Further, the depreciation method of Ijarah Assets has also been changed from reducing balance method to straight line method in order to ensure consistency with the Bank's depreciation method for the remainder of its fixed assets. These revisions have been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8. Accordingly, the effect of this change in accounting estimate has been recognised prospectively in the unconsolidated profit and loss account from the current year. The impact of this change is disclosed in note 10.2.1 and in note 3.1.1 of Annexure I to these unconsolidated financial statements.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

- Certain classes of fixed assets and non-banking assets acquired in satisfaction of claims, which are stated at revalued amounts less accumulated depreciation.
- Investments classified as held-for-trading and available-for-sale, which are measured at fair value.
- Derivative financial instruments, including forward foreign exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liability, which are measured at their present values.
- Net obligations in respect of defined benefit schemes, which are measured at their present values.

3.2 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani rupees, which is the Bank's functional currency. Amounts are rounded to the nearest thousand Rupees.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances with treasury banks and balances with other banks.

4.2 Lending / borrowing transactions with financial institutions

The Bank enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

4.2.1 Purchase under resale agreements (reverse repo)

Securities purchased under agreement to resale are not recognised as investments in the financial statements and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase price and the contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as markup income.

4.2.2 Sale under repurchase agreement (repo)

Securities sold under a repurchase agreement continue to be recognised as investments in the financial statements and the liability to the counterparty is included in borrowings. The difference between the sale price and the contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as markup / interest expense.

4.2.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.3 Investments

The Bank classifies its investment portfolio, other than its investments in subsidiaries, associates and joint ventures, into the following categories:

Held-for-trading

These are securities included in a portfolio in which a pattern of short-term trading exists, or which are acquired for generating a profit from short-term fluctuations in market prices or interest rate movements. These securities are required to be sold within 90 days from the date of their purchase under normal circumstances.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold till maturity.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Available-for-sale

These are investments, other than investments in subsidiaries, associates and joint ventures, that do not fall under the held-for-trading or held-to-maturity categories.

4.3.1 Initial measurement

All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. The trade date is the date on which the Bank commits to purchase or sell the investment.

In the case of investments classified as held-for-trading, transaction costs are expensed through the profit and loss account. Transaction costs associated with investments other than those classified as held-for-trading are included in the cost of the investments.

4.3.2 Subsequent measurement

Held-for-trading

Investments classified as held-for-trading are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is taken to the profit and loss account.

Held-to-maturity

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest rate method, less any impairment recognised to reflect irrecoverable amounts.

Available-for-sale

Listed securities classified as available-for-sale are subsequently measured at fair value. Any unrealised surplus / deficit arising on revaluation is recorded in the surplus / deficit on revaluation of securities account (shown as part of equity in the statement of financial position) and is taken to the profit and loss account either when realised upon disposal or when the investment is considered to be impaired.

Unlisted equity securities are carried at the lower of cost and break-up value. The break-up value is calculated with reference to the net assets of the investee company as per its latest available audited financial statements. The Bank may also use unaudited or management accounts to determine if any additional impairment needs to be charged beyond amounts already charged based on audited financial statements. Other unlisted securities are valued at cost less impairment, if any.

4.3.3 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are recorded at cost less impairment, if any.

4.3.4 Impairment

The Bank determines that available-for-sale listed equity investments are impaired when there has been a significant or prolonged decline in the fair value of these investments below their cost. The determination of what is significant or prolonged requires judgement. In making this judgement, the Bank evaluates, among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial condition of the investee, industry and sector performance and changes in technology. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

A decline in the carrying value of unlisted equity securities is charged to the profit and loss account. A subsequent increase in the carrying value, up to the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the SBP. Provision against investments by the Bank's overseas branches is made as per the requirements of their respective regulatory regimes.

When a debt security, classified as available-for-sale, is considered to be impaired, the balance in the surplus / deficit on revaluation of securities account is transferred to the profit and loss account as an impairment charge. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account.

When a debt security, classified as held-to-maturity, is considered to be impaired, the impairment is directly charged to the profit and loss account as held-to-maturity securities are carried at amortized cost. Any subsequent reversal of an impairment loss, up to the cost of the investment in the debt security is credited to the profit and loss account.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Provision for diminution in the value of other securities is made after considering objective evidence of impairment.

The Bank considers that a decline in the recoverable value of its investments in subsidiaries, associates and joint ventures below their carrying value may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable amount falls below the carrying value and is charged to the profit and loss account. Any subsequent reversal of an impairment loss, up to the carrying value of the investment in subsidiaries, associates and joint ventures, is credited to the profit and loss account.

4.4 Advances

4.4.1 Advances are stated net of specific and general provisions. Provision against advances by the Bank's branches in Pakistan is made in accordance with the requirements of the Prudential Regulations. Provision against advances by the Bank's overseas branches is made as per the requirements of the respective regulatory regimes in which the overseas branches operate. Advances are written off in line with the Bank's policy when there are no realistic prospects of recovery.

In addition, the Bank expects that several borrowers may be severely impacted by the COVID-19 pandemic. The potential impact of the economic stress is difficult to predict, as many of such borrowers have availed the SBP enabled deferment / restructuring & rescheduling relief. Hence, management feels that it is appropriate to maintain an additional general provision of up to 1% on the domestic, funded performing credit portfolio excluding:

- Government guaranteed exposure
- Consumer and staff lending
- Exposure secured by cash / near cash collateral

This additional provision is based on management's best estimate.

4.4.2 Finance lease receivables

Leases where the Bank transfers a substantial portion of the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognised at an amount equal to the present value of the lease payments including any guaranteed residual value. The net investment in finance lease is included in advances.

4.4.3 Islamic financing and related assets

Murabaha financing is a cost plus profit transaction. Funds disbursed for the purchase of goods are recorded as an advance against Murabaha. Once the goods are sold to the customers, the transaction is recorded as financing. Goods purchased by the Bank but remaining unsold are recorded as inventories.

The financing is recorded at the deferred sale price. Profit earned on financing is recognised as unearned income and amortised into the profit and loss account over the term of the Murabaha financing. It is possible for Bank to buy the inventory on a customer's behalf and sell it to the customers on spot basis. In this case, the entire profit is recognised immediately in the profit and loss account.

Under Ijarah financing, the Bank transfers the rights to use an asset to the customer for an agreed period for an agreed consideration. Assets given under Ijarah are stated at cost less accumulated depreciation, residual value and impairment losses, if any. The depreciation is calculated on a straight line basis over the term of the Ijarah after taking into account the estimated residual value. Impairment of Ijarah assets is recognised in line with the Prudential Regulations or upon the occurrence of an impairment event which indicates that the carrying value of the Ijarah asset may exceed its recoverable amount. The Ijarah rental received / receivable is recognised as income on an accrual basis.

Gains or losses on disposal of Ijarah assets are taken to the profit and loss account in the period in which they arise.

Running Musharakah is the economic equivalent of conventional running finance. The Bank and the customer enter a Musharakah (transaction or business partnership arrangement) where the Bank agrees to finance the operating activities of the customer's business and share the profit or loss at a pre-agreed ratio. Profit is provisionally recognised on an accrual basis and is adjusted once the customer declares the final profit after issuance of audited financial statements.

Under Diminishing Musharakah financing, the Bank and the customer create joint beneficial ownerships over tangible assets to fulfill the customer's capital expenditure / project requirements. The Bank receives periodic payments, partly for renting its portion of the assets to the customer and partly for the gradual transfer / sale of its share of ownership to the customer. The rental payment is recognised as profit while the asset transfer / sale payments are applied towards reducing the outstanding principal.

Under Istisna financing, the Bank gives an advance to customers for manufacturing goods and may allow their sale immediately after the goods are manufactured or allow a pre-agreed time to sell the goods on deferred payment basis as the Bank's agent to a third party. Profit is recognised at the time when the goods are sold to the third party. In case of a deferred sale, the profit is recognised on an accrual basis over the over the period of transaction.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Under *Tijarah* financing, the Bank purchases finished goods from the customer against payment, takes possession and appoints the customer as an agent to sell these goods to the ultimate buyer, generally on a deferred payment basis. Goods purchased by the Bank and sold by the customer on a deferred payment basis are recognised as financing while goods purchased by the Bank but remaining unsold by the customer are recorded as inventories. Profit on the financing is recognised on an accrual basis over the period of transaction.

Wakalah is an agency contract in which the Bank provides funds to a customer to invest in a Shariah compliant manner. This is recorded as financing and profit is recognised on an accrual basis and is adjusted once the customer declares *Wakalah* business performance.

Salam is a sale whereby the Bank undertakes to supply some specific commodity (ies) / asset(s) to the customer at a future date in exchange for an advance price fully paid on spot.

Currency *Salam* is exchange / sale of a currency with another currency at a future date, at conversion rate within the spot range on the day of such contract execution.

Under *Musawamah* financing, the Bank purchases the goods and, after taking possession, sells them to the customer at an agreed price without disclosing the cost incurred by the Bank. Goods purchased by the Bank can either be sold to the customer as a spot transaction or on a deferred payment basis. Goods purchased by the Bank but remaining unsold are recorded as inventories.

4.5 Fixed Assets

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses (if any).

Land, capital work-in-progress and works of art are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates specified in note 10.2 to these consolidated financial statements. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. However, if the increase reverses a deficit on the same asset previously recognised in the profit and loss account, such increase is also recognised in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of fixed assets account.

Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the net asset and the net amount restated at the revalued amount of the asset.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred. Major repairs and renovations that increase the useful life of an asset are capitalised.

Gains or losses arising on the disposal of fixed assets are included in the profit and loss account. Surplus on revaluation (net of deferred tax) realised on disposal of fixed assets is transferred directly to unappropriated profit.

4.6 Right-of-use assets and their related lease liability

4.6.1 Right-of-use assets

On initial recognition, right-of-use assets (ROU) are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

ROU assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

ROU assets are depreciated using the straight-line method from the commencement date of the lease contract to the end of the useful life of the ROU asset or the end of the lease term, whichever is earlier. The estimated useful lives of ROU assets are determined on the same basis as that used for owned assets. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.6.2 Lease liability against ROU assets

The lease liabilities are initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, then at the applicable incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related ROU assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7 Intangible assets

4.7.1 Intangible assets other than goodwill

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised over their estimated useful lives using the straight-line method. Amortisation is calculated so as to write down the assets to their residual values over their expected useful lives at the rates stated in note 11.1 to these unconsolidated financial statements. Amortisation on additions is charged from the month in which the assets are available for use. No amortisation is charged in the month in which the assets are disposed off. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Intangible assets which arise from contractual or other legal rights on the acquisition of another entity and are deemed separable are considered as part of the net identifiable assets acquired. These are initially measured at fair value. Intangible assets with a finite useful life are amortized over their expected useful lives. Intangible assets having an indefinite useful life are stated at cost less impairment, if any. Such Intangible assets are tested for impairment annually or whenever there is an indication of impairment, as per the requirements of IAS 36, Impairment of Assets. An impairment charge in respect of intangible assets is recognised through the profit and loss account. Any subsequent reversal of an impairment loss, up to the extent of the impairment, is credited to the profit and loss account.

4.8 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are initially recorded at cost and are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets revalued with sufficient regularity by professionally qualified valuers to ensure that their net carrying value does not differ materially from fair value. An increase in market value over the acquisition cost is recorded as a surplus on revaluation. A decline in the market value is adjusted against the surplus of that asset, if any, or if no surplus exists, is charged to the profit and loss account as an impairment. A subsequent increase in the market value of an impaired asset is reversed through the profit and loss account up to the extent of the impairment and thereafter credited to the surplus on revaluation of that asset. All direct costs of acquiring title to the asset are charged immediately to the profit and loss account.

Depreciation on assets acquired in satisfaction of claims is charged to the profit and loss account on the same basis as depreciation charged on the Bank's owned fixed assets.

If the recognition of such assets results in a reduction in non-performing loans, such reductions and the corresponding reductions in provisions held against non-performing loans are disclosed separately.

These assets are generally intended for sale. Gains and losses realized on the sale of such assets are disclosed separately from gains and losses realized on the sale of fixed assets. Surplus on revaluation (net of deferred tax) realized on disposal of these assets is transferred directly to unappropriated profit.

However, if such an asset is subsequently used by the Bank for its own operations, the asset, along with any related surplus (which remains within the surplus), is transferred to fixed assets.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense on an accrual basis in the period in which it is incurred.

4.10 Subordinated debt

Subordinated debt is recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is charged to the profit and loss account.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.11 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. Acceptances are recognised as a financial liability in the statement of financial position with the contractual right of reimbursement from the customer recognised as a financial asset.

4.12 Employee benefits

The Bank operates a number of post-retirement benefit plans, which include both defined contribution plans and defined benefit plans.

For defined contribution plans, the Bank pays contributions to the fund on a periodic basis, and such amounts are charged to the profit and loss account when the payment obligation is established. The Bank has no further payment obligations once the contributions have been paid.

For funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations less the fair value of plan assets as at the statement of financial position date. Contributions to the fund are made by the Bank on a periodic basis.

For non-funded defined benefit plans, the liability recognised in the statement of financial position is the present value of the defined benefit obligations as at the statement of financial position date.

The liability in respect of all obligations under defined benefit schemes is calculated annually by an independent actuary using the Projected Unit Credit Method.

Actuarial gains and losses

Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the profit and loss account. Gains and losses on remeasurement of the liability for compensated absences are recognised in the profit and loss account.

Past Service Cost

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment. The Bank recognises past service cost as an expense when the plan is amended.

Current Service Cost

Service costs and net interest on defined benefit liability / asset are recognised in the profit and loss account.

4.13 Foreign currency

4.13.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position. Forward transactions in foreign currencies and foreign bills purchased are translated at forward foreign exchange rates applicable to their respective maturities.

4.13.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing at the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

4.13.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the net investment in foreign branches, associates, joint ventures and subsidiaries, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on the disposal of the investment.

4.13.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of statement of financial position.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.14 Income recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Bank and the revenue can be reliably measured.

4.14.1 Advances and investments

Income on performing advances and debt securities is recognised on a time proportion basis as per the terms of the contract. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining maturity of the debt security or the next repricing date using the effective yield method.

Income recoverable on classified advances and investments is recognised on a receipt basis. Income on rescheduled / restructured advances and investments is recognised as permitted by the SBP regulations or by the regulatory authorities of the countries where the Bank operates.

4.14.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.14.3 Fee, Commission and Brokerage Income

Fee, Commission and Brokerage income is recognised on an accrual basis.

4.14.4 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.15 Taxation

Income tax expense comprises of the charge for current and prior years and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

4.15.1 Current

The charge for current taxation is calculated on taxable income earned during the year from local as well as foreign operations using tax rates enacted as at the date of the statement of financial position.

4.15.2 Prior years

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

4.15.3 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the asset or liability is recovered or settled.

Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

The Bank also records a deferred tax asset / liability on items recognised directly in the statement of other comprehensive income such as surplus / deficit on revaluation of assets and actuarial gains / losses. These items are disclosed net of related deferred tax asset / liability.

Deferred tax assets are reviewed annually for impairment. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

4.16 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised through the profit and loss account whenever the recoverable amount of an asset is lower than its carrying amount.

A subsequent increase in the recoverable value of the asset results in a reversal of the impairment loss through the profit and loss account, up to the original carrying value of the asset, if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

4.17 Provisions

Provisions are recognised when the Bank has present 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 the amount can be made.

A provision for off balance sheet obligations is recognised when intimated and reasonable certainty exists that the Bank will settle the obligation. The charge to the profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.18 Contingent Liabilities

Contingent liabilities are not recognised in the statement of financial position as they are possible obligations where it has yet to be confirmed whether a liability, which will ultimately result in an outflow of economic resources to settle the obligation, will arise. In cases where the probability of an outflow of economic resources is considered remote, it is not disclosed as a contingent liability.

4.19 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 realise the assets and to settle the liabilities simultaneously.

4.20 Financial Assets and Liabilities

Financial assets and liabilities carried on the statement of financial position include cash and bank balances, lending to financial institutions, investments, advances, certain other receivables, bills payable, borrowings, deposits, subordinated debt and certain payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the relevant policy notes.

4.21 Derivative Financial Instruments

Derivative financial assets and liabilities are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value using appropriate valuation techniques. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any change in the fair value of derivative financial instruments is taken directly to the profit and loss account.

4.22 Dividends and appropriation to reserves

Dividends and appropriations to reserves, except where required by law, which are approved subsequent to the date of the statement of financial position are recognised in the year in which these are approved and disclosed as a non-adjusting event after balance sheet date.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

4.23 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

4.24 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing unique products or services (business segment), or in providing products or services within a particular geographic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.24.1 Business segments

The Bank is managed along the following business lines for monitoring and reporting purposes:

i) *Branch banking*

This segment pertains to the branch distribution network, its related deposit products and general banking services.

ii) *Consumer, SME and rural banking*

This segment pertains to loan products offered to the Consumer, SME and Rural business segments.

iii) *Islamic banking*

This segment pertains to all business lines of the Islamic banking network and includes all Islamic products offered by the bank.

iv) *Corporate, commercial and investment banking*

This segment provides a wide variety of financial products and services to top and medium tier clients, across a wide spectrum of industrial sectors.

v) *International and correspondent banking*

This segment includes the results of all international branches, correspondent banking business and global remittances.

vi) *Treasury*

This segment includes all treasury related products such as money market, FX and derivatives.

vii) *Head Office / Others*

This segment includes numbers related to HBL Konnect, Head office functions.

4.24.2 Geographical segments

The Bank is managed along the following geographic lines for monitoring and reporting purposes:

i) *Pakistan (including KEPZ)*

This includes the domestic operations and HBL's KEPZ branch.

ii) *Middle East and Africa*

This includes UAE, Bahrain, Oman, Lebanon and Mauritius.

iii) *Asia*

This includes Afghanistan, Bangladesh, China, Maldives, Singapore and Sri Lanka.

iv) *Europe*

This includes Belgium and Turkey

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
In hand			
Local currency		46,849,289	39,840,558
Foreign currencies		5,167,639	15,979,300
		<u>52,016,928</u>	<u>55,819,858</u>
With State Bank of Pakistan in			
Local currency current accounts	5.1	143,740,748	128,439,933
Local currency special deposit account	5.2	2,531,227	-
Foreign currency current accounts	5.3	8,637,953	6,788,327
Foreign currency deposit accounts	5.4	18,104,962	13,768,677
		<u>173,014,890</u>	<u>148,996,937</u>
With other Central Banks in			
Foreign currency current accounts	5.5	34,242,436	25,437,714
Foreign currency deposit accounts	5.6	12,755,756	11,120,595
		<u>46,998,192</u>	<u>36,558,309</u>
With National Bank of Pakistan in local currency current accounts		137,197,419	104,866,634
National Prize Bonds		301,451	1,747,011
		<u>409,528,880</u>	<u>347,988,749</u>

- 5.1 These represent local currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.2 This represents a local currency deposit account required to be maintained with the SBP under the Government's scheme for Low Cost Housing Finance. This carries mark-up at a rate of 0.00% and is due to mature latest by December 29, 2022.
- 5.3 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.4 These represent foreign currency deposit accounts maintained under the Special Cash Reserve Requirement of the SBP and foreign currency settlement accounts maintained with the SBP. These carry mark-up at a rate of 0.00% per annum (2020: 0.00% to 0.76% per annum).
- 5.5 These represent balances held with the central banks of the countries in which the Bank operates, in accordance with local regulatory requirements. These include balances in remunerative current accounts amounting to Rs 368.751 million (2020: Rs 341.744 million), which carry mark-up at rates ranging from 0.08% to 0.32% per annum (2020: 0.01% to 0.19% per annum).
- 5.6 These represent balances held with the central banks of the countries in which the Bank operates, in accordance with local regulatory requirements. These carry mark-up at rates ranging from 0.00% to 9.50% per annum (2020: 0.00% to 12.00% per annum).

6 BALANCES WITH OTHER BANKS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
In Pakistan			
In current accounts		65	1,977,022
Outside Pakistan			
In current accounts	6.1	25,295,629	25,349,080
In deposit accounts	6.2	6,880,494	11,096,617
		<u>32,176,123</u>	<u>36,445,697</u>
		<u>32,176,188</u>	<u>38,422,719</u>

- 6.1 This includes an amount of Rs 1,937.318 million (2020: nil) in remunerative current accounts which carry mark-up at rates ranging from 0.01% to 1.20% per annum.
- 6.2 These carry mark-up at rates ranging from 0.00% to 18.50% per annum (2020: 0.05% to 17.30% per annum).

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Call money lendings	7.2	24,600,000	-
Repurchase agreement lendings (reverse repo)	7.3	64,970,746	24,896,835
Bai Muajjal receivable with :			
- State Bank of Pakistan		-	5,257,358
- Other Financial Institutions	7.4	4,171,686	-
		<u>93,742,432</u>	<u>30,154,193</u>

- 7.1 Lendings to financial institutions are all in local currency.
- 7.2 Call money lendings carry mark-up at rates ranging from 9.40% to 10.30% per annum and are due to mature latest by February 18, 2022.
- 7.3 Repurchase agreement lendings carry mark-up at rates ranging from 9.50% to 10.65% per annum (2020: 6.95% to 7.30% per annum) and are due to mature latest by March 04, 2022.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

7.3.1 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	17,766,592	-	17,766,592	3,959,681	-	3,959,681
Pakistan Investment Bonds	47,204,154	-	47,204,154	20,937,154	-	20,937,154
	64,970,746	-	64,970,746	24,896,835	-	24,896,835

7.3.2 The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 64,982.010 million (2020: Rs 25,026.011 million).

7.4 Bai Muajjal receivables with other financial institutions carry profit at 7.35% per annum and are due to mature latest by January 28, 2022.

8 INVESTMENTS

Note

8.1 Investments by type

Held-for-trading (HFT) securities

Federal Government securities

- Market Treasury Bills
- Pakistan Investment Bonds

Shares

- Listed companies

Foreign securities

- Government debt securities

8.3

Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
111,463,172	-	(31,502)	111,431,670	105,072,858	-	(13,636)	105,059,222
92,201,740	-	110,414	92,312,154	25,655,331	-	19,066	25,674,397
332,860	-	(24,270)	308,590	137,682	-	8,542	146,224
316,867	-	12,619	329,486	102,884	-	23,578	126,462
204,314,639	-	67,261	204,381,900	130,968,755	-	37,550	131,006,305

Available-for-sale (AFS) securities

Federal Government securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Ijarah Sukuks
- Government of Pakistan US Dollar Bonds
- Government of Pakistan US Dollar Sukuks
- Other Federal Government securities

8.3 & 8.6

8.3

274,430,197	-	121,938	274,552,135	514,554,259	-	1,445,967	516,000,226
801,894,166	-	(4,790,129)	797,104,037	782,920,795	-	10,650,864	793,571,659
119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
15,473,165	(347,350)	458,144	15,583,959	9,799,054	(392,763)	629,559	10,035,850
-	-	-	-	549,457	(20,567)	43,822	572,712
1,016,120	-	-	1,016,120	530,538	-	-	530,538
8,170,830	(1,962,154)	427,255	6,635,931	7,975,054	(2,983,143)	846,869	5,838,780
5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
51,499,951	(78,236)	638,300	52,060,015	46,943,545	-	321,860	47,265,405
1,648,381	(247,381)	24,000	1,425,000	1,671,878	(270,877)	22,500	1,423,501
58,024,162	(288,791)	112,561	57,847,932	40,682,649	(565,331)	(24,325)	40,092,993
6,958,115	(37,019)	70,385	6,991,481	3,520,736	(48,750)	81,717	3,553,703
6,318	(156)	-	6,162	5,913	(321)	-	5,592
11,113	-	35,335	46,448	11,113	-	35,726	46,839
55,000	-	5,800	60,800	55,000	-	(2,000)	53,000
744,400	-	80,500	824,900	744,400	-	155,400	899,800
176,985	(150,075)	-	26,910	-	-	-	-
1,345,099,493	(3,202,171)	(3,353,052)	1,338,544,270	1,482,542,314	(4,368,877)	13,885,314	1,492,058,751

Held-to-maturity (HTM) securities

8.7

Federal Government securities

- Pakistan Investment Bonds
- Other Federal Government securities

Non-Government debt securities

- Listed
- Unlisted

Foreign securities

- Government debt securities
- Non-Government debt securities
- Listed
- Unlisted

8.3, 8.4 & 8.5

285,512,630	-	-	285,512,630	216,669,214	-	-	216,669,214
10,794,000	-	-	10,794,000	10,794,000	-	-	10,794,000
2,365,422	-	-	2,365,422	4,277,922	-	-	4,277,922
18,348,917	-	-	18,348,917	16,209,049	-	-	16,209,049
14,672,889	-	-	14,672,889	13,617,545	(13)	-	13,617,532
285,954	(25,061)	-	260,893	397,139	(14,650)	-	382,489
616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
332,595,912	(26,620)	-	332,569,292	262,277,711	(16,179)	-	262,261,532
9,601,431	-	-	9,601,431	9,296,779	-	-	9,296,779
20,091,764	-	-	20,091,764	17,614,626	-	-	17,614,626
1,911,703,239	(3,228,791)	(3,285,791)	1,905,188,657	1,902,700,185	(4,385,056)	13,922,864	1,912,237,993

Investment in associates and joint venture

8.7

Investment in subsidiary companies

8.8

Total Investments

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8.2 Investments by segments

Federal Government securities

	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Market Treasury Bills	385,893,369	-	90,436	385,983,805	619,627,117	-	1,432,331	621,059,448
Pakistan Investment Bonds	1,179,608,536	-	(4,679,715)	1,174,928,821	1,025,245,340	-	10,669,930	1,035,915,270
Ijarah Sukuks	119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
Government of Pakistan US Dollar Bonds	15,473,165	(347,350)	458,144	15,583,959	9,799,054	(392,763)	629,559	10,035,850
Government of Pakistan US Dollar Sukuks	-	-	-	-	549,457	(20,567)	43,822	572,712
Other Federal Government securities	11,810,120	-	-	11,810,120	11,324,538	-	-	11,324,538
	1,712,403,157	(347,350)	(4,668,276)	1,707,387,531	1,734,224,101	(413,330)	12,452,997	1,746,263,768

Shares

Listed companies	8,503,690	(1,962,154)	402,985	6,944,521	8,112,736	(2,983,143)	855,411	5,985,004
Unlisted companies	5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
	13,876,313	(2,053,163)	402,985	12,226,135	13,012,064	(3,070,268)	855,411	10,797,207

Non-Government debt securities

Listed	53,865,373	(78,236)	638,300	54,425,437	51,221,467	-	321,860	51,543,327
Unlisted	19,997,298	(247,381)	24,000	19,773,917	17,880,927	(270,877)	22,500	17,632,550
	73,862,671	(325,617)	662,300	74,199,354	69,102,394	(270,877)	344,360	69,175,877

Foreign securities

Government debt securities	73,013,918	(288,791)	125,180	72,850,307	54,403,078	(565,344)	(747)	53,836,987
Non-Government debt securities								
- Listed	7,244,069	(62,080)	70,385	7,252,374	3,917,875	(63,400)	81,717	3,936,192
- Unlisted	616,100	(1,559)	-	614,541	312,842	(1,516)	-	311,326
Equity securities-Unlisted	6,318	(156)	-	6,162	5,913	(321)	-	5,592
	80,880,405	(352,586)	195,565	80,723,384	58,639,708	(630,581)	80,970	58,090,097

National Investment Unit Trust units

	11,113	-	35,335	46,448	11,113	-	35,726	46,839

Real Estate Investment Trust units

	55,000	-	5,800	60,800	55,000	-	(2,000)	53,000

Preference shares

- Listed	744,400	-	80,500	824,900	744,400	-	155,400	899,800
- Unlisted	176,985	(150,075)	-	26,910	-	-	-	-

Investment in associates and joint venture

Diamond Trust Bank Kenya, Limited	3,999,244	-	-	3,999,244	3,999,244	-	-	3,999,244
Himalayan Bank Limited, Nepal	135,665	-	-	135,665	135,665	-	-	135,665
Kyrgyz Investment and Credit Bank, Kyrgyz Republic	256,231	-	-	256,231	256,231	-	-	256,231
Jubilee General Insurance Company Limited	2,006,142	-	-	2,006,142	2,006,142	-	-	2,006,142
Jubilee Life Insurance Company Limited	677,739	-	-	677,739	677,739	-	-	677,739
HBL Energy Fund	279,125	-	-	279,125	279,125	-	-	279,125
HBL Income Fund	143,753	-	-	143,753	143,753	-	-	143,753
HBL Investment Fund Class A	302,886	-	-	302,886	302,886	-	-	302,886
HBL Investment Fund Class B	334,501	-	-	334,501	334,501	-	-	334,501
HBL Islamic Asset Allocation Fund	136,223	-	-	136,223	136,223	-	-	136,223
HBL Islamic Money Market Fund	-	-	-	-	88,398	-	-	88,398
HBL Islamic Pension Fund- Equity Sub Fund	12,833	-	-	12,833	12,833	-	-	12,833
HBL Islamic Stock Fund	121,179	-	-	121,179	121,179	-	-	121,179
HBL Money Market Fund	386,436	-	-	386,436	386,436	-	-	386,436
HBL Multi Asset Fund	32,366	-	-	32,366	32,366	-	-	32,366
HBL Pension Fund- Equity Sub Fund	20,308	-	-	20,308	20,308	-	-	20,308
HBL Stock Fund	106,800	-	-	106,800	363,750	-	-	363,750
HBL Equity Fund	650,000	-	-	650,000	-	-	-	-
	9,601,431	-	-	9,601,431	9,296,779	-	-	9,296,779

Investment in subsidiary companies

Habib Allied Holding Limited	15,059,264	-	-	15,059,264	14,558,890	-	-	14,558,890
Habib Finance International Limited, Hong Kong	-	-	-	-	23,236	-	-	23,236
Habib Bank Financial Services (Private) Limited	32,500	-	-	32,500	32,500	-	-	32,500
HBL Currency Exchange (Private) Limited	400,000	-	-	400,000	400,000	-	-	400,000
HBL Asset Management Limited	600,000	-	-	600,000	600,000	-	-	600,000
HBL Microfinance Bank Limited	4,000,000	-	-	4,000,000	2,000,000	-	-	2,000,000
	20,091,764	-	-	20,091,764	17,614,626	-	-	17,614,626

Total Investments

	1,911,703,239	(3,228,791)	(3,285,791)	1,905,188,657	1,902,700,185	(4,385,056)	13,922,864	1,912,237,993

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2021
(Rupees in '000)

8.2.1 Investments given as collateral

The market value of investments given as collateral against borrowings is as follows:

Federal Government securities

- Market Treasury Bills

- Pakistan Investment Bonds

980,924	113,807,278
139,564,697	207,400,499
140,545,621	321,207,777

8.3 Investments include securities amounting to Rs 447,617.323 million (2020: Rs 405,618.042 million) which are held to comply with the SBP's statutory liquidity requirements as set out under section 29 of the Banking Companies Ordinance, 1962.

8.4 Investments include Rs 227.500 million (2020: Rs 227.500 million) pledged with the SBP against TT/DD discounting facilities and demand loan facilities.

8.5 Investments include Rs 10.000 million (2020: Rs 10.000 million) pledged with the Controller of Military Accounts against Regimental Fund Accounts being maintained at various branches of the Bank.

8.6 Investments include Rs 200.000 million (2020:nil) pledged with National Clearing Company of Pakistan against trading margin.

8.7 The market value of investments classified as held-to-maturity and investment in listed associates and joint venture is as follows:

	2021		2020	
	Book value	Market value	Book value	Market value
	(Rupees in '000)			
- Investment classified as held-to-maturity	332,569,292	317,744,030	262,261,532	264,661,267
- Investment in listed associates and joint venture	9,345,200	27,584,028	9,040,549	31,042,377

8.8 This includes investment in the Variable Rate Subordinated Loan Notes issued by HBL Bank UK, a subsidiary company, amounting to Rs 3.001 billion equivalent US \$ 17 million (2020: Rs 3.197 billion equivalent US \$ 20 million). These notes are perpetual and are repayable at the option of the subsidiary after five years have passed from the date of issuance. During the year US \$ 3 million has been repaid after taking approvals from the Prudential Authority (PRA) whose approval is required prior to repayment. Interest is payable on a six monthly basis at 6 month LIBOR+4% (2020: 6 month LIBOR+4%).

The Bank also has an investment in Additional Tier 1 instrument of the subsidiary amounting to Rs 2.294 billion equivalent US \$13 million (2020: Rs 1.598 billion equivalent US \$ 10 million). These notes are perpetual and are repayable at option of the subsidiary after five years have passed from the date of issuance. The Prudential Authority (PRA) approval is required prior to repayment. Interest is payable on a six monthly basis at 6 month LIBOR+4.75% (2020: 6 months LIBOR+4.75%). During the period the subsidiary has issued the Additional Tier 1 instrument amounting to Rs 0.530 million equivalent US \$ 3 million.

The Additional Tier 1 interest is required to be paid from distributable reserve of the subsidiary, however if on any date when a payment of interest would otherwise be due and the subsidiary has insufficient profits, payment of such interest shall be delayed until such time the subsidiary has sufficient profits.

8.9 Particulars of provision held against diminution in the value of investments

	2021	2020
	(Rupees in '000)	
Opening balance	4,385,056	4,905,784
Exchange adjustments	74,724	12,357
(Reversal) / charge		
Charge for the year	512,131	1,176,274
Reversal for the year	(424,963)	(15,066)
Reversal on disposal during the year	(1,318,157)	(1,694,293)
Net reversal	(1,230,989)	(533,085)
Closing balance	3,228,791	4,385,056

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8.9.1 Particulars of provision against debt securities

Category of classification	2021		2020	
	Non-Performing Investment	Provision	Non-Performing Investment	Provision
	(Rupees in '000)			
Domestic				
Loss	247,381	247,381	270,877	270,877

8.9.1.1 In addition to the above, overseas branches hold a provision of Rs 778.017 million (2020: Rs 1,043.590 million) against investment in accordance with the ECL requirements of IFRS 9.

8.10 Quality of available-for-sale securities

Details regarding the quality of AFS securities are as follows:

Federal Government securities - Government guaranteed

	2021 Cost / amortised cost (Rupees in '000)	2020 Cost / amortised cost (Rupees in '000)
Market Treasury Bills	274,430,197	514,554,259
Pakistan Investment Bonds	801,894,166	782,920,795
Ijarah Sukuks	119,617,967	67,678,595
Government of Pakistan US Dollar Bonds	15,473,165	9,799,054
Government of Pakistan US Dollar Sukuks	-	549,457
Other Federal Government securities - Islamic Naya Pakistan Certificates	1,016,120	530,538
	1,212,431,615	1,376,032,698

Shares

Listed companies

	2021 Cost (Rupees in '000)	2020 Cost (Rupees in '000)
Automobile Assembler	394,154	191,695
Automobile Parts and Accessories	85,167	21,569
Cement	516,871	503,103
Chemicals	264,588	247,328
Commercial Banks	1,498,440	796,397
Engineering	225,164	5,162
Fertilizer	1,259,527	1,128,380
Food and Personal Care Products	45,306	-
Insurance	88,601	138,635
Investment Banks / Investment Companies / Securities Companies	1,122,315	1,122,067
Oil and Gas Exploration Companies	864,273	538,717
Oil and Gas Marketing Companies	279,329	334,450
Pharmaceuticals	158,935	182,117
Power Generation and Distribution	741,212	2,217,903
Technology and Communication	46,026	133,405
Textile Composite	420,279	414,126
Transport	38,127	-
Miscellaneous	122,516	-
	8,170,830	7,975,054

Unlisted companies

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
Central Depository Company of Pakistan Limited	256,347	774,341	256,347	741,556
Engro Powergen Thar (Private) Limited	2,086,591	5,880,911	2,086,591	3,158,884
Sindh Engro Coal Mining Company Limited	2,267,346	4,553,223	1,888,274	2,865,390
Pakistan Mortgage Refinance Company Limited	500,000	879,382	500,000	810,616
First Women Bank Limited	63,300	203,928	63,300	203,928
SME Bank Limited	13,474	(31,898)	13,474	(9,778)
National Institutional Facilitation Technologies (Private) Limited	1,527	61,903	1,527	51,998
National Investment Trust Limited	100	1,003,283	100	857,153
Pak Agriculture Storage and Services Corporation Limited	5,500	3,448,615	5,500	2,725,903
Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T)	3,152	34,534	4,929	48,385
Naymat Collateral Management Company Limited	29,286	21,021	29,286	25,491
1 LINK (Private) Limited	50,000	312,706	50,000	165,767
Pakistan Credit Restructuring Company Limited	96,000	90,048	-	-
	5,372,623	17,231,997	4,899,328	11,645,293

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Non-Government debt securities

	Note	2021 Cost / amortised cost (Rupees in '000)	2020 Cost / amortised cost (Rupees in '000)
Listed			
AA+, AA, AA-		46,450,000	6,450,000
A+, A, A-		493,545	493,545
B+, B, B-		3,556,406	-
Unrated		1,000,000	40,000,000
	8.10.2	51,499,951	46,943,545
Unlisted			
AAA		351,000	-
AA+, AA, AA-		1,050,000	1,401,001
Unrated		247,381	270,877
		1,648,381	1,671,878
		53,148,332	48,615,423

8.10.2 This includes listed non-Government debt securities amounting to Rs 41 billion (2020: 40 billion) guaranteed by the Government.

Foreign securities

	2021		2020	
	Cost / amortised cost (Rupees in '000)	Rating	Cost / amortised cost (Rupees in '000)	Rating
Government debt securities				
Bahrain	9,434,568	B2	6,230,488	B2
Maldives	19,491,121	B+, CCC+ & below	12,747,974	B+, B3
Mauritius	4,070,087	Baa1	5,129,373	Baa1
Oman	6,178,091	Ba3, BB-	3,261,693	Ba3, BB-
Singapore	3,135,166	AAA	2,298,258	Aaa
Srilanka	6,026,660	CCC+ and below	6,124,854	CCC+ and below
Kenya	1,844,430	B2	1,245,335	B2
South Africa	584,325	Ba2	-	-
Egypt	3,415,770	B+, B2	2,781,513	B2
Turkey	-	-	863,161	B2
United Arab Emirates	3,843,944	Aa2, B2	-	-
	58,024,162		40,682,649	

	2021 Cost / amortised cost (Rupees in '000)	2020 Cost / amortised cost (Rupees in '000)
Non-Government debt securities		
Listed		
BBB+, BBB, BBB-	2,826,213	692,859
BB+, BB, BB-	2,777,709	2,022,783
B+, B, B-	1,354,193	805,094
	6,958,115	3,520,736

Equity securities - Unlisted

	2021		2020	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)			
The Benefit Company, Bahrain	3,746	26,447	3,392	23,661
Credit Information Bureau, Sri Lanka	70	14,687	69	14,387
LankaClear (Private) Limited, Sri Lanka	437	8,860	429	644
SME Equity Fund Limited, Mauritius	2,065	1,909	2,023	1,703
	6,318	51,903	5,913	40,395

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

		2021	2020
		Cost	
		(Rupees in '000)	
National Investment Unit Trust units - Listed		11,113	11,113
Real Estate Investment Trust units - Listed		55,000	55,000
Preference shares - Listed			
Chemicals		700,000	700,000
Textile Composite		44,400	44,400
		744,400	744,400
		2021	2020
		Cost	Breakup value
		(Rupees in '000)	
Preference shares - Unlisted			
Finja Inc		176,985	26,910
		-	-
		2021	2020
		Cost / amortised cost	
		(Rupees in '000)	
Federal Government securities - Government guaranteed			
Pakistan Investment Bonds		285,512,630	216,669,214
Other Federal Government securities - Bai Muajjal with Government of Pakistan		10,794,000	10,794,000
		296,306,630	227,463,214
Non-Government debt securities			
Listed			
AAA		1,000,000	-
AA+, AA, AA-		881,636	2,098,083
A+, A, A-		483,786	2,179,839
		2,365,422	4,277,922
Unlisted			
AAA		14,367,227	9,944,438
AA+, AA, AA-		149,790	149,850
A+, A, A-		1,075,000	1,284,081
Unrated		2,756,900	4,830,680
		18,348,917	16,209,049
Foreign securities		2021	2020
		Cost /	Cost /
		amortised cost	amortised cost
		Rating	Rating
		(Rupees in '000)	(Rupees in '000)
Government debt securities			
Bahrain	B2	942,978	857,719
Bangladesh	Ba3	9,201,113	8,015,727
Oman	BB-	2,464,286	2,239,515
Sri Lanka	CCC+ and below	2,064,512	2,504,584
		14,672,889	13,617,545
Non-Government debt securities		2021	2020
		Cost / amortised cost	
		(Rupees in '000)	
Listed			
Unrated		285,954	397,139
		285,954	397,139
Unlisted			
A+, A, A-		616,100	312,842
		616,100	312,842

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

8.12 Summary of financial information of associates, joint venture and subsidiaries

2021								
	Based on the annual / interim financial statements as on	Country of Incorporation	Percentage of Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)
(Rupees in '000)								
Diamond Trust Bank Kenya, Limited	September 30, 2021	Kenya	16.15%	678,549,291	562,179,237	57,206,890	6,017,880	7,526,089
Himalayan Bank Limited	October 17, 2021	Nepal	20.00%	283,389,638	251,046,954	17,475,451	4,427,888	4,481,822
Kyrgyz Investment and Credit Bank	December 31, 2021	Kyrgyzstan	18.00%	78,046,080	65,156,266	5,286,272	577,934	577,934
Jubilee General Insurance Company Limited	September 30, 2021	Pakistan	19.80%	26,220,342	17,095,863	7,232,221	1,690,914	1,314,157
Jubilee Life Insurance Company Limited	September 30, 2021	Pakistan	18.52%	189,325,733	176,813,548	91,328,256	2,134,247	2,035,682
HBL Energy Fund	December 31, 2021	Pakistan	33.74%	629,815	24,173	(44,284)	(72,031)	(72,031)
HBL Equity Fund	December 31, 2021	Pakistan	34.73%	1,692,510	119,341	(282,179)	(357,896)	(357,896)
HBL Income Fund	December 31, 2021	Pakistan	6.09%	3,868,048	39,870	301,615	263,243	263,243
HBL Islamic Asset Allocation Fund	December 31, 2021	Pakistan	41.09%	373,545	3,134	19,737	12,564	12,564
HBL Islamic Money Market Fund	December 31, 2021	Pakistan	0.00%	8,760,181	20,030	605,341	585,012	585,012
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	30.26%	180,706	1,459	(5,294)	(9,974)	(9,974)
HBL Islamic Stock Fund	December 31, 2021	Pakistan	42.55%	659,403	19,134	(38,985)	(66,014)	(66,014)
HBL Money Market Fund	December 31, 2021	Pakistan	2.54%	21,794,347	4,427,380	1,035,022	1,005,047	1,005,047
HBL Multi Asset Fund	December 31, 2021	Pakistan	44.34%	206,605	7,768	3,640	756	756
HBL Pension Fund - Equity Sub Fund	December 31, 2021	Pakistan	39.28%	197,817	1,180	(8,009)	(13,415)	(13,415)
HBL Stock Fund	December 31, 2021	Pakistan	46.23%	575,694	51,369	(12,722)	(38,655)	(38,655)
HBL Investment Fund Class A	December 31, 2021	Pakistan	17.13%	2,119,110	5,105	174,306	113,028	276,157
HBL Investment Fund Class B	December 31, 2021	Pakistan	36.81%	1,307,720	152,089	(55,577)	(88,749)	(88,749)
Habib Allied Holding Limited	December 31, 2021	United Kingdom	90.50%	134,319,126	123,939,981	3,669,483	(1,523,950)	(1,628,592)
Habib Bank Financial Services (Private) Limited	December 31, 2021	Pakistan	100.00%	48,069	52,106	2,834	(4,037)	(4,037)
HBL Currency Exchange (Private) Limited	December 31, 2021	Pakistan	100.00%	2,255,739	170,270	222,543	364,215	364,215
HBL Asset Management Limited	December 31, 2021	Pakistan	100.00%	2,955,692	3,047,104	569,809	(91,412)	(91,412)
HBL Microfinance Bank Limited	December 31, 2021	Pakistan	71.43%	110,020,563	99,937,227	16,626,066	1,556,248	1,414,609
2020								
	Based on the annual / interim financial statements as on	Country of Incorporation	Percentage of Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)
(Rupees in '000)								
Diamond Trust Bank Kenya, Limited	September 30, 2020	Kenya	16.15%	577,158,999	475,952,921	58,448,347	8,341,208	8,493,901
Himalayan Bank Limited	October 16, 2020	Nepal	20.00%	222,658,643	196,545,825	18,479,419	3,037,726	3,080,635
Kyrgyz Investment and Credit Bank	December 31, 2020	Kyrgyzstan	18.00%	66,376,927	55,272,117	5,617,052	833,183	833,183
Jubilee General Insurance Company Limited	September 30, 2020	Pakistan	19.80%	26,220,342	17,095,863	7,414,086	1,659,669	2,083,273
Jubilee Life Insurance Company Limited	September 30, 2020	Pakistan	18.52%	184,379,051	172,462,696	75,021,278	2,631,376	2,689,081
HBL Energy Fund	December 31, 2020	Pakistan	30.71%	785,786	56,637	(80,123)	(112,630)	(112,630)
HBL Income Fund	December 31, 2020	Pakistan	8.98%	2,571,148	70,075	214,808	172,522	172,522
HBL Islamic Asset Allocation Fund	December 31, 2020	Pakistan	41.38%	388,749	9,981	26,101	12,063	12,063
HBL Islamic Money Market Fund	December 31, 2020	Pakistan	1.80%	7,130,081	29,338	478,626	434,701	434,701
HBL Islamic Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	35.04%	163,667	4,438	17,672	13,883	13,883
HBL Islamic Stock Fund	December 31, 2020	Pakistan	38.96%	796,529	33,097	46,454	17,299	17,299
HBL Money Market Fund	December 31, 2020	Pakistan	2.56%	17,122,226	116,747	1,055,019	946,815	946,815
HBL Multi Asset Fund	December 31, 2020	Pakistan	44.74%	213,213	13,037	14,284	6,500	6,500
HBL Pension Fund - Equity Sub Fund	December 31, 2020	Pakistan	38.00%	217,738	3,930	18,056	12,062	12,062
HBL Stock Fund	December 31, 2020	Pakistan	41.15%	2,304,226	126,190	(2,747)	(90,621)	(90,621)
HBL Investment Fund Class A	December 31, 2020	Pakistan	17.13%	2,385,054	18,853	13,653	(68,621)	94,508
HBL Investment Fund Class B	December 31, 2020	Pakistan	33.71%	1,560,869	198,738	20,031	(34,839)	(34,839)
Habib Allied Holding Limited	December 31, 2020	United Kingdom	90.50%	122,002,854	110,884,093	3,212,965	(2,797,989)	(2,981,792)
Habib Finance International Limited	December 31, 2020	Hong Kong	100.00%	36,736	-	204	(16,197)	(16,197)
Habib Bank Financial Services (Private) Limited	December 31, 2020	Pakistan	100.00%	52,111	54,782	4,423	(2,671)	(2,671)
HBL Currency Exchange (Private) Limited	December 31, 2020	Pakistan	100.00%	1,854,684	133,431	593,289	180,337	180,337
HBL Asset Management Limited	December 31, 2020	Pakistan	100.00%	3,417,545	3,408,614	610,484	9,243	9,243
HBL Microfinance Bank Limited	December 31, 2020	Pakistan	50.51%	75,950,178	69,270,525	12,279,939	581,054	604,750

8.12.1 The Bank has significant influence in Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank, Jubilee General Insurance Company Limited and Jubilee Life Insurance Company Limited because of Parent's holding in these entities.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

9	ADVANCES	Note	Performing		Non - performing		Total	
			2021	2020	2021	2020	2021	2020
			(Rupees in '000)					
	Loans, cash credits, running finances, etc.	9.1	1,125,717,507	915,997,978	68,226,061	70,107,569	1,193,943,568	986,105,547
	Islamic financing and related assets	9.2	166,754,863	154,081,348	337,317	337,107	167,092,180	154,418,455
	Bills discounted and purchased		96,563,328	48,357,231	5,606,279	5,005,929	102,169,607	53,363,160
	Advances - gross		1,389,035,698	1,118,436,557	74,169,657	75,450,605	1,463,205,355	1,193,887,162
	Provision against advances							
	- Specific	9.5	-	-	(69,086,372)	(67,067,637)	(69,086,372)	(67,067,637)
	- General		(9,569,507)	(9,498,565)	-	-	(9,569,507)	(9,498,565)
			(9,569,507)	(9,498,565)	(69,086,372)	(67,067,637)	(78,655,879)	(76,566,202)
	Advances - net of provision		1,379,466,191	1,108,937,992	5,083,285	8,382,968	1,384,549,476	1,117,320,960

9.1 This includes net investment in finance lease as disclosed below:

	2021				2020			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
(Rupees in '000)								
Total minimum lease payments	1,836,268	26,623,340	24,570,974	53,030,582	2,071,145	18,344,618	16,886,606	37,302,369
Financial charges for future periods	(286,458)	(4,363,882)	(6,435,784)	(11,086,124)	(206,620)	(3,144,813)	(4,560,644)	(7,912,077)
Net investment in finance lease	1,549,810	22,259,458	18,135,190	41,944,458	1,864,525	15,199,805	12,325,962	29,390,292

9.2 Information related to Islamic financing and related assets is given in note 3 of Annexure I and is an integral part of these unconsolidated financial statements.

9.3 Particulars of advances (Gross)	2021 (Rupees in '000)	2020 (Rupees in '000)
In local currency	1,164,857,784	1,013,517,803
In foreign currencies	298,347,571	180,369,359
	1,463,205,355	1,193,887,162

9.4 Advances include Rs 74,169.657 million (2020: Rs 75,450.605 million) which have been placed under non-performing status as detailed below:

Category of Classification	2021		2020	
	Non - performing advances	Provision	Non - performing advances	Provision
(Rupees in '000)				
Domestic				
Other assets especially mentioned	338,312	-	723,200	-
Substandard	2,613,643	633,285	5,298,716	1,294,860
Doubtful	1,204,317	602,158	1,077,034	538,517
Loss	43,080,525	42,092,554	42,141,393	40,925,622
	47,236,797	43,327,997	49,240,343	42,758,999
Overseas				
Not past due but impaired	33,958	8,490	592,400	355,535
Overdue by:				
Up to 90 days	29,965	-	105,684	36,925
91 to 180 days	17,181	14,815	225,844	51,457
181 to 365 days	1,995,683	1,929,459	3,622	3,110
> 365 days	24,856,073	23,805,611	25,282,712	23,861,611
	26,932,860	25,758,375	26,210,262	24,308,638
Total	74,169,657	69,086,372	75,450,605	67,067,637

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

9.5 Particulars of provision against advances

Note	2021			2020		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	67,067,637	9,498,565	76,566,202	66,459,144	3,292,615	69,751,759
Exchange adjustment	2,397,887	209,339	2,607,226	743,861	37,955	781,816
Charge for the year	9,396,546	1,284,701	10,681,247	7,989,721	6,450,039	14,439,760
Reversal for the year	(3,455,270)	(1,423,098)	(4,878,368)	(3,920,241)	(282,044)	(4,202,285)
Net charge / (reversal) against advances	5,941,276	(138,397)	5,802,879	4,069,480	6,167,995	10,237,475
Charged off during the year- agriculture financing	9.7 (532,280)	-	(532,280)	(750,824)	-	(750,824)
Written off during the year	9.8 (5,788,148)	-	(5,788,148)	(3,454,024)	-	(3,454,024)
Closing balance	69,086,372	9,569,507	78,655,879	67,067,637	9,498,565	76,566,202

9.5.1 Particulars of provision against advances

In local currency	42,332,649	7,051,549	49,384,198	41,654,408	7,655,137	49,309,545
In foreign currencies	26,753,723	2,517,958	29,271,681	25,413,229	1,843,428	27,256,657
	69,086,372	9,569,507	78,655,879	67,067,637	9,498,565	76,566,202

9.6 General provision includes provision amounting to Rs 2,753.209 million (2020: Rs 2,237.187 million) against consumer finance portfolio. General provision also includes Rs 2,517.958 million (2020: Rs 1,843.428 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates and, as discussed in Note 4.4, Rs 4,298.340 million (2020: 5,417.950 million) on account of potential provisions required against borrowers affected by the pandemic.

9.7 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
9.8 Particulars of write offs			
9.8.1 Against provisions	9.5	5,788,148	3,454,024
Directly charged to the profit and loss account		81,069	98,525
		5,869,217	3,552,549
Against charge off		442	-
	9.8.2	5,869,659	3,552,549
9.8.2 Analysis of write offs			
Write offs of Rs 500,000 and above			
- Domestic	9.9.2	2,315,683	657,812
- Overseas		3,180,654	2,648,980
		5,496,337	3,306,792
Write offs of below Rs 500,000		373,322	245,757
		5,869,659	3,552,549

9.9 Details of written off advances of Rs 500,000 and above

9.9.1 The statement required under sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 in respect of written off advances or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended December 31, 2021 is given in Annexure II to these unconsolidated financial statements.

9.9.2 These include write offs or financial relief allowed to borrowers in those countries where there are disclosure restrictions.

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
10 FIXED ASSETS			
Capital work-in-progress	10.1	7,487,106	2,309,644
Property and equipment	10.2	86,671,146	82,040,874
		94,158,252	84,350,518
10.1 Capital work-in-progress			
Civil works		4,367,583	602,868
Equipment		310,830	1,182,896
Advances to suppliers and contractors		2,808,693	523,880
		7,487,106	2,309,644

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

10.2 Property and equipment

	2021										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right -of - use assets	Total
	(Rupees in '000)										
At January 1, 2021											
Cost / revalued amount	810,817	33,852,266	394,428	17,569,518	3,643,428	7,691,997	4,445,674	26,244,815	971,491	19,789,587	115,414,021
Accumulated depreciation	-	-	(51,624)	(14,975)	(889,212)	(5,442,249)	(2,311,321)	(18,384,086)	(584,545)	(5,695,135)	(33,373,147)
Net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Year ended December 31, 2021											
Opening net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Additions	-	400,000	2,068	281,975	93,049	1,908,971	743,184	4,263,753	186,832	5,875,881	13,755,713
Disposals	-	-	-	-	(1,368)	(3,724)	(3,663)	(11,033)	(12,913)	(1,911)	(34,612)
Depreciation charge	-	-	(8,014)	(370,665)	(416,315)	(968,515)	(634,953)	(3,885,486)	(130,783)	(2,782,450)	(9,197,181)
Write off	-	-	-	-	(7,425)	(9,159)	(9,826)	(99,863)	(130)	-	(126,403)
Exchange rate adjustments	54,039	-	4,713	1,580	-	24,743	11,949	33,965	2,347	113,697	247,033
Other adjustments / transfers	-	-	(197)	(265)	1,093	(6,931)	4,403	(11,888)	(493)	-	(14,278)
Closing net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
At December 31, 2021											
Cost / revalued amount	864,856	34,252,266	363,195	17,854,067	3,701,947	9,499,890	5,184,747	26,556,978	1,077,462	24,527,488	123,882,896
Accumulated depreciation	-	-	(21,821)	(386,899)	(1,278,697)	(6,304,757)	(2,939,300)	(18,406,801)	(645,656)	(7,227,819)	(37,211,750)
Net book value	864,856	34,252,266	341,374	17,467,168	2,423,250	3,195,133	2,245,447	8,150,177	431,806	17,299,669	86,671,146
Rate of depreciation (%)	-	-	3-5	1.67-4	10	10-20	10-20	10-33	10-20	2.50-100	
	2020										
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Machinery	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Right-of- use assets	Total
	(Rupees in '000)										
At January 1, 2020											
Cost / revalued amount	685,785	27,833,786	269,500	16,741,781	3,572,650	6,808,273	3,900,490	23,600,922	897,483	15,688,263	99,998,933
Accumulated depreciation	-	-	(107,512)	(475,963)	(477,468)	(4,764,516)	(1,805,389)	(15,344,567)	(495,963)	(2,804,863)	(26,276,241)
Net book value	685,785	27,833,786	161,988	16,265,818	3,095,182	2,043,757	2,095,101	8,256,355	401,520	12,883,400	73,722,692
Year ended December 31, 2020											
Opening net book value	685,785	27,833,786	161,988	16,265,818	3,095,182	2,043,757	2,095,101	8,256,355	401,520	12,883,400	73,722,692
Additions	-	981,325	37	92,040	60,979	1,004,196	585,747	2,885,225	110,767	5,722,853	11,443,169
Disposals	-	-	(2,077)	-	-	(46,560)	(6,244)	(20,638)	(951)	(1,351,128)	(1,427,598)
Movement in surplus on assets revalued during the year	97,049	4,923,031	193,226	1,479,870	-	-	-	-	-	-	6,693,176
Impairment reversed during the year	-	114,124	-	44,584	-	-	-	-	-	-	158,708
Depreciation charge	-	-	(12,922)	(327,767)	(415,316)	(771,856)	(548,986)	(3,263,178)	(126,255)	(3,197,780)	(8,664,060)
Exchange rate adjustments	27,983	-	1,860	588	-	20,651	7,249	18,486	1,943	69,743	148,503
Other adjustments / transfers	-	-	692	(590)	13,371	(440)	1,486	(15,521)	(78)	(32,636)	(33,716)
Closing net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
At December 31, 2020											
Cost / revalued amount	810,817	33,852,266	394,428	17,569,518	3,643,428	7,691,997	4,445,674	26,244,815	971,491	19,789,587	115,414,021
Accumulated depreciation	-	-	(51,624)	(14,975)	(889,212)	(5,442,249)	(2,311,321)	(18,384,086)	(584,545)	(5,695,135)	(33,373,147)
Net book value	810,817	33,852,266	342,804	17,554,543	2,754,216	2,249,748	2,134,353	7,860,729	386,946	14,094,452	82,040,874
Rate of depreciation (%)	-	-	3-5	1.67-4	10	10	10-20	10-33	10-20	1.61-100	

10.2.1 With effect from January 2021, the estimated useful life of biometric devices has been revised from 5 years to 4 years which is more reflective of the consumption pattern of these assets. The effect of this change on depreciation expense in the current year and the next year is as follows:

	2022	2021
	(Rupees in '000)	
Increase in depreciation expense of Biometric Devices	66,892	112,270

10.3 Revaluation of properties

The properties of the Bank were revalued by independent professional valuers as at December 31, 2020. The revaluation was carried out by M/s Iqbal A. Nanjee & Co. (Private) Limited (Pakistan), M/s United Valuers (Pte) Limited (Singapore), M/s Sunil Fernando & Associates (Private) Limited (Sri Lanka), M/s AKTIF Real Estate Appraisal and Consultancy Inc. (Turkey) and M/s Al-Amrousiya Real Estate (Lebanon) on the basis of assessment of then present market values. The revaluation had resulted in an increase of Rs 6,693.176 million in the surplus. The total surplus arising against revaluation of fixed assets as at December 31, 2021 amounts to Rs 28,758.932 million.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

10.4 Had there been no periodic revaluation, the carrying amounts of revalued assets would have been as follows:

	2021 (Rupees in '000)	2020 (Rupees in '000)
Freehold land	474,594	420,555
Leasehold land	10,127,486	9,780,805
Building on freehold land	93,736	84,405
Building on leasehold land	13,470,916	13,533,218
	<u>24,166,732</u>	<u>23,818,983</u>

10.5 Details of disposal of fixed assets

The information relating to disposal of fixed assets to related parties is given in Annexure III and is an integral part of these unconsolidated financial statements.

10.6 The carrying amount of fixed assets held for disposal amounted to Rs 4.652 million (2020: Rs 3.253 million).

10.7 The cost of fully depreciated fixed assets that are still in the Bank's use is as follows:

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Leasehold improvements		3,634,316	3,231,303
Furniture and fixtures		840,234	774,620
Electrical, office and computer equipment		8,271,530	9,568,867
Vehicles		220,197	238,479
		<u>12,966,277</u>	<u>13,813,269</u>

11 INTANGIBLE ASSETS

Capital work-in-progress - computer software		2,034,059	1,553,039
Intangible assets	11.1	<u>4,579,350</u>	<u>3,043,768</u>
		<u>6,613,409</u>	<u>4,596,807</u>

11.1 Intangible assets

Computer software

At January 1,

Cost	7,163,490	5,977,122
Accumulated amortisation	<u>(4,119,722)</u>	<u>(3,465,712)</u>
Net book value	<u>3,043,768</u>	<u>2,511,410</u>

Year ended December 31,

Opening net book value	3,043,768	2,511,410
Purchased during the year	2,481,497	1,264,942
Disposal / Write-off	-	(10,544)
Amortisation charge	(983,969)	(741,559)
Exchange rate adjustments	36,964	19,742
Other adjustments	1,090	(223)
Closing net book value	<u>4,579,350</u>	<u>3,043,768</u>

At December 31,

Cost	9,703,329	7,163,490
Accumulated amortisation	<u>(5,123,979)</u>	<u>(4,119,722)</u>
Net book value	<u>4,579,350</u>	<u>3,043,768</u>
Rate of amortisation (%)	<u>10-33.33</u>	<u>10-33.33</u>
Useful life (years)	<u>3-10</u>	<u>3-10</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

- 11.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs 2,736.878 million (2020: Rs 2,095.682 million).

	Note	2021 (Rupees in '000)	2020
12 DEFERRED TAX ASSETS / (LIABILITIES)			
Deductible temporary differences on			
- Provision against investments		744,857	1,143,042
- Provision against doubtful debts and off-balance sheet obligations		3,033,816	3,591,810
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,583,250	1,938,319
- Deficit / (surplus) on revaluation of investments	20	1,307,690	(5,415,272)
- Provision against other assets		15,342	45,062
- Deficit on revaluation of fixed assets		-	72,832
- Ijarah financing		156,250	199,225
		7,841,205	1,575,018
Taxable temporary differences on			
- Accelerated tax depreciation		(1,675,533)	(1,851,784)
- Surplus on revaluation of fixed assets	20	(1,748,389)	(1,788,461)
- Exchange translation reserve		(672,350)	(903,630)
		(4,096,272)	(4,543,875)
Net deferred tax assets / (liabilities)		3,744,933	(2,968,857)

12.1 Movement in temporary differences during the year

	Balance as at January 1, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2020	Recognised in profit and loss	Recognised in equity	Balance as at December 31, 2021
	(Rupees in '000)						
Deductible temporary differences on							
- Provision against investments	1,616,995	(473,953)	-	1,143,042	(398,185)	-	744,857
- Provision against doubtful debts and off-balance sheet obligations	4,158,485	(566,675)	-	3,591,810	(557,994)	-	3,033,816
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,671,011	267,308	-	1,938,319	644,931	-	2,583,250
- Deficit / (surplus) on revaluation of investments	(2,284,604)	-	(3,130,668)	(5,415,272)	-	6,722,962	1,307,690
- Provision against other assets	50,989	(5,927)	-	45,062	(29,720)	-	15,342
- Deficit on revaluation of fixed assets	163,960	(91,128)	-	72,832	(72,832)	-	-
- Ijarah financing	150,674	48,551	-	199,225	(42,975)	-	156,250
Taxable temporary differences on							
- Accelerated tax depreciation	(2,092,012)	240,228	-	(1,851,784)	176,251	-	(1,675,533)
- Surplus on revaluation of fixed assets	(1,161,940)	25,986	(652,507)	(1,788,461)	40,072	-	(1,748,389)
- Exchange translation reserve	(374,730)	-	(528,900)	(903,630)	-	231,280	(672,350)
Net deferred tax assets / (liability)	1,898,828	(555,610)	(4,312,075)	(2,968,857)	(240,452)	6,954,242	3,744,933

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

13	OTHER ASSETS	Note	2021 (Rupees in '000)	2020
	Mark-up / return / profit / interest accrued in local currency - net of provision		48,301,309	44,804,538
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		3,558,922	2,448,754
	Advances, deposits, advance rent and other prepayments		3,564,250	2,355,787
	Advance taxation		21,699,101	21,183,176
	Advances against subscription of securities		178,000	1,096,000
	Stationery and stamps on hand		134,835	113,476
	Accrued fees and commissions receivable		542,228	464,201
	Due from Government of Pakistan / SBP		2,048,993	1,441,901
	Mark to market gain on forward foreign exchange contracts		8,470,307	3,358,985
	Mark to market gain on derivative instruments	22.2	251,603	182,917
	Non-banking assets acquired in satisfaction of claims	13.1	459,389	432,937
	Receivable from defined benefit plan	36.4	759,354	-
	Branch adjustment account		897,554	538,852
	Acceptances		35,740,017	26,702,624
	Clearing and settlement accounts		17,436,987	3,220,084
	Dividend receivable		185,213	15,026
	Claims receivable against fraud and forgeries		541,337	553,356
	Others		1,136,161	645,482
			<u>145,905,560</u>	<u>109,558,096</u>
	Provision held against other assets	13.2	(1,243,645)	(1,127,909)
	Other assets - net of provision		144,661,915	108,430,187
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20.2	224,064	209,594
	Other assets - total		<u>144,885,979</u>	<u>108,639,781</u>

13.1 Details of revaluation of non-banking assets acquired in satisfaction of claims

Market value of non-banking assets acquired in satisfaction of claims	<u>680,986</u>	<u>639,379</u>

13.1.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuers as at December 31, 2021. The revaluation was carried out by M/s Hamid Mukhtar & Co (Private) Limited, M/s Harvester Services (Private) Limited and M/s Elevante Property Services Limited on the basis of an assessment of present market values and resulted in an increase in the surplus by Rs 132.680 million. The total surplus arising against revaluation of non banking assets acquired in satisfaction of claims as at December 31, 2021 amounts to Rs 224.064 million (2020: Rs 209.594 million).

13.1.2	Non-banking assets acquired in satisfaction of claims	Note	2021 (Rupees in '000)	2020
	Opening balance		639,379	626,000
	Exchange adjustment		2,804	-
	Additions during the year		189,876	-
	Disposal during the year		(200,000)	(40,000)
	Revaluation during the year	20.2	132,680	49,570
	Transferred to fixed assets		(83,672)	-
	Depreciation		(766)	(63)
	Reversal of impairment		685	3,872
	Closing balance		<u>680,986</u>	<u>639,379</u>

13.1.3 Gain on sale of non-banking assets acquired in satisfaction of claims

Disposal proceeds	216,000	42,500
Less:		
Cost	81,790	35,720
Surplus realised on disposal	118,210	4,280
	<u>200,000</u>	<u>40,000</u>
	<u>16,000</u>	<u>2,500</u>

13.2 Provision held against other assets

Acceptances	-	419,923
Non-banking assets acquired in satisfaction of claims	2,467	3,152
Claims receivable against fraud and forgeries	541,337	553,356
Suit filed cases	4,800	4,998
Others	695,041	146,480
	<u>1,243,645</u>	<u>1,127,909</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
13.2.1 Movement in provision against other assets			
Opening balance		1,127,909	821,996
Exchange adjustment		(17,808)	19,735
Charge for the year		741,684	691,987
Reversal for the year		(551,548)	(33,899)
Net charge		190,136	658,088
Written off during the year		(56,592)	(49,042)
Transferred out		-	(322,868)
Closing balance		1,243,645	1,127,909
14 BILLS PAYABLE			
In Pakistan		42,654,426	44,792,798
Outside Pakistan		1,199,434	1,329,546
		43,853,860	46,122,344
15 BORROWINGS			
Secured			
Borrowings from the SBP under			
- Export refinance scheme	15.2	69,782,711	60,068,212
- Long term financing facility	15.3	32,529,493	25,922,575
- Financing facility for renewable energy power plants	15.4	6,805,470	1,716,425
- Refinance facility for modernization of Small & Medium Enterprises (SMEs)	15.5	241,788	152,893
- Refinance and Credit Guarantee Scheme for Women Entrepreneurs	15.6	155,370	163,416
- Financing facility for storage of agricultural produce	15.7	333,349	292,211
- Financing facility for working capital of SMEs		-	135,625
- Refinance scheme for payment of wages and salaries	15.8	15,476,761	30,928,363
- Refinance facility for combating COVID-19	15.9	1,055,725	1,300,000
- Temporary economic refinance facility	15.10	26,010,138	4,917,263
		152,390,805	125,596,983
Repurchase agreement borrowings	15.12	140,193,364	321,070,809
		292,584,169	446,667,792
Unsecured			
- Call money borrowings	15.13	1,000,000	13,450,000
- Overdrawn nostro accounts		618,796	164,928
- Borrowings of overseas branches	15.14	81,220,283	28,814,549
- Other long-term borrowings	15.15	56,838,406	50,997,984
		139,677,485	93,427,461
		432,261,654	540,095,253
15.1 Particulars of borrowings with respect to currencies			
In local currency		293,766,153	460,612,127
In foreign currencies		138,495,501	79,483,126
		432,261,654	540,095,253
15.2	The Bank has entered into an agreement with the SBP for extending export finance to customers. These carry mark-up at rates ranging from 1.00% to 2.00% per annum (2020: 1.00% to 3.00% per annum) and are due to mature latest by December 05, 2022.		
15.3	These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry mark-up at rates ranging from 2.00% to 8.60% per annum (2020: 2.00% to 8.60% per annum) and are due to mature latest by May 17, 2032.		

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

- 15.4 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2020: 2.00% to 3.00% per annum) and are due to mature latest by September 18, 2032.
- 15.5 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry mark-up at a rate of 2.00% per annum (2020: 2.00% per annum) and are due to mature latest by October 10, 2026.
- 15.6 These borrowings have been obtained from the SBP under a scheme to finance women entrepreneurs for setting up of new business enterprises or for expansion of existing ones. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by November 09, 2025.
- 15.7 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rates ranging from 2.00% to 3.25% per annum (2020: 2.00% to 3.50% per annum) and are due to mature latest by March 30, 2026.
- 15.8 These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by October 01, 2022.
- 15.9 These borrowings have been obtained from the SBP to provide emergency financing to hospitals and medical centres to develop capacity for the treatment of COVID-19 patients. These carry mark-up at rates ranging from 0.00% to 2.00% per annum (2020: 0.00% to 2.00% per annum) and are due to mature latest by September 30, 2025. The maximum financing limit under the facility is Rs 500 million per hospital / medical centre with a tenor of 5 years, including a grace period of up to 6 months.
- 15.10 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the pandemic. These carry mark-up at a rate of 1.00% per annum (2020: 1.00% per annum) and are due to mature latest by December 15, 2032. The maximum limit granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years.
- 15.11 For all SBP borrowings, the SBP has a right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.
- 15.12 Repurchase agreement borrowings carry mark-up at rates ranging from 9.70% to 10.25% per annum (2020: 6.20% to 7.02% per annum) and are due to mature latest by February 25, 2022. The market value of securities given as collateral against these borrowings is given in note 8.2.1.
- 15.13 Call money borrowings carry mark-up at a rate of 10.05% per annum (2020: 6.05% to 7.15% per annum) and are due to mature latest by January 04, 2022.
- 15.14 Borrowings by overseas branches carry mark-up at rates ranging from 0.01% to 5.25% per annum (2020: 0.01% to 2.44% per annum) and are due to mature latest by December 22, 2022.
- 15.15 This includes the following:
- 15.15.1 A loan from the International Finance Corporation amounting to US\$ 150 million (2020: US\$ 150 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.
- 15.15.2 A long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 170.975 million (2020: US\$ 165.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 15.15.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2020: 11.21% per annum) is payable semi-annually.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

16 DEPOSITS AND OTHER ACCOUNTS

Note	2021			2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	946,973,718	130,629,895	1,077,603,613	818,376,303	95,804,417	914,180,720
Savings deposits	1,083,204,383	93,067,228	1,176,271,611	976,981,942	85,041,111	1,062,023,053
Term deposits	437,652,740	158,727,090	596,379,830	292,861,588	112,812,988	405,674,576
	2,467,830,841	382,424,213	2,850,255,054	2,088,219,833	293,658,516	2,381,878,349
Financial Institutions						
Current deposits	5,635,457	1,406,584	7,042,041	14,003,219	1,310,351	15,313,570
Savings deposits	294,001,584	451,389	294,452,973	259,670,600	657,250	260,327,850
Term deposits	26,495,962	6,014,857	32,510,819	5,083,529	6,887,418	11,970,947
	326,133,003	7,872,830	334,005,833	278,757,348	8,855,019	287,612,367
16.2	2,793,963,844	390,297,043	3,184,260,887	2,366,977,181	302,513,535	2,669,490,716

16.1 Composition of deposits	2021 (Rupees in '000)		2020
- Individuals	1,766,241,516		1,463,176,079
- Government (Federal and Provincial)	184,253,553		153,554,052
- Banking Companies	16,594,114		10,105,943
- Non-Banking Financial Institutions	317,411,719		277,506,424
- Other public sector entities	220,164,472		135,083,271
- Other private sector entities	679,595,513		630,064,947
	3,184,260,887		2,669,490,716

16.2 This includes deposits amounting to Rs 1,689,010.499 million (2020: Rs 1,565,304.659 million) which are eligible for coverage under insurance arrangements.

17 SUBORDINATED DEBT	Note	2021 (Rupees in '000)	2020
Tier II Term Finance Certificates	17.1	-	9,982,000
Additional Tier I Term Finance Certificates	17.2	12,374,000	12,374,000
		12,374,000	22,356,000

17.1 In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date (the "Call Option Exercise Date"), the entire principal outstanding amount was redeemed, along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.

17.2 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

Issue date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2020: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
Lock-in clause	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

18	OTHER LIABILITIES	Note	2021 (Rupees in '000)	2020
	Mark-up / return / profit / interest payable in local currency		8,660,189	9,964,075
	Mark-up / return / profit / interest payable in foreign currency		2,499,116	2,209,403
	Security deposits		909,334	974,790
	Accrued expenses		19,564,176	17,984,739
	Mark to market loss on forward foreign exchange contracts		6,895,147	5,996,571
	Mark to market loss on derivative instruments	22.2	2,624,952	1,449,800
	Unclaimed dividends		727,940	693,700
	Dividends payable		1,327,763	115,626
	Provision for post retirement medical benefits	36.4.5	4,557,833	3,763,654
	Provision for employees' compensated absences	36.4.5	2,177,565	2,492,992
	Provision against off-balance sheet obligations	18.1	2,687,054	1,138,648
	Acceptances		35,740,017	26,702,624
	Provision for staff retirement benefits		1,251,289	1,239,418
	Payable to defined benefit plans	36.4.4 & 36.1.6	433,201	1,182,639
	Provision for Workers' Welfare Fund	29	7,503,825	6,324,325
	Unearned income		4,452,650	4,229,811
	Qarz-e-Hasna Fund		338,409	338,542
	Levies and taxes payable		7,527,698	6,977,533
	Insurance payable		1,221,867	868,971
	Provision for rewards program expenses		1,748,370	1,391,392
	Liability against trading of securities		3,701,035	902,755
	Clearing and settlement accounts		4,214,923	4,538,482
	Payable to HBL Foundation		405,576	315,431
	Contingent consideration payable		500,000	500,000
	Charity fund		44,865	4,234
	Lease liability against right-of-use assets		19,528,712	15,300,909
	Unclaimed deposits		348,609	91,752
	Others		2,316,780	2,260,969
			143,908,895	119,953,785
18.1	Provision against off-balance sheet obligations			
	Opening balance		1,138,648	437,795
	Exchange adjustment		(38,031)	(25,452)
	Charge for the year		1,616,293	480,696
	Reversal for the year		(75,785)	(95,905)
	Net charge		1,540,508	384,791
	Written off during the year		(1,653)	(4,053)
	Transferred in		47,582	345,567
	Closing balance		2,687,054	1,138,648
19	SHARE CAPITAL			
19.1	Authorised capital			
	2021	2020		
	Number of shares in '000			
	2,900,000	2,900,000	Ordinary shares of Rs 10 each	29,000,000
	2,900,000	2,900,000		29,000,000

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

19.2 Issued, subscribed and paid-up capital

2021	2020		2021	2020
Number of shares in '000			(Rupees in '000)	
690,000	690,000	Ordinary shares of Rs 10 each	6,900,000	6,900,000
776,852	776,852	Fully paid in cash	7,768,525	7,768,525
1,466,852	1,466,852	Issued as bonus shares	14,668,525	14,668,525

19.3 Major shareholders (holding more than 5% of total paid-up capital)

	2021		2020	
Name of shareholder	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Aga Khan Fund for Economic Development	748,094,778	51.00%	748,094,778	51.00%

19.4 Shares of the Bank held by associated companies

	2021	2020
	(Number of shares)	
Jubilee General Insurance Company Limited	4,270,000	4,270,000
Jubilee Life Insurance Company Limited	33,246,975	12,910,000
HBL Equity Fund	1,067,000	231,000
HBL Investment Fund Class B	692,395	326,600
HBL Multi Asset Fund	143,271	62,971
HBL Stock Fund	364,004	530,504
HBL Income Fund	522,069	-
HBL Pension Fund- Equity Sub Fund	131,500	-

19.5 Statutory reserve

Every banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve equals the paid-up share capital. Thereafter, 10% of the profit after tax of the Bank is required to be transferred to this reserve. Accordingly, the Bank transfers 10% of its profit after tax every year to the statutory reserve.

19.6 Exchange translation reserve

This comprises off all foreign currency differences arising from the translation of the net investment in foreign branches.

	Note	2021	2020
		(Rupees in '000)	
20 Surplus on revaluation of assets - net of tax			
Surplus / (deficit) arising on revaluation of:			
- Fixed assets	20.1	28,758,932	28,861,681
- Available-for-sale securities	8.1	(3,353,052)	13,885,314
- Non-banking assets acquired in satisfaction of claims	20.2	224,064	209,594
		25,629,944	42,956,589
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:			
- Fixed assets	20.1	1,748,389	1,788,461
- Available-for-sale securities	12.1	(1,307,690)	5,415,272
- Non-banking assets acquired in satisfaction of claims	12.1	-	-
		440,699	7,203,733
Surplus on revaluation of assets - net of tax		25,189,245	35,752,856

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Note

2021
(Rupees in '000)

2020

20.1 Surplus on revaluation of fixed assets

Surplus on revaluation of fixed assets as at January 01	28,861,681	22,235,136
Surplus recognised during the year	-	6,693,176
Surplus realised on disposal of revalued properties during the year - net of deferred tax	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(62,677)	(40,645)
Related deferred tax liability on surplus realised on disposal of revalued properties	-	-
Related deferred tax liability on incremental depreciation charged during the year	(40,072)	(25,986)
Surplus on revaluation of fixed assets as at December 31	28,758,932	28,861,681
Less: related deferred tax liability on		
- Revaluation as at January 01	1,788,461	1,161,940
- Revaluation recognised during the year	-	652,507
- Effect of change in tax rate	-	-
- Surplus realised on disposal of revalued properties during the year	-	-
- Incremental depreciation charged during the year	(40,072)	(25,986)
	1,748,389	1,788,461
	27,010,543	27,073,220

20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 01	209,594	164,304
Surplus recognised during the year	132,680	49,570
Surplus realised on disposal during the year	(118,210)	(4,280)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	-	-
Related deferred tax liability on incremental depreciation charged during the year	-	-
Surplus on revaluation as at December 31	224,064	209,594
Less: related deferred tax liability on		
- Revaluation as at January 01	-	-
- Revaluation recognised during the year	-	-
- Incremental depreciation charged during the year	-	-
	224,064	209,594

21 CONTINGENCIES AND COMMITMENTS

- Guarantees	21.1	293,623,883	201,448,496
- Commitments	21.2	1,039,855,311	762,895,459
- Other contingent liabilities	21.3	25,699,064	23,888,069
		1,359,178,258	988,232,024

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
21.1 Guarantees :			
Financial guarantees		86,368,473	63,750,853
Performance guarantees		165,451,222	126,465,667
Other guarantees		41,804,188	11,231,976
		<u>293,623,883</u>	<u>201,448,496</u>
21.2 Commitments :			
Trade-related contingent liabilities		303,330,246	151,147,102
Commitments in respect of :			
- forward foreign exchange contracts	21.2.1	560,033,923	405,885,132
- forward Government securities transactions	21.2.2	93,562,463	150,757,178
- derivatives	21.2.3	42,049,128	38,504,637
- forward lending	21.2.4	28,792,146	11,085,983
		<u>724,437,660</u>	<u>606,232,930</u>
Commitments for acquisition of :			
- fixed assets		10,202,010	4,389,650
- intangible assets		1,885,395	1,125,777
		<u>12,087,405</u>	<u>5,515,427</u>
		<u>1,039,855,311</u>	<u>762,895,459</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		320,185,675	245,614,763
Sale		239,848,248	160,270,369
		<u>560,033,923</u>	<u>405,885,132</u>
21.2.2 Commitments in respect of forward Government Securities transactions			
Purchase		27,830,190	96,427,590
Sale		65,732,273	54,329,588
		<u>93,562,463</u>	<u>150,757,178</u>
21.2.3 Commitments in respect of derivatives			
Cross currency swaps			
Purchase		17,058,770	14,662,810
Sale		19,308,883	16,007,336
		<u>36,367,653</u>	<u>30,670,146</u>
Interest rate swaps			
Purchase		-	-
Sale		5,681,475	7,834,491
		<u>5,681,475</u>	<u>7,834,491</u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to extend credit		<u>28,792,146</u>	<u>11,085,983</u>
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.			
21.3 Other contingent liabilities			
21.3.1 Claims against the Bank not acknowledged as debts		<u>25,699,064</u>	<u>23,888,069</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated financial statements.

21.3.2 There were no tax related contingencies as at the year end.

22 DERIVATIVE INSTRUMENTS

A derivative is a financial instrument whose value changes in response to changes in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index or a similar variable, sometimes called the underlying. Derivatives include forwards, futures, swaps, options and structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorized Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market. The ADD license covers only the transactions mentioned below, which are permitted under the Financial Derivatives Business Regulations issued by the SBP.

- (a) Foreign Currency Options
- (b) Forward Rate Agreements
- (c) Interest Rate Swaps
- (d) Cross Currency Swaps

However, the Bank also offers other derivative products to satisfy customer requirements, specific approval of which is sought from the SBP on a transaction by transaction basis.

These transactions cover the aspects of both market making and hedging. The risk management processes and policies related to derivatives are disclosed in note 44.5 to these unconsolidated financial statements.

22.1 Product Analysis

Counterparties	2021			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)			
With Banks for				
Hedging	-	-	-	-
Market Making	796,114	(61,263)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	1,388,034	(42,353)	875,000	(43,325)
With other entities for				
Hedging	-	-	-	-
Market Making	34,183,505	(2,086,104)	4,806,475	(140,304)
Total				
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)
	2020			
Counterparties	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)			
With Banks for				
Hedging	-	-	-	-
Market Making	3,025,355	(347,559)	-	-
With FIs other than banks for				
Hedging	-	-	-	-
Market Making	-	-	1,125,000	(5,039)
With other entities for				
Hedging	-	-	-	-
Market Making	27,644,791	(992,706)	6,709,491	78,421
Total				
Hedging	-	-	-	-
Market Making	30,670,146	(1,340,265)	7,834,491	73,382

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

22.2 Maturity Analysis

		2021			
Remaining Maturity	No. of contracts	Notional principal	Mark to market		
			Loss	Gain	Net
			(Rupees in '000)		
Up to 1 Month	-	-	-	-	-
1 to 3 Months	2	695,996	(19,167)	-	(19,167)
3 Months to 6 Months	1	166,232	(10,699)	-	(10,699)
6 Months to 1 Year	1	662,777	(44,794)	-	(44,794)
1 to 2 Years	4	5,530,524	(313,312)	8,720	(304,592)
2 to 3 Years	18	7,611,233	(300,853)	-	(300,853)
3 to 5 Years	13	18,431,979	(1,865,403)	-	(1,865,403)
5 to 10 Years	1	1,849,431	(70,724)	-	(70,724)
Over 10 Years	2	7,100,956	-	242,883	242,883
	42	42,049,128	(2,624,952)	251,603	(2,373,349)
		2020			
Remaining Maturity	No. of contracts	Notional principal	Mark to market		
			Loss	Gain	Net
			(Rupees in '000)		
Up to 1 Month	2	1,327,861	(93,873)	-	(93,873)
1 to 3 Months	-	-	-	-	-
3 Months to 6 Months	1	223,403	(43,194)	-	(43,194)
6 Months to 1 Year	3	1,743,055	(188,796)	11,652	(177,144)
1 to 2 Years	3	1,861,623	(27,955)	1,360	(26,595)
2 to 3 Years	2	5,016,822	(68,160)	86,547	18,387
3 to 5 Years	19	7,522,290	(18,820)	40,599	21,779
5 to 10 Years	10	20,809,583	(1,009,002)	42,759	(966,243)
	40	38,504,637	(1,449,800)	182,917	(1,266,883)

23	MARK-UP / RETURN / PROFIT / INTEREST EARNED	2021 (Rupees in '000)	2020
On:			
	Loans and advances	96,844,599	104,325,731
	Investments	141,690,683	147,908,621
	Lendings to financial institutions	6,341,627	5,013,438
	Balances with banks	375,212	529,044
		245,252,121	257,776,834

24	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED	2021	2020
On:			
	Deposits	92,365,535	103,554,048
	Securities sold under repurchase agreement borrowings	16,759,493	15,423,539
	Borrowings	5,606,505	6,773,553
	Subordinated debt	1,239,075	2,603,244
	Cost of foreign currency swaps against foreign currency deposits / borrowings	5,291,195	5,675,841
	Lease liability against right-of-use assets	3,043,048	1,694,796
		124,304,851	135,725,021

25	FEE AND COMMISSION INCOME	2021	2020
	Branch banking customer fees	3,870,552	3,198,193
	Consumer finance related fees	1,891,195	1,530,759
	Card related fees (debit and credit cards)	6,898,082	4,079,011
	Credit related fees	845,040	605,013
	Investment banking fees	1,433,819	1,159,272
	Commission on trade related products and guarantees	3,829,362	3,017,918
	Commission on cash management	933,601	801,537
	Commission on remittances (including home remittances)	508,874	354,348
	Commission on bancassurance	918,994	1,170,557
	Commission on Government to Person (G2P) Payments	323,595	578,707
	Merchant discount and interchange fees	3,658,025	2,311,195
	Others	509,131	349,326
		25,620,270	19,155,836
	Less: Sales tax / Federal Excise Duty on fee and commission income	(3,376,451)	(2,802,563)
		22,243,819	16,353,273

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
26 GAIN ON SECURITIES - NET			
Realised	26.1	1,374,583	6,989,877
Unrealised - held-for-trading	8.1	67,261	37,550
		<u>1,441,844</u>	<u>7,027,427</u>
26.1 Gain / (Loss) on securities - realised			
On:			
Federal Government securities			
- Market Treasury Bills		67,919	5,223,854
- Pakistan Investment Bonds		1,613,120	3,063,002
- Ijarah Sukuks		(34,707)	(148,619)
Shares		(600,139)	(1,027,158)
Non-Government debt securities		(108,854)	(111,481)
Foreign securities		(46,217)	(44,386)
Associates		483,461	34,665
		<u>1,374,583</u>	<u>6,989,877</u>
27 OTHER INCOME			
Incidental charges		503,799	280,485
Exchange gain realised on partial repatriation of branch capital		404,080	-
Exchange gain realised on liquidation of subsidiary		13,354	1,395,593
Exchange loss realised on closure of bank branch		-	(1,887,208)
Gain on sale of fixed assets - net		73,824	77,204
Gain on sale of non-banking assets	27.1	16,000	2,500
Rent on properties		67,744	113,829
Liabilities no longer required written back		35,132	55,808
		<u>1,113,933</u>	<u>38,211</u>
27.1	The Bank earned a gain of Rs 16 million (2020: Rs 2,500 million) against the sale of the following non - banking assets.		
		2021	2020
		(Rupees in '000)	
Open plots situated in Lahore		-	2,500
Open plot situated in Karachi		16,000	-
		<u>16,000</u>	<u>2,500</u>
28 OPERATING EXPENSES			
Total compensation expense	28.1	33,697,001	33,639,523
Property expense			
Rent and taxes		1,095,755	1,215,396
Insurance		108,465	81,322
Utilities cost		2,445,529	1,976,039
Security (including guards)		1,903,616	1,801,273
Repairs and maintenance (including janitorial charges)		2,538,201	1,986,959
Depreciation on owned fixed assets	10.2	3,256,966	2,917,336
Depreciation on right-of-use assets	10.2	2,782,450	3,197,780
Reversal of impairment	10.2	-	(158,708)
		<u>14,130,982</u>	<u>13,017,397</u>
Information technology expenses			
Software maintenance		3,545,775	2,917,759
Hardware maintenance		903,039	723,597
Depreciation	10.2	2,347,313	1,845,181
Amortisation	11.1	983,969	741,559
Network charges		1,291,320	1,147,093
Consultancy charges		740,926	699,542
		<u>9,812,342</u>	<u>8,074,731</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 (Rupees in '000)	2020
Other operating expenses			
Legal and professional charges		784,801	2,885,260
Outsourced services costs		1,792,853	1,704,932
Travelling and conveyance		859,000	521,093
Insurance		544,136	550,769
Remittance charges		463,474	425,034
Security charges		2,066,262	1,613,183
Repairs and maintenance		1,448,841	1,315,774
Depreciation	10.2	810,452	703,763
Training and development		162,840	167,970
Postage and courier charges		687,307	579,199
Communication		874,915	707,919
Stationery and printing		1,772,766	1,442,349
Marketing, advertisement and publicity		3,326,148	2,724,870
Donations	28.3	508,056	526,717
Auditors' remuneration	28.4	189,672	185,763
Brokerage and commission		747,179	758,724
Subscription		205,512	166,399
Documentation and processing charges		3,609,711	2,464,759
Entertainment		313,568	267,823
Consultancy charges		330,716	3,492,484
Deposits insurance premium expense		2,504,487	2,232,083
Product feature cost		2,145,231	1,321,809
COVID-19 related expenses	28.5	204,929	602,919
Others		614,532	1,058,361
	28.2	26,967,388	28,419,956
		84,607,713	83,151,607
28.1 Total compensation expense			
Non-Executive Directors' fees	38.2	86,400	84,000
Shariah Board's fees and allowances	38.3	27,982	12,807
Managerial Remuneration			
i) Fixed		17,109,331	17,320,927
ii) Variable		3,662,454	3,242,595
Charge for defined benefit plan		1,062,999	1,707,297
Contribution to defined contribution plan		1,114,536	1,070,864
Rent and house maintenance		4,659,186	4,131,721
Utilities		1,067,706	954,781
Medical		2,076,747	1,986,001
Conveyance		2,678,053	2,330,296
General group staff Insurance		52,888	18,569
Hajj Allowance		-	39,918
Sub-total		33,598,282	32,899,776
Sign-on bonus		21,043	134,710
Severance payments		77,676	605,037
Grand Total		33,697,001	33,639,523
		No of persons	
Sign on bonus		27	52
Severance payments		49	78

- 28.2 The total cost for the year included in other operating expenses relating to outsourced activities is Rs 2,216.860 million (2020: Rs 2,062.830 million). This cost includes outsourced services costs, which are disclosed specifically in note 28. Of the total cost, Rs 1,934.840 million (2020: Rs 1,820.929 million) pertains to companies incorporated in Pakistan and Rs 282.020 million (2020: Rs 241.901 million) pertains to companies incorporated outside Pakistan. The material outsourcing arrangements along with the nature of services provided by them are as follows:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Name of company	Nature of service	2021 (Rupees in '000)	2020
A.S.C. First Solutions (Pvt) Limited	Document archival and storage for Pakistan	122,005	121,364
Euronet Pakistan (Private) Limited	Host environment configuration, POS	51,155	74,824
First Solutions	Document archival and storage for UAE	13,941	4,464
Iron Mountain Information Management LLC	Document archival and storage for New York	2,866	3,017
Interactive Printer Solution W.L.L (NCR Subsidiary)	Printing of chequebooks and banker's cheques for HBL Bahrain	1,324	920
Recall Bangladesh Limited	Document archival and storage for Bangladesh	1,045	-
		192,336	204,589

28.3 Details of donations

Donations individually exceeding Rs 100,000

HBL Foundation	405,576	315,431
The Aga Khan Hospital & Medical College Foundation	77,230	157,360
International Parliamentarians' Congress	25,000	30,000
National Institute of Child Health Trust	250	-
Zindagi Trust	-	10,000
Covid-19 fund established by Government of Bahrain	-	6,439
Progressive Education Network	-	5,000
Patients' Aid Foundation	-	2,000
Professional Education Foundation	-	300
Gazanfar Ali - for automation of judicial offices	-	187
	508,056	526,717

Mr. Muhammad Aurangzeb, President and Chief Executive Officer, Mr. Sagheer Mufti, Chief Operating Officer, Mr. Rayomond Kotwal, Chief Financial Officer and Mr. Jamal Nasir, Chief Human Resources Officer are Trustees of the HBL Foundation.

28.4 Auditors' remuneration

	2021			2020		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)					
Audit and audit related fees						
Audit fee of the Bank	27,901	101,947	129,848	27,901	78,615	106,516
Fees for other statutory and related certifications	28,251	7,073	35,324	24,763	6,682	31,445
Out of pocket expenses on audit fees	6,939	2,467	9,406	6,016	413	6,429
Sales tax on audit fees	2,787	6,390	9,177	2,713	1,638	4,351
	65,878	117,877	183,755	61,393	87,348	148,741
Other services						
Special certifications and sundry advisory services	4,000	1,097	5,097	19,506	5,553	25,059
Tax services	-	-	-	8,000	-	8,000
Out of pocket expenses	25	152	177	557	-	557
Sales tax on other services	523	120	643	3,406	-	3,406
	4,548	1,369	5,917	31,469	5,553	37,022
	70,426	119,246	189,672	92,862	92,901	185,763

28.5 These represent expenses incurred for the health and safety of employees and customers and for CSR activities during the on-going pandemic.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

29 WORKERS' WELFARE FUND

The Bank has made a provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

	Note	2021 (Rupees in '000)	2020
30 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		549,685	296,416
Penalties imposed by other regulatory bodies		7,493	24,377
		<u>557,178</u>	<u>320,793</u>
31 PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
Reversal of diminution in value of investments	8.9	(1,230,989)	(533,085)
Provision against loans and advances	9.5	5,802,879	10,237,475
Provision against other assets	13.2.1	190,136	658,088
Provision against off-balance sheet obligations	18.1	1,540,508	384,791
Recoveries against written off / charged off bad debts		(762,611)	(558,320)
Recoveries against other assets written off		(10,724)	(63,621)
Fixed Assets written off		133,851	-
Other write offs and operational losses		608,730	-
Bad debts written off directly	9.8.1	81,069	98,525
		<u>6,352,849</u>	<u>10,223,853</u>
32 TAXATION			
- Current			
- For the year		24,025,762	21,168,634
- Prior years		436,755	(253,442)
- Deferred			
- For the year	12.1	(128,517)	(246,880)
- Prior years		368,969	802,490
		<u>24,702,969</u>	<u>21,470,802</u>
32.1 Relationship between tax expense and accounting profit			
Accounting profit for the current year		58,974,463	52,994,484
Tax on income @ 39% (2020: 39%)		23,000,041	20,667,849
Permanent differences			
- Penalties imposed by the SBP and other regulatory bodies		217,299	125,109
- Additional tax @ 2.5% on additional income from Federal Government Securities		727,129	177,770
- Others		(47,223)	(48,974)
		897,205	253,905
Prior years - charge		805,723	549,048
Tax charge for the current year		<u>24,702,969</u>	<u>21,470,802</u>

32.2 The income tax returns of the Bank have been submitted up to and including the accounting year 2020. The tax returns submitted are deemed assessments under section 120 of the Income Tax Ordinance, 2001.

The Income Tax Department has amended the assessments of the Bank for prior years, upto and including the tax year 2018. The amendments mainly relate to retirement benefits and to provisions against loans and advances, investments, and other assets. These matters are at various stages of appeal with the appellate authorities. The management of the Bank, in consultation with its tax advisors, is confident that the decisions in respect of these appeals would be in the Bank's favor.

The income tax returns of the Bank's Azad Kashmir, Gilgit-Baltistan and overseas branches have been submitted up to and including the accounting year 2020. The tax returns submitted in Azad Kashmir and Gilgit Baltistan are considered as deemed assessments under section 120 of the Income Tax Ordinance, 2001.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

33	BASIC AND DILUTED EARNINGS PER SHARE	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	Profit for the year		<u>34,271,494</u>	<u>31,523,682</u>
			(Number)	
	Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
			(Rupees)	
	Basic and diluted earnings per share		<u>23.36</u>	<u>21.49</u>
33.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.			

34	CASH AND CASH EQUIVALENTS	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
	Cash and balances with treasury banks	5	<u>409,528,880</u>	<u>347,988,749</u>
	Balances with other banks	6	<u>32,176,188</u>	<u>38,422,719</u>
			<u>441,705,068</u>	<u>386,411,468</u>

34.1 Reconciliation of movement in liabilities to cash flows arising from financing activities

	2021			
	Liabilities		Equity	
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit
	(Rupees in '000)			
Balance as at January 1, 2021	22,356,000	119,953,785	63,040,638	129,262,746
Changes from financing cash flows				
Repayment of subordinated debt	(9,982,000)	-	-	-
Payment of lease liability against right-of-use assets	-	(4,421,977)	-	-
Dividend paid	-	-	-	(10,855,155)
	(9,982,000)	(4,421,977)	-	(10,855,155)
Other changes:				
Liability-related				
Changes in other liabilities				
- Cash based	-	15,817,822	-	-
- Dividend payable	-	1,246,377	-	(1,246,377)
- Non-cash based	-	11,312,888	-	-
Transfer of profit to statutory reserve	-	-	3,427,149	(3,427,149)
Total liability related other changes	-	28,377,087	3,427,149	(4,673,526)
Equity related	-	-	3,210,882	34,658,406
Balance as at December 31, 2021	<u>12,374,000</u>	<u>143,908,895</u>	<u>69,678,669</u>	<u>148,392,471</u>
	2020			
	Liabilities		Equity	
	Subordinated debt	Other liabilities	Reserves	Unappropriated profit
	(Rupees in '000)			
Balance as at January 1, 2020	22,360,000	116,446,906	57,274,159	104,668,407
Changes from financing cash flows				
Repayment of subordinated debt	(4,000)	-	-	-
Payment of lease liability against right-of-use assets	-	(4,072,209)	-	-
Dividend paid	-	-	-	(3,664,234)
	(4,000)	(4,072,209)	-	(3,664,234)
Other changes:				
Liability-related				
Changes in other liabilities				
- Cash based	-	(248,794)	-	-
- Dividend payable	-	2,896	-	(2,896)
- Non-cash based	-	7,824,986	-	-
Transfer of profit to statutory reserve	-	-	3,152,368	(3,152,368)
Total liability related other changes	-	7,579,088	3,152,368	(3,155,264)
Equity related	-	-	2,614,111	31,413,837
Balance as at December 31, 2020	<u>22,356,000</u>	<u>119,953,785</u>	<u>63,040,638</u>	<u>129,262,746</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	(Number)	
35 STAFF STRENGTH		
Permanent	17,541	16,912
On contract	50	42
Total staff strength	<u>17,591</u>	<u>16,954</u>

35.1 In addition to the above, 3,082 employees (2020: 3,175 employees) of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than janitorial services and as guards.

	2021	2020
	(Number)	
35.2 Staff strength bifurcation		
Domestic	17,011	16,351
Overseas	580	603
	<u>17,591</u>	<u>16,954</u>

36 DEFINED BENEFIT PLANS AND OTHER BENEFITS

36.1 General Information

The Bank operates the following schemes:

36.1.1 Pension Fund (defined benefit scheme)

The Bank operates an approved pension scheme for those of its employees who opted for this scheme when it was introduced in 1977. This scheme is applicable to:

- All clerical employees
- Executives and officers who joined the Bank during the period from May 01, 1977 till December 31, 2001 and those who joined the Bank prior to introduction of the scheme and opted for this scheme when it was introduced.

For clerical employees, the benefit is based on their actual years of service as of the statement of financial position date and their current salary and for executives and officers, the benefit is based on their years of service up to March 31, 2005 and their basic salary as on March 31, 2014. For service subsequent to this date (i.e. from April 01, 2005), they are entitled to the Bank's contributory provident fund (refer note 37.1) and the Bank's contributory gratuity fund (refer note 37.2). Eligible employees are entitled to a certain minimum pension as per applicable rules.

36.1.2 Benevolent Fund (defined benefit scheme)

The Bank operates an approved funded benevolent fund scheme for all employees who retire from the Bank and who joined on or before December 31, 2018. Under this scheme, a fixed monthly contribution is made by employees by way of a salary deduction and a matching monthly contribution is made by the Bank. Post retirement, all eligible employees are entitled to receive a fixed monthly amount or a one-time lump sum payment in lieu of a fixed monthly amount, as per the rules of the Fund. Clerical employees are additionally entitled to certain grants during the period of their service subject to the fulfilment of certain conditions as specified in the rules of the Fund.

36.1.3 Post-Retirement Medical Benefits (defined benefit scheme)

The Bank operates a non-funded scheme for post-retirement medical benefits to all employees.

All clerical employees receive these benefits as reimbursements when incurred. Executives and officers who retired prior to January 1, 2006 also receive these benefits as reimbursements when incurred. Executives and officers who have retired from January 01, 2006 onwards receive lump sum payments as a full and final settlement in lieu of post-retirement medical benefits.

36.1.4 Compensated Absences (defined benefit scheme)

The Bank maintains a non-funded scheme for compensated absences. This is applicable to those employees who were in the service of the Bank as of December 31, 2008 and who had accumulated leave balances up to a maximum of 365 days as at that date. Employees are entitled to proceed on Leave Prior to Retirement (LPR) up to the amount of their accrued leave while continuing to receive their gross salary. This benefit vests on retirement or, in the case of premature retirement, on the completion of 30 years of service.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Employees may be required by the Bank to continue working during the whole or a part of their LPR period. Such employees are entitled to gross salary and certain benefits during the period they are required to work and, additionally, to leave encashment amounting to 50% of this period.

Clerical employees have the option of not proceeding on LPR and instead encashing 50% of their accumulated leave balance up to a maximum of 180 days.

36.1.5 Other Post-Retirement Benefits (defined benefit scheme)

The Bank offers an additional benefit to all executives on retirement. Under this scheme, a lump sum amount equal to six months of house rent allowance, utilities allowance, car benefit allowance and conveyance allowance is paid to the executive on retirement. However, in case of the death in service of an executive prior to retirement, the lump sum amount includes an additional six months of house rent allowance.

36.1.6 Pension and Life Assurance Scheme (defined benefit scheme)

The Bank operates a pension and life assurance scheme for those employees who joined its UK operations prior to December 26, 2001. The scheme was established with effect from May 01, 1978 under a Trust Deed of that date and is governed by that Trust Deed together with various supplemental and amending deeds executed over the lifetime of the scheme.

The triennial actuarial valuation as at May 01, 2019 revealed a deficit of £1.7 million under the Statement of Funding Principles (SFP). In order to address this deficit, the Bank is paying £50,500 per month for three years starting from September 1, 2020.

36.1.7 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

36.2 Principal actuarial assumptions

The latest actuarial valuation was carried out as at December 31, 2021 using the Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2021	2020
	(Per annum)	
Valuation discount rate	11.75%	9.75%
Expected rate of increase in salary level	10.75%	8.75%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	9.75%	7.75%
Expected rate of return on funds invested	11.75%	9.75%

36.3 Number of beneficiaries under the scheme

	2021	2020
	(Number)	
Pension fund	6,636	6,705
Benevolent fund	14,631	15,379
Post-retirement medical benefit scheme	19,460	18,708
Compensated absences	3,405	3,975
Other Post-Retirement Benefits	2,494	2,188

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.4 Pension, gratuity, benevolent fund schemes and other benefits

36.4.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2021 are as follows:

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value of plan assets	6,917,325	2,754,021	6,218,050	2,583,853
Present value of defined benefit obligations	(6,157,971)	(1,103,573)	(7,003,540)	(1,079,752)
Receivable / (Payable)	759,354	1,650,448	(785,490)	1,504,101

36.4.2 The present value of defined benefit obligations of non-funded schemes as at December 31, 2021 are as follows:

	2021			2020		
	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)					
Present value of defined benefit obligations	(4,557,833)	(2,177,565)	(667,894)	(3,763,654)	(2,492,992)	(585,038)

36.4.3 Movement in the present value of defined benefit obligations

	2021				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038
Current service cost	78,909	33,695	156,356	63,683	106,377
Interest cost	673,653	102,679	366,095	227,677	59,070
Benefits paid by the Bank	(508,879)	(139,919)	(318,328)	(418,729)	(69,657)
Remeasurement (gains) / losses	(1,089,252)	27,366	590,056	(188,058)	(12,934)
Obligations at the end of the year	6,157,971	1,103,573	4,557,833	2,177,565	667,894

	2020				
	Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Obligations at the beginning of the year	6,143,431	993,646	3,872,768	2,644,978	508,589
Current service cost	75,580	31,162	138,076	68,744	92,450
Interest cost	681,720	108,910	432,948	280,079	58,845
Benefits paid by the Bank	(461,582)	(139,344)	(286,937)	(430,515)	(73,503)
Remeasurement losses / (gains)	564,391	85,378	(393,201)	(70,294)	(1,343)
Obligations at the end of the year	7,003,540	1,079,752	3,763,654	2,492,992	585,038

36.4.4 Movement in fair value of plan assets

	2021		2020	
	Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
	(Rupees in '000)			
Fair value at the beginning of the year	6,218,050	2,583,853	5,565,467	2,372,581
Expected return on plan assets	597,047	242,664	620,075	255,987
Contribution by the Bank	785,490	33,420	577,964	38,752
Contributions by employees	-	33,420	-	38,752
Benefits paid by the Bank	(508,879)	(139,919)	(461,582)	(139,344)
Remeasurement (losses) / gains	(174,383)	583	(83,874)	17,125
Fair value at the end of the year	6,917,325	2,754,021	6,218,050	2,583,853

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.4.5 Movement in amounts payable / (receivable)

Opening balance
Charge / (reversal) for the year
Contribution by the Bank - net
Remeasurement (gains) / losses
recognised in OCI during the year
Benefits paid by the Bank
Closing balance

2021				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
785,490	(1,504,101)	3,763,654	2,492,992	585,038
155,515	(139,710)	522,451	103,302	165,447
(785,490)	(33,420)	-	-	-
(914,869)	26,783	590,056	(418,729)	(12,934)
-	-	(318,328)	-	(69,657)
(759,354)	(1,650,448)	4,557,833	2,177,565	667,894

Opening balance
Charge / (reversal) for the year
Contribution by the Bank - net
Remeasurement losses / (gains)
recognised in OCI during the year
Benefits paid by the Bank
Closing balance

2020				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
577,964	(1,378,935)	3,872,768	2,644,978	508,589
137,225	(154,667)	571,024	278,529	151,295
(577,964)	(38,752)	-	-	-
648,265	68,253	(393,201)	-	(1,343)
-	-	(286,937)	(430,515)	(73,503)
785,490	(1,504,101)	3,763,654	2,492,992	585,038

36.4.6 Charge for defined benefit plans

36.4.6.1 Cost recognised in profit and loss

Current service cost
Net interest on defined benefit asset / liability
Actuarial losses recognised
Contributions by the employees

2021				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
78,909	33,695	156,356	63,683	106,377
76,606	(139,985)	366,095	227,677	59,070
-	-	-	(188,058)	-
-	(33,420)	-	-	-
155,515	(139,710)	522,451	103,302	165,447

Current service cost
Net interest on defined benefit asset / liability
Actuarial losses recognised
Contributions by the employees

2020				
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Employee compensated absences	Other Post-Retirement Benefits
(Rupees in '000)				
75,580	31,162	138,076	68,744	92,450
61,645	(147,077)	432,948	280,079	58,845
-	-	-	(70,294)	-
-	(38,752)	-	-	-
137,225	(154,667)	571,024	278,529	151,295

36.4.6.2 Remeasurements recognised in OCI during the year

(Gains) / losses on obligation
- Financial assumptions
- Experience adjustment

Losses / (gains) on plan assets
Total remeasurement (gains) / losses recognised in OCI

2021			
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
(Rupees in '000)			
(864,893)	(74,841)	40,631	7,000
(224,359)	102,207	549,425	(19,934)
(1,089,252)	27,366	590,056	(12,934)
174,383	(583)	-	-
(914,869)	26,783	590,056	(12,934)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

(Gains) / losses on obligation

- Financial assumptions
- Experience adjustment

Losses / (gains) on plan assets

Total remeasurement losses / (gains) recognised in OCI

2020			
Pension Fund	Benevolent Fund	Post-retirement medical benefits	Other Post-Retirement Benefits
(Rupees in '000)			
663,792	62,527	(26,683)	(4,638)
(99,400)	22,851	(366,518)	3,295
564,392	85,378	(393,201)	(1,343)
83,873	(17,125)	-	-
648,265	68,253	(393,201)	(1,343)

36.4.7 Components of fair value of plan assets

Cash and cash equivalents - net
Government securities
Shares
Non-Government debt securities

2021	2020		
Pension Fund	Benevolent Fund	Pension Fund	Benevolent Fund
(Rupees in '000)			
635,488	11,473	5,164	68,856
5,431,704	2,675,335	5,253,313	2,448,137
850,133	-	959,573	-
-	67,214	-	66,860
6,917,325	2,754,022	6,218,050	2,583,853

The funds primarily invest in Government securities (Market Treasury Bills, Pakistan Investment Bonds and Special Savings Certificates) which do not carry any credit risk but are subject to interest rate risk based on market movements. Equity securities are subject to price risk whereas non-Government debt securities are subject to both credit risk and interest rate risk. These risks are regularly monitored by the Trustees of the employee funds.

36.4.8 Sensitivity analysis of defined benefit obligations

A sensitivity analysis has been performed by varying one assumption while keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of changes in each assumption is summarized below:

	2021				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
1% increase in discount rate	(427,958)	(32,574)	(460,599)	(81,268)	(48,578)
1% decrease in discount rate	494,931	35,643	556,763	87,477	55,251
1% increase in expected rate of salary increase	98,497	-	-	97,301	58,509
1% decrease in expected rate of salary increase	(92,366)	-	-	(91,794)	(52,206)
1% increase in expected rate of increase in minimum pension	245,755	-	-	-	-
1% decrease in expected rate of increase in minimum pension	(206,020)	-	-	-	-
1% increase in expected rate of increase in medical benefit	-	-	172,806	-	-
1% decrease in expected rate of increase in medical benefit	-	-	(154,066)	-	-

36.4.9 Expected contributions to the schemes in the next financial year

The Bank contributes to the pension fund according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme.

	2022				
	Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
	(Rupees in '000)				
Expected charge / (reversal) for the year	(420,745)	(162,389)	715,328	300,015	206,882

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

36.4.10 Maturity profile

The weighted average duration of the obligation (in years)

2021				
Pension Fund	Benevolent Fund	Post retirement medical benefit	Employee compensated absences	Other Post-Retirement Benefits
7.57	5.51	10.07	7.46	7.74

36.4.11 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the assets of the Fund on any valuation date, based on actuarial assumptions.

36.4.12 The significant risks associated with the defined benefit schemes are as follows:

Mortality risks

The risk that the actual mortality experience is different. The impact depends on the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk that the investments of the Funds will underperform and not be sufficient to meet the liabilities.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks

The risk of higher or lower withdrawal experience than assumed. The impact depends on the beneficiaries' service / age distribution and the benefit.

37 DEFINED CONTRIBUTION PLANS

37.1 Provident Fund

For employees hired on or after January 01, 2002, the Bank operates an approved provident fund under which both the Bank and the employees make monthly contributions as follows:

For executives and officers	6% of basic salary
For clerical staff	12% of basic salary

Executives and officers hired upto December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for the Bank's contributory provident fund benefits effective April 1, 2005.

This scheme covers 14,991 employees (2020: 15,509 employees).

Payments are made to employees on retirement, death, resignation and discharge as specified in the rules of the Fund.

37.2 Contributory Gratuity Fund

For employees hired on or after January 01, 2002, the Bank operates an approved funded Bank contributory gratuity scheme. Executives and officers hired up to December 31, 2001, who are covered by the Bank's pension scheme (refer note 36.1.1 above) also became eligible for gratuity fund benefits effective April 1, 2005.

The Bank contributes an amount equal to half of the employees' monthly basic salary for each completed year of service and, on a pro-rata basis for partially completed years of service. Payments are made to the employees on retirement, death, resignation after completion of at least 10 years of continuous service, and discharge as specified in the rules of the Fund.

This scheme covers 15,873 employees (2020: 15,100 employees).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

38 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total Compensation Expense

Total Compensation Expense				2021			
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non-Executive				
	(Rupees in '000)						
Fees and Allowances etc.	12,000	-	74,400	27,982	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	147,350	700,421	966,085
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	84,000	386,969	274,272
- Bonus paid in shares	-	-	-	-	10,916	54,397	22,716
- Guaranteed Bonus	-	-	-	-	-	-	4,264
Charge for defined benefit plan	-	-	-	-	-	-	1,055
Contribution to defined contribution plan	-	-	-	-	-	34,758	61,272
Rent & house maintenance	-	-	-	-	16,625	209,555	307,365
Utilities	-	-	-	-	1,425	44,168	64,918
Medical	-	-	-	-	1,818	48,035	61,729
Conveyance	-	-	-	-	3,529	80,874	236,562
Others	-	-	-	-	-	-	431
Sub-Total	12,000	-	74,400	27,982	265,663	1,559,177	2,000,669
Sign-on bonus	-	-	-	-	-	-	12,000
Grand Total	12,000	-	74,400	27,982	265,663	1,559,177	2,012,669
Total Number of persons	1	-	7	3	1	28	131
Sign-on bonus - Number of Persons	-	-	-	-	-	-	1
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	2
2020							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executive (other than CEO)	Non-Executive				
	(Rupees in '000)						
Fees and Allowances etc.	12,600	-	71,400	12,807	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	138,669	712,970	1,019,471
ii) Total Variable							
- Bonus paid in cash	-	-	-	-	63,000	337,250	211,946
- Guaranteed Bonus	-	-	-	-	-	-	2,699
Charge for defined benefit plan	-	-	-	-	-	-	1,814
Contribution to defined contribution plan	-	-	-	-	-	31,748	58,140
Rent & house maintenance	-	-	-	-	12,900	191,784	284,814
Utilities	-	-	-	-	1,229	41,577	60,763
Medical	-	-	-	-	2,632	41,500	59,971
Conveyance	-	-	-	-	3,992	67,319	213,443
Others	-	-	-	-	-	-	43
Sub-Total	12,600	-	71,400	12,807	222,422	1,424,148	1,913,104
Sign-on bonus	-	-	-	-	-	78,000	23,000
Severance Payments	-	-	-	-	-	26,510	-
Grand Total	12,600	-	71,400	12,807	222,422	1,528,658	1,936,104
Total Number of persons	1	-	5	3	1	28	135
Sign-on bonus - Number of Persons	-	-	-	-	-	2	6
Severance payments - Number of Persons	-	-	-	-	-	1	-
Guaranteed bonus - Number of Persons	-	-	-	-	-	-	1

38.1.1 The total movement of deferred bonus during the year December 31, 2021 for the President / Chief Executive Officer (CEO), Key Management Personnel and Other Material Risk Takers (MRTs) / Material Risk Controllers (MRCs) is as follows:

	2021 (Rupees in '000)	2020
Opening balance	256,626	-
Add: deferred during the year	316,229	256,626
Less: paid / vested during the year	(82,496)	-
Less: reversed during the year	(10,761)	-
Closing balance	479,598	256,626

The CEO and certain Executives are provided with free club memberships. The CEO and the Chief Operating Officer (COO) are also provided with free use of Bank maintained cars in accordance with their entitlements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

38.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2021											
Sr. No.	Name of Director	Meeting Fees and Allowances Paid									
		For Board Meetings	For Board Committees								Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)**	Board Oversight Committee - International Governance (BOC IG)	
(Rupees in '000)											
1	Mr. Sultan Ali Allana	5,400	-	-	-	3,000	-	1,200	-	2,400	12,000
2	Mr. Khaleel Ahmed**	3,000	3,000	-	3,000	1,800	-	600	-	-	11,400
3	Mr. Salim Chinoy*	600	600	-	600	-	-	-	-	-	1,800
4	Mr. Shaffiq Dharamshi***	-	-	-	-	-	-	-	-	-	-
5	Mr. Moez Ahamed Jamal	5,400	4,800	-	4,800	-	1,800	-	1,800	-	18,600
6	Ms. Saba Kamal**	3,000	-	-	-	-	1,800	1,800	-	-	6,600
7	Ms. Diane Elizabeth Moore*	600	-	-	600	-	600	-	-	-	1,800
8	Mr. Salim Raza	5,400	1,200	3,600	-	600	2,400	1,800	1,800	-	16,800
9	Dr. Najeeb Samie	5,400	4,800	-	-	3,000	-	-	1,800	2,400	17,400
Total Amount Paid		28.800	14.400	3.600	9.000	8.400	6.600	5.400	5.400	4.800	86.400

* Ms. Diane Elizabeth Moore & Mr. Salim Chinoy retired from the Board on March 26, 2021 at the conclusion of their terms.

** Ms. Saba Kamal & Mr. Khaleel Ahmed assumed charge as Directors on April 29, 2021.

*** Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

2020											
Sr. No.	Name of Director	Meeting Fees and Allowances Paid									
		For Board Meetings	For Board Committees								Total Amount Paid
			Board Audit Committee (BAC)	Board Risk Management Committee (BRMC)	Board Compliance and Conduct Committee (BCNC)	Board Human Resource & Remuneration Committee (BHRRC)	Board IT Committee (BITC)	Board Development Finance Committee (BDFC)	Board Nomination & Remuneration Committee (BNRC)	Board Oversight Committee - International Governance (BOC IG)	
(Rupees in '000)											
1	Mr. Sultan Ali Allana	4,800	-	-	-	3,000	-	1,800	-	3,000	12,600
2	Mr. Salim Chinoy	4,800	4,800	-	4,800	-	-	-	-	-	14,400
3	Mr. Shaffiq Dharamshi*	-	-	-	-	-	-	-	-	-	-
4	Mr. Moez Ahamed Jamal	4,800	4,800	-	4,800	-	-	-	600	-	15,000
5	Ms. Diane Elizabeth Moore	4,800	-	-	4,800	-	2,400	-	-	-	12,000
6	Mr. Salim Raza	4,800	-	4,200	-	-	2,400	1,800	600	-	13,800
7	Dr. Najeeb Samie	4,800	4,800	-	-	3,000	-	-	600	3,000	16,200
Total Amount Paid		28,800	14,400	4,200	14,400	6,000	4,800	3,600	1,800	6,000	84,000

In addition to the above, as per the Bank's policy, Rs 0.925 million was also paid to the Directors on account of daily allowance for attending Board and Committee meetings during the year.

* Mr. Shaffiq Dharamshi is an employee of AKFED (the parent company of the Bank) and is not paid meeting fees or any other allowances.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

38.3 Remuneration paid to Shariah Board Members

Items	2021				2020			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
(Rupees in '000)								
Fixed Remuneration	9,600	8,175	9,000	26,775	4,200	3,886	3,600	11,686
Allowances	119	1,002	86	1,207	50	1,071	-	1,121
Total Amount	9,719	9,177	9,086	27,982	4,250	4,957	3,600	12,807
Total Number of Persons	1	1	1	3	1	1	1	3

39 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments, are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such 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 they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these unconsolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Fair value measurements using inputs that are not based on observable market data.

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Investments in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Investments in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

39.1 Fair value of financial assets

The following table provides the fair values of those of the Bank's financial assets and liabilities that are recognised or disclosed at fair value in these unconsolidated financial statements:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
- Non-Government debt securities- listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference Shares -Listed

As at December 31, 2021				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
1,410,064,781	-	1,410,064,781	-	1,410,064,781
6,944,521	6,944,521	-	-	6,944,521
52,060,015	40,600,000	11,460,015	-	52,060,015
624,000	-	624,000	-	624,000
58,177,418	-	58,177,418	-	58,177,418
6,991,481	-	6,991,481	-	6,991,481
46,448	-	46,448	-	46,448
60,800	60,800	-	-	60,800
780,500	780,500	-	-	780,500
1,535,749,964	48,385,821	1,487,364,143	-	1,535,749,964

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities
 - Listed
 - Unlisted
- Associates and Joint venture

296,306,630	-	281,187,106	-	281,187,106
2,365,422	-	2,376,486	-	2,376,486
18,348,917	-	18,428,015	-	18,428,015
14,672,889	-	14,823,285	-	14,823,285
260,893	-	316,157	-	316,157
614,541	-	612,981	-	612,981
9,345,200	24,846,843	2,737,185	-	27,584,028
341,914,492	24,846,843	320,481,215	-	345,328,058
1,877,664,456	73,232,664	1,807,845,358	-	1,881,078,022

Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2021				
Notional Value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
560,033,923	-	1,575,160	-	1,575,160
93,562,463	-	200,063	-	200,063
42,049,128	-	(2,373,349)	-	(2,373,349)

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
- Non-Government debt securities- listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference shares - Listed

As at December 31, 2020				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
1,518,270,016	-	1,518,270,016	-	1,518,270,016
5,985,004	5,985,004	-	-	5,985,004
47,265,405	40,240,000	7,025,405	-	47,265,405
622,500	-	622,500	-	622,500
40,219,455	-	40,219,455	-	40,219,455
3,553,703	-	3,553,703	-	3,553,703
46,839	-	46,839	-	46,839
53,000	53,000	-	-	53,000
855,400	855,400	-	-	855,400
1,616,871,322	47,133,404	1,569,737,918	-	1,616,871,322

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities
 - Government debt securities
 - Non-Government debt securities
 - Listed
 - Unlisted
- Associates and Joint venture

227,463,214	-	227,554,478	-	227,554,478
4,277,922	-	4,304,568	-	4,304,568
16,209,049	-	16,209,049	-	16,209,049
13,617,532	-	15,850,104	-	15,850,104
382,489	-	430,226	-	430,226
311,326	-	312,842	-	312,842
9,040,549	27,994,673	3,047,704	-	31,042,377
271,302,081	27,994,673	267,708,971	-	295,703,644
1,888,173,403	75,128,077	1,837,446,889	-	1,912,574,966

Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2020				
Notional Value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
405,885,132	-	(2,637,586)	-	(2,637,586)
150,757,178	-	(52,974)	-	(52,974)
38,504,637	-	(1,266,883)	-	(1,266,883)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

39.2 Fair value of non-financial assets

	As at December 31, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Building	52,925,664	-	-	52,925,664	52,925,664
Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	<u>53,606,650</u>	<u>-</u>	<u>-</u>	<u>53,606,650</u>	<u>53,606,650</u>
	As at December 31, 2020				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Building	52,560,430	-	-	52,560,430	52,560,430
Non-banking assets acquired in satisfaction of claims	639,379	-	-	639,379	639,379
	<u>53,199,809</u>	<u>-</u>	<u>-</u>	<u>53,199,809</u>	<u>53,199,809</u>

40 SEGMENT INFORMATION

40.1 Segment Details with respect to business activities

For the year ended December 31, 2021							
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others
	(Rupees in million)						
Profit and loss account							
Net mark-up / return / profit / interest income	(59,926)	28,226	11,748	32,171	107,291	3,263	(1,826)
Inter segment revenue / (expense) - net	102,773	(13,743)	-	(15,728)	(85,928)	4,009	8,617
Non mark-up / interest income	4,151	10,483	653	4,021	6,734	3,333	1,349
Total income	<u>46,998</u>	<u>24,966</u>	<u>12,401</u>	<u>20,464</u>	<u>28,097</u>	<u>10,605</u>	<u>8,140</u>
Segment direct expenses	22,000	9,866	3,382	2,548	1,228	11,104	36,216
Inter segment expense allocation	13,793	5,900	939	9,141	984	1,256	(32,013)
Total expenses	<u>35,793</u>	<u>15,766</u>	<u>4,321</u>	<u>11,689</u>	<u>2,212</u>	<u>12,360</u>	<u>4,203</u>
Provisions - charge / (reversal)	296	1,797	(22)	1,441	(1,021)	2,694	1,168
Profit / (loss) before tax	<u>10,909</u>	<u>7,403</u>	<u>8,102</u>	<u>7,334</u>	<u>26,906</u>	<u>(4,449)</u>	<u>2,769</u>
	As at December 31, 2021						
	Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others
	(Rupees in million)						
Statement of financial position							
Cash and bank balances	181,994	-	29,178	364	151,013	79,156	-
Lendings to financial institutions	-	-	28,672	-	65,070	-	-
Inter segment lending	1,594,867	-	-	-	-	266,460	144,415
Investments	-	-	191,865	8,822	1,566,568	115,350	22,584
Advances - performing	-	199,979	166,056	746,323	-	242,992	24,116
Advances - non-performing	-	1,503	3	2,403	-	1,174	-
Others	18,762	2,838	17,592	41,047	44,735	15,078	109,351
Total assets	<u>1,795,623</u>	<u>204,320</u>	<u>433,366</u>	<u>798,959</u>	<u>1,827,386</u>	<u>720,210</u>	<u>300,466</u>
Borrowings	-	2,830	31,568	119,175	140,787	137,902	-
Subordinated debt	-	-	-	-	-	-	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	528,259	11,373
Inter segment borrowing	-	194,287	11,440	124,508	1,675,507	-	-
Others	18,269	6,829	15,654	35,392	14,139	22,881	74,599
Total liabilities	<u>1,795,623</u>	<u>204,320</u>	<u>405,557</u>	<u>798,959</u>	<u>1,830,555</u>	<u>689,042</u>	<u>98,346</u>
Equity	-	-	27,809	-	(3,169)	31,168	202,120
Total equity and liabilities	<u>1,795,623</u>	<u>204,320</u>	<u>433,366</u>	<u>798,959</u>	<u>1,827,386</u>	<u>720,210</u>	<u>300,466</u>
Contingencies and commitments	<u>60,144</u>	<u>-</u>	<u>56,741</u>	<u>463,954</u>	<u>601,350</u>	<u>138,579</u>	<u>38,410</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2020

Profit and loss account

Net mark-up / return / profit / interest income
Inter segment revenue / (expense) - net
Non mark-up / interest income
Total income

Branch Banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Head office / others	Total
(71,459)	25,449	12,414	38,471	117,575	4,520	(4,918)	122,052
121,878	(13,763)	-	(23,270)	(96,858)	3,028	8,985	-
3,647	6,193	376	3,360	10,439	2,264	(536)	25,743
54,066	17,879	12,790	18,561	31,156	9,812	3,531	147,795

Segment direct expenses
Inter segment expense allocation
Total expenses
Provisions - charge / (reversal)
Profit / (loss) before tax

25,491	7,366	1,783	3,398	1,333	16,854	28,351	84,576
12,646	1,796	635	1,678	271	7,128	(24,154)	-
38,137	9,162	2,418	5,076	1,604	23,982	4,197	84,576
73	2,160	907	3,034	(1,215)	5,134	131	10,224
15,856	6,557	9,465	10,451	30,767	(19,304)	(797)	52,995

As at December 31, 2020

Statement of financial position

Cash and bank balances
Lendings to financial institutions
Inter segment lending
Investments
Advances - performing
Advances - non-performing
Others

179,590	-	12,771	293	125,940	67,818	-	386,412
-	-	5,257	-	24,897	-	-	30,154
1,430,513	-	91	-	-	183,892	145,705	1,760,201
-	-	139,619	8,675	1,660,147	81,305	22,492	1,912,238
-	163,801	153,152	618,911	-	156,054	17,020	1,108,938
-	1,960	211	4,308	-	1,902	2	8,383
15,636	3,946	7,295	25,006	30,760	24,639	90,305	197,587

Total assets

1,625,739	169,707	318,396	657,193	1,841,744	515,610	275,524	5,403,913

Borrowings
Subordinated debt
Deposits and other accounts
Inter segment borrowing
Others

-	4,011	32,183	100,397	324,181	79,323	-	540,095
-	-	-	-	-	-	22,356	22,356
1,607,921	348	257,414	430,203	9	365,484	8,112	2,669,491
-	159,043	-	98,870	1,502,288	-	-	1,760,201
17,818	6,305	6,032	27,723	8,804	44,329	58,034	169,045

Total liabilities

1,625,739	169,707	295,629	657,193	1,835,282	489,136	88,502	5,161,188

Equity

-	-	22,767	-	6,462	26,474	187,022	242,725

Total equity and liabilities

1,625,739	169,707	318,396	657,193	1,841,744	515,610	275,524	5,403,913

Contingencies and commitments

13,108	-	9,416	321,938	551,311	63,568	28,891	988,232

40.2 Segment details with respect to geographical locations

For the year ended December 31, 2021

Profit and loss account

Net mark-up / return / profit / interest income
Non mark-up / interest income
Total income

Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
113,794	4,028	2,675	450	120,947
28,358	1,181	1,023	162	30,724
142,152	5,209	3,698	612	151,671

Segment direct expenses

75,675	6,182	3,910	577	86,344

Provisions - charge

3,669	2,136	471	77	6,353

Profit / (loss) before tax

62,808	(3,109)	(683)	(42)	58,974

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

	As at December 31, 2021				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Statement of financial position					
Cash and bank balances	363,075	53,525	19,355	5,750	441,705
Lendings to financial institutions	93,743	-	-	-	93,743
Investments	1,800,149	62,582	42,458	-	1,905,189
Advances - performing	1,175,296	139,482	56,687	8,001	1,379,466
Advances - non-performing	3,909	879	273	22	5,083
Others	198,186	47,116	1,785	2,316	249,403
Total assets	3,634,358	303,584	120,558	16,089	4,074,589
Borrowings	294,360	107,173	21,555	9,174	432,262
Subordinated debt	12,374	-	-	-	12,374
Deposits and other accounts	2,965,878	159,295	55,593	3,495	3,184,261
Others	247,801	(78,739)	21,110	(2,409)	187,763
Total liabilities	3,520,413	187,729	98,258	10,260	3,816,660
Equity	113,945	115,855	22,300	5,829	257,929
Total equity and liabilities	3,634,358	303,584	120,558	16,089	4,074,589
Contingencies and commitments	1,221,341	74,199	33,697	29,941	1,359,178

	For the year ended December 31, 2020				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Profit and loss account					
Net mark-up / return / profit / interest income	115,783	3,837	2,120	312	122,052
Non mark-up / interest income	24,143	1,376	(77)	301	25,743
Total income	139,926	5,213	2,043	613	147,795
Segment direct expenses	73,786	6,866	3,419	505	84,576
Provisions - charge / (reversal)	5,270	3,958	971	25	10,224
Profit / (loss) before tax	60,870	(5,611)	(2,347)	83	52,995

	As at December 31, 2020				
	Pakistan (including KEPZ)	Middle East and Africa	Asia	Europe	Total
	(Rupees in million)				
Statement of financial position					
Cash and bank balances	319,124	38,343	21,995	6,950	386,412
Lendings to financial institutions	30,154	-	-	-	30,154
Investments	1,838,744	40,538	32,956	-	1,912,238
Advances - performing	978,055	99,131	25,536	6,216	1,108,938
Advances - non-performing	6,481	1,010	852	40	8,383
Others	151,836	41,924	2,735	1,092	197,587
Total assets	3,324,394	220,946	84,074	14,298	3,643,712
Borrowings	460,772	68,234	5,487	5,602	540,095
Subordinated debt	22,356	-	-	-	22,356
Deposits and other accounts	2,511,990	117,369	36,324	3,808	2,669,491
Others	158,296	3,273	5,943	1,533	169,045
Total liabilities	3,153,414	188,876	47,754	10,943	3,400,987
Equity	170,980	32,070	36,320	3,355	242,725
Total equity and liabilities	3,324,394	220,946	84,074	14,298	3,643,712
Contingencies and commitments	925,335	44,376	16,497	2,024	988,232

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

41 TRUST ACTIVITIES

The Bank undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Bank and, therefore, are not included as such in these unconsolidated financial statements. Assets held under trust are shown in the table below:

As at December 31, 2021					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	-	-	-	-	-
Charitable institutions	2	67,535	170,000	-	237,535
Companies	78	62,335,205	25,473,600	44,100	87,852,905
Employee funds	65	14,788,950	27,368,480	-	42,157,430
Individuals	164	6,624,450	2,650,238	4,900	9,279,588
Insurance companies	4	36,331,625	404,400,900	9,035,100	449,767,625
Non-Government organizations	-	-	-	-	-
Others	16	4,220,625	1,523,100	-	5,743,725
Total	329	124,368,390	461,586,318	9,084,100	595,038,808

As at December 31, 2020					
Category	No. of IPS Accounts	Securities Held (Face Value)			Total
		Market Treasury Bills	Pakistan Investment Bonds	Government Ijarah Sukuks	
----- (Rupees in '000) -----					
Asset Management companies	5	72,000	75,000	49,500	196,500
Charitable institutions	2	40,000	170,000	-	210,000
Companies	66	24,238,125	49,761,200	-	73,999,325
Employee funds	67	17,808,665	20,016,780	-	37,825,445
Individuals	126	3,971,220	1,675,768	-	5,646,988
Insurance companies	5	18,338,340	299,671,600	8,138,200	326,148,140
Non-Government organizations	1	10,135	-	-	10,135
Others	14	3,910,950	819,400	-	4,730,350
Total	286	68,389,435	372,189,748	8,187,700	448,766,883

42 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, subsidiaries, associated companies, joint venture and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Details of transactions and balances with related parties as at the year end are as follows:

	As at December 31, 2021						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position	(Rupees in '000)						
Balances with other banks							
In current accounts	-	-	374	235,105	-	-	-
Investments							
Opening balance	-	-	-	17,614,626	9,161,114	135,665	4,779,638
Investment made during the year	-	-	-	2,000,000	650,000	-	2,969,103
Investment redeemed / disposed off during the year	-	-	-	(23,236)	(345,348)	-	-
Revaluation of investment during the year	-	-	-	500,374	-	-	(391)
Closing balance	-	-	-	20,091,764	9,465,766	135,665	7,748,350
Advances							
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Addition during the year	19,023	372,347	2,013,784	1,720,019	895,993	-	5,567,065
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(1,688,225)	(250,000)	-	(2,365,348)
Transfer in / (out) - net	276	34,006	-	-	-	-	182,500
Exchange adjustment	-	(250)	265,109	(13,158)	74,818	-	(325)
Closing balance	527	447,007	4,001,392	2,092,521	1,845,811	-	11,132,886
Other Assets							
Interest / mark-up accrued	-	552	68,780	179,118	16,130	-	123,587
Receivable from defined benefit plan	-	-	-	-	-	-	759,354
Other receivable	-	-	-	-	-	-	-
	-	552	68,780	179,118	16,130	-	882,941
Borrowings							
Opening balance	-	-	3,200,856	468,382	959,006	1,598,344	494,309
Borrowings during the year	-	-	4,216,030	2,327,678	7,564,980	6,516,419	-
Settled during the year	-	-	(3,258,210)	(2,366,193)	(6,027,688)	(8,145,524)	(312,324)
Transfer in - net	-	-	-	-	-	-	-
Exchange adjustment	-	-	343,045	45,660	148,912	30,761	-
Closing balance	-	-	4,501,721	475,527	2,645,210	-	181,985
Deposits and other accounts							
Opening balance	20,794	447,740	7,288,452	1,087,262	36,293,203	-	1,684,143
Received during the year	260,411	2,277,862	445,766,161	412,224,268	1,001,182,265	-	86,731,344
Withdrawn during the year	(242,044)	(2,000,383)	(442,983,490)	(406,949,534)	(986,870,955)	-	(85,600,878)
Transfer (out) / in - net	3,118	(267,073)	-	-	-	-	114,741
Exchange adjustment	103	10,215	748,908	(47,531)	514	-	31,004
Closing balance	42,382	468,361	10,820,031	6,314,465	50,605,027	-	2,960,354
Other liabilities							
Interest / mark-up payable	1	723	6,255	908	40,182	-	8,233
Payable to Defined Benefit Plan	-	-	-	-	-	-	433,201
Other payables	-	-	4,150	18,784	43,601	-	405,576
	1	723	10,405	19,692	83,783	-	847,010
Contingencies and Commitments							
Letter of credit	-	-	910,308	-	-	-	673,614
Guarantees	-	-	167,204	55,672	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	-	1,859,052
Commitment in respect of Forward Foreign Currency	-	-	-	282,422	-	-	-
Commitment in respect Forward lending	-	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	-	875,000	-	-
	-	-	2,272,972	338,094	875,000	-	7,769,362
Others							
Securities held as custodians	-	12,920	5,326,720	-	77,701,130	-	9,860,745

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2021							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
(Rupees in '000)							
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	20,702	193,987	417,751	102,272	-	804,089
Fee and commission income	-	-	180,591	32,820	897,191	392	20,374
Dividend income	-	-	-	-	448,878	145,181	155,337
Foreign exchange gain	-	-	-	308,305	-	-	-
Loss from derivatives	-	-	(3,306)	-	(43,326)	-	-
Gain on sale of securities - net	-	-	-	-	438,220	-	-
Rent on properties	-	-	-	42,699	-	-	-
Other income	-	-	-	33,707	-	-	-
Expense							
Mark-up / return / profit / interest expensed	291	12,209	107,381	29,015	1,298,782	20,998	242,910
Operating expenses							
Total compensation expense	-	1,824,840	-	-	-	-	1,084,888
Non-Executive Directors' fees	86,400	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,539,625	-	-
Product feature cost	-	-	194,372	-	-	-	-
Travelling	-	-	6,656	-	-	-	-
Subscription	-	-	-	-	-	-	77,584
Donation	-	-	77,230	-	-	-	405,576
Brokerage and Commission	-	-	-	-	-	-	212,274
Other expenses	-	-	-	347,726	-	-	25,572
Others							
Purchase of Government securities	-	-	337,325,673	1,995,995	54,769,108	-	16,885,974
Sale of Government securities	-	56,883	346,902,828	26,439,135	32,529,676	-	27,793,467
Purchase of foreign currencies	-	-	3,004,944	1,359,398	3,018	-	2,857,263
Sale of foreign currencies	-	-	3,280,543	9,275,090	222,000	-	5,732,637
Insurance claims settled	-	-	-	-	81,504	-	-

As at December 31, 2020							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
(Rupees in '000)							
Statement of financial position							
Balances with other banks							
In current accounts	-	-	25,483	362,924	-	4,074	-
Investments							
Opening balance	-	-	-	18,590,630	9,276,448	135,665	4,711,517
Investment made during the year	-	-	-	500,000	-	-	-
Investment redeemed / disposed off during the year	-	-	-	(1,625,607)	(115,334)	-	-
Revaluation of investment during the year	-	-	-	-	-	-	68,121
Exchange adjustment	-	-	-	149,603	-	-	-
Closing balance	-	-	-	17,614,626	9,161,114	135,665	4,779,638
Advances							
Opening balance	1,144	302,682	3,853,355	52,035	1,375,000	-	7,924,895
Addition during the year	10,157	222,404	7,294,502	2,141,455	-	-	7,668,197
Repaid during the year	(11,062)	(162,557)	(6,729,728)	(121,823)	(250,000)	-	(6,242,581)
Transfer in / (out) - net	10	(56,693)	-	-	-	-	(1,601,517)
Exchange adjustment	-	-	86,399	2,218	-	-	-
Closing balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Other Assets							
Interest / mark-up accrued	-	710	23,444	92,882	30,556	-	198,970
Other receivable	-	-	-	-	305,198	-	3,335
	-	710	23,444	92,882	335,754	-	202,305
Borrowings							
Opening balance	-	-	2,475,576	4,187,854	929,086	1,548,476	-
Borrowings during the year	-	-	6,992,840	6,016,905	2,913,226	4,855,377	500,000
Settled during the year	-	-	(6,473,832)	(9,919,751)	(2,913,226)	(4,855,377)	(5,691)
Exchange adjustment	-	-	206,272	183,374	29,920	49,868	-
Closing balance	-	-	3,200,856	468,382	959,006	1,598,344	494,309

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

As at December 31, 2020							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
(Rupees in '000)							
Deposits and other accounts							
Opening balance	26,259	192,845	7,803,875	1,076,088	11,245,324	-	716,890
Received during the year	223,185	2,338,236	234,970,772	206,571,000	651,783,633	-	60,058,254
Withdrawn during the year	(233,311)	(2,123,153)	(235,783,141)	(206,561,582)	(626,730,063)	-	(59,090,555)
Transfer in / (out) - net	4,619	35,680	-	-	-	-	(3,237)
Exchange adjustment	42	4,132	296,946	1,756	(5,691)	-	2,791
Closing balance	20,794	447,740	7,288,452	1,087,262	36,293,203	-	1,684,143
Other liabilities							
Interest / mark-up payable	10	1,734	52,208	1,715	128,470	6,251	8,048
Payable to Defined Benefit Plan	-	-	-	-	-	-	1,182,639
Other payables	-	-	1,511	18	33,615	-	315,431
	10	1,734	53,719	1,733	162,085	6,251	1,506,118
Contingencies and Commitments							
Letter of credit	-	-	145,085	-	-	-	1,576,326
Guarantees	-	-	134,121	4,320	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	-	316,416
Commitment in respect of Forward lending	-	-	-	-	-	-	2,524,426
Interest rate swaps	-	-	859,491	-	1,125,000	-	-
	-	-	2,000,329	4,320	1,125,000	-	7,836,215
Others							
Securities held as custodians	-	17,745	5,457,675	-	30,978,500	-	13,662,385
For the year ended December 31, 2020							
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
(Rupees in '000)							
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	22,866	306,870	332,424	250,523	-	1,086,137
Fee and commission income	-	-	122,969	35,044	1,092,473	352	42,573
Dividend income	-	-	-	-	668,527	518,967	85,633
Foreign exchange gain	-	-	-	260,682	-	-	-
Loss from derivatives	-	-	(20,978)	-	(19,556)	-	-
Gain on sale of securities - net	-	-	-	-	34,666	-	-
Rent on properties	-	-	-	38,339	-	-	-
Other income	-	-	-	7,028	-	-	-
Expense							
Mark-up / return / profit / interest expensed	102	8,116	296,701	65,382	796,997	26,085	75,285
Operating expenses							
Total compensation expense	-	1,751,080	-	-	-	-	1,312,361
Non-Executive Directors' fees	84,000	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,277,349	-	-
Advertisement and publicity	-	-	105,850	-	-	-	-
Travelling	-	-	15,907	-	-	-	-
Subscription	-	-	-	-	-	-	59,868
Donation	-	-	157,360	-	-	-	315,431
Brokerage and Commission	-	-	-	-	-	-	197,720
Other expenses	-	-	7,450	40,965	-	-	17,785
Reversal of provision against advances	-	-	-	-	-	-	(124,920)
Others							
Purchase of Government securities	-	-	155,206,248	-	26,699,197	-	8,586,622
Sale of Government securities	-	31,716	160,624,591	3,616,705	85,382,672	-	12,496,840
Purchase of foreign currencies	-	-	1,792,352	13,703,571	3,867	-	1,864
Sale of foreign currencies	-	-	2,817,044	8,098,306	130,800	-	6,505,372
Insurance claims settled	-	-	-	-	195,894	-	-

42.1 Balances and transactions with group entities include deposits of Rs 0.554 million (2020: Rs 0.296 million) from the parent and Rs 1.814 thousand (2020: Rs 4.223 thousand) as mark-up expense thereon.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

2021
(Rupees in '000)

14,668,525

14,668,525

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

193,371,438	172,940,364
10,428,514	10,438,063
203,799,952	183,378,427
58,372,958	54,025,763
262,172,910	237,404,190

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

1,217,657,907	935,446,560
92,254,538	109,134,799
212,268,669	191,948,129
1,522,181,114	1,236,529,488

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

12.70%

13.99%

13.39%

14.83%

17.22%

19.20%

Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)

of which: capital conservation buffer requirement

of which: countercyclical buffer requirement

of which: D-SIB buffer requirement

CET1 available to meet buffers (as a percentage of risk weighted assets)

9.50%

9.50%

1.50%

1.50%

-

-

2.00%

2.00%

6.70%

7.99%

Other information:

Minimum capital requirements prescribed by the SBP

CET1 minimum ratio (%)

Tier 1 minimum ratio (%)

Total capital minimum ratio (%)

9.50%

9.50%

11.00%

11.00%

13.50%

13.50%

2021
(Rupees in '000)

Leverage Ratio (LR)

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio (%)

203,799,952	183,378,427
4,470,420,642	4,167,230,907
4.56%	4.40%

Minimum Requirement (%)

3.00%

3.00%

2021
Total Adjusted Value
(Rupees in '000)

Liquidity Coverage Ratio (LCR)

Average High Quality Liquid Assets

Average Net Cash Outflow

Liquidity Coverage Ratio (%)

1,477,650,149	1,343,833,391
638,366,023	525,626,841
231.47%	255.66%

Minimum Requirement (%)

100.00%

100.00%

2021
Total Weighted Value
(Rupees in '000)

Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio (%)

3,046,911,457	2,637,965,349
1,964,571,726	1,448,252,363
155.09%	182.15%

Minimum Requirement (%)

100.00%

100.00%

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

The SBP, through BPRD circular 12, dated March 26, 2020 has provided the following relaxations to banks to enable them to continue providing credit to the real economy:

- The Capital Conservation Buffer (CCB) has been reduced from 2.50% to 1.50%. This has resulted in a 1.00% decline in capital adequacy requirements for all tiers.
- The regulatory retail portfolio limit has been increased from Rs 125 million to Rs 180 million.

43.1 Capital management

The Bank's policy is to maintain a strong capital base so as to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The Bank's lead regulator, the SBP, sets and monitors capital requirements for the Bank as a whole. The Bank's branches outside Pakistan are also required to follow capital requirements applicable in their respective jurisdictions.

The SBP, through BSD Circular No. 07 dated April 15, 2009 has required that Banks should maintain a minimum paid-up capital of Rs. 10 billion (net of accumulated losses). The paid-up capital of the Bank as at December 31, 2021 stood at Rs 14.669 billion (2020: Rs. 14.669 billion) and is in compliance with SBP requirements.

The Bank and its individually regulated operations have complied with all capital requirements.

The Bank's regulatory capital is classified as follows:

- Tier 1 capital comprises of Common Equity Tier 1 (CET 1) and Additional Tier 1 (AT 1) capital.
- CET1 capital includes fully paid-up capital, balance in share premium account, reserves (excluding exchange translation reserves) and unappropriated profit meeting the eligibility criteria.
- AT 1 capital includes perpetual TFCs meeting the prescribed SBP criteria.
- Tier 2 capital includes general provisions for loan losses, surplus / (deficit) on revaluation of fixed assets and investments, exchange translation reserves and subordinated debt (meeting the eligibility criteria).

Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to on and off-balance sheet exposures.

- On and off-balance sheet exposures in the banking book are segregated into various asset classes for the calculation of credit risk. Ratings reflecting the credit worthiness of counterparties are applied using various External Credit Assessment Institutions (ECAIs) and aligned with appropriate risk buckets. Collateral, if any, is used as an outflow adjustment. Eligible collateral used includes Government of Pakistan (GoP) guarantees, GoP issued securities, bank guarantees, lien on deposits and margin accounts. Risk weights notified by the SBP are applied to net exposures to arrive at risk weighted assets.
- The Bank calculates capital requirements for market risk in its trading book based on the methodology provided by the SBP which takes into account interest rate risk using the maturity method, equity position risk and foreign exchange risk.

- 43.2 The full disclosures on the Capital Adequacy Ratio, Leverage Ratio & Liquidity Requirements calculated as per SBP instructions issued from time to time have been placed on the Bank's website. The link to the full disclosure is available at <https://www.hbl.com/capitalandliquidity>.

44 RISK MANAGEMENT FRAMEWORK

HBL has a well-developed and robust risk management framework given the high degree of complexity of its operations, its size, and regional and target market diversification. The Bank's risk management framework is based on strong Board oversight, multi-tier management supervision, efficient systems, documented risk appetite, and clearly articulated policies and procedures.

The Board of Directors provides the strategic direction for effective risk management and ensures that a robust risk management framework is in place including the required human resources, policies, procedures and systems. It is supported in this task by the Board Risk Management Committee (BRMC) as well as by various management committees.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

For effective implementation of the risk management framework, the Risk Management function, headed by the Chief Risk Officer (CRO), operates independently of business units within the Bank. Risk Management is responsible for the development and implementation of risk policies and for monitoring the risks associated with various activities of the Bank. The CRO reports to the President, with a functional reporting line to the BRMC.

The Risk Management function comprises of the following areas:

- Credit Policy & Analytics
- Credit Approvals
- Credit Administration
- Program Based Lending Risk
- Market & Liquidity Risk Management
- Enterprise Risk Management

Risk Management alignment with Basel framework

The Bank has adopted the Standardized Approach for credit risk and the Alternate Standardized Approach for operational risk. In addition, the Bank has adopted the simple approach for recognizing eligible collateral for credit risk mitigation. The Bank's goal is to develop resources internally to embed Basel related processes and methodologies in its risk practices.

The Bank follows the Standardized Approach for market risk and is building capacity for adoption of the Internal Models Approach (IMA).

44.1 Credit risk management

Credit risk is defined as the risk of financial loss stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. While loans are the largest and most obvious source of credit risk, it also stems from both on and off-balance sheet activities. The credit process at the Bank is governed by well-defined and documented credit policies and procedures including separate policies for consumer loans, rural banking and SME financing. Certain types of exposures / facilities are managed under product programs that contain their own detailed credit criteria, compliance and documentation requirements.

The Bank's credit risk appetite is defined through a Risk Appetite Statement that is approved by the Board. It also covers the concentration risks the Bank is willing to take with reference to risk ratings, sectors and large exposures.

The core pillars of credit risk management at the Bank are:

- Approval rules based on a three-initial system and joint Business / Risk sign-offs.
- An independent Internal Audit function which includes a Business Risk Review (BRR) unit.

Credit approval authorities are delegated to individuals based on their qualifications and experience. Disbursement authorization, collateral and security management, documentation and monitoring are managed by the Credit Administration Department. Proactive monitoring is ensured for assets under stress. This enables the Bank to put in place viable solutions to prevent further deterioration in credit quality. An independent Structured Credits function to handles stressed assets and ensures a focused remedial strategy.

Credit risk management software to automate loan origination has been implemented for Corporate, Commercial and Retail customers and the Bank is rolling these out to overseas operations. The software is designed to improve approval efficiency; enable capture, storage and retrieval of approval data; and generate MIS for decision making.

Stress testing on the credit portfolio is performed in line with SBP guidelines. In addition to the mandatory stress tests defined by the regulator, the Bank has also developed advanced stress tests including macroeconomic stress tests, shock scenarios and reverse stress tests to test the capital against shocks to the credit portfolio. The Bank also regularly conducts rapid portfolio reviews in line with emerging risks.

The Bank has undertaken a number of initiatives to strengthen its credit risk management framework including in-house development of internal risk rating models (obligor risk rating and facility risk rating) for the portfolio, the development of transition and migration matrices to develop Probability of Default (PD) estimates, and back testing these against actual default rates for model refinement. The performance of the risk rating models over the years is continuously monitored.

BRR performs an independent review of the credit portfolio. It provides an independent assessment of portfolio quality, the efficacy of processes for the acquisition of risk assets, regulatory / policy compliance and appropriateness of classification and risk rating.

44.1.1 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 ratings or type of exposure, whichever is applicable.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Under the Standardized Approach, the capital requirement is based on the credit rating assigned to counterparties by External Credit Assessment Institutions (ECAIs) duly recognized by the SBP. The Bank selects different ECAs for each type of exposure. The Bank utilizes credit ratings assigned by Pakistan Credit Rating Agency (PACRA), Vital Information Services (VIS), Fitch, Moody's and Standard & Poor's (S&P). The Bank also utilizes rating scores of Export Credit Agencies (ECAs).

Types of exposure and ECAs used

	FITCH	Moody's	S&P	PACRA	VIS	ECA scores
Corporates	-	✓	-	✓	✓	-
Banks	✓	✓	✓	✓	✓	-
Sovereigns	-	✓	-	-	-	✓
Public sector enterprises	-	-	-	✓	✓	-

Mapping to SBP rating grades

For all exposures, the selected ratings are translated to the standard rating grades given by the SBP. The mapping tables used for converting ECAI ratings to the SBP rating grades are given below:

Long - Term rating grades mapping

SBP rating grade	Fitch	Moody's	S&P	PACRA	VIS	ECA Scores
1	AAA	Aaa	AAA	AAA	AAA	0
	AA+	Aa1	AA+	AA+	AA+	1
	AA	Aa2	AA	AA	AA	
	AA-	Aa3	AA-	AA-	AA-	
2	A+	A1	A+	A+	A+	2
	A	A2	A	A	A	
	A-	A3	A-	A-	A-	
3	BBB+	Baa1	BBB+	BBB+	BBB+	3
	BBB	Baa2	BBB	BBB	BBB	
	BBB-	Baa3	BBB-	BBB-	BBB-	
4	BB+	Ba1	BB+	BB+	BB+	4
	BB	Ba2	BB	BB	BB	
	BB-	Ba3	BB-	BB-	BB-	
5	B+	B1	B+	B+	B+	5
	B	B2	B	B	B	6
	B-	B3	B-	B-	B-	
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	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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.1.2 Credit Risk Mitigation for under the Standardized Approach

The Bank has adopted the Simple Approach for Credit Risk Mitigation in the Banking Book. Under this approach, cash, deposits under lien, Government securities and eligible guarantees etc. are considered as eligible collateral. The Bank has in place detailed guidelines regarding the valuation and management of each of these types of collateral. Where the Bank's exposure on an obligor is wholly or partially guaranteed by an eligible guarantee, the risk weight / credit rating of the guarantor is substituted for the risk weight of the obligor.

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 exposure for the calculation of Risk Weighted Assets.

44.1.3 Country Risk

The Bank has in place a comprehensive Country Risk Policy. Limits are established for Cross Border Transfer Risk (CBTR) based on the ratings assigned by international rating agencies. CBTR arises from exposure to counterparties in countries other than the jurisdiction of the lender. Transfer risk arises where an otherwise solvent and willing debtor is unable to meet its obligation due to the imposition of governmental or regulatory controls restricting its ability to perform under its obligation towards meeting its foreign liabilities. The limit utilization is controlled at Head Office level and country risk exposures are reported to the BRMC at defined frequencies.

44.1.4 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	24,615,867	14,253,781	-	-	-	-
Private	69,126,565	15,900,412	-	-	-	-
	93,742,432	30,154,193	-	-	-	-

44.1.5 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Chemical and pharmaceuticals	-	203,025	-	-	-	-
Textile	86,548	106,548	86,548	106,548	86,548	106,548
Automobile and transportation equipment	-	-	-	-	-	-
Financial	1,797,688,410	1,810,164,219	-	-	-	-
Oil and gas	1,798,454	3,698,844	-	-	-	-
Power and energy	61,695,259	57,555,652	-	-	-	-
Telecommunication	160,833	164,329	160,833	164,329	160,833	164,329
Construction	-	2,046,000	-	-	-	-
Metal and allied	900,000	900,000	-	-	-	-
Others	1,000,000	-	-	-	-	-
	1,863,329,504	1,874,838,617	247,381	270,877	247,381	270,877

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

Credit risk by public / private sector

	Gross investments		Non-performing investments		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Public / Government	1,845,716,450	1,855,397,137	-	-	-	-
Private	17,613,054	19,441,480	247,381	270,877	247,381	270,877
	1,863,329,504	1,874,838,617	247,381	270,877	247,381	270,877

44.1.6 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Chemical and pharmaceuticals	44,855,008	49,371,190	2,528,011	2,551,951	2,516,898	2,519,264
Agribusiness	125,113,981	123,153,141	1,996,199	2,355,186	1,015,923	978,050
Textile	172,435,756	137,638,144	15,520,215	18,227,451	15,406,200	17,230,252
Cement	28,401,108	30,742,220	588,694	788,694	588,694	788,694
Sugar	8,903,630	11,836,435	1,230,342	1,230,342	1,295,262	1,295,262
Shoes and leather garments	4,647,283	4,069,853	949,725	950,036	943,425	908,274
Automobile and transportation equipment	25,497,800	16,636,312	3,598,823	3,209,778	3,475,364	3,197,282
Financial	130,338,458	69,137,875	39,414	45,154	39,414	45,154
Hotel and tourism	5,596,292	5,686,305	809,736	675,707	712,089	560,200
Insurance	2,506,715	2,892,710	-	-	-	-
Electronics and electrical appliances	10,099,650	7,141,707	2,595,651	2,401,210	2,595,651	2,401,210
Oil and gas	88,003,142	58,927,284	5,652,384	3,036,551	5,655,182	786,797
Power and energy	194,625,126	186,637,376	13,336	1,615,585	13,336	1,615,585
Education and medical	7,452,699	6,996,217	196,080	194,869	194,057	194,091
Telecommunication	28,315,442	29,265,551	1,082,730	1,130,701	1,082,730	1,130,701
Printing and publishing	7,807,906	6,813,205	356,435	355,966	349,484	355,949
Construction	42,080,070	33,896,363	193,570	361,501	180,730	285,961
Mining and quarrying	5,952,217	5,730,014	155,578	119	78,848	119
Food, tobacco and beverages	78,869,282	62,250,021	3,299,248	3,495,089	2,758,065	2,811,264
Wholesale and retail trade	67,558,211	54,103,207	12,090,001	13,605,951	11,197,535	12,344,035
Metal and allied	31,895,522	20,339,605	4,040,865	3,231,792	2,412,884	2,161,387
Individuals	138,626,234	101,202,290	2,231,153	2,269,555	1,933,347	1,995,760
Farming, cattle and dairy	3,180,273	7,003,387	809,395	515,986	769,442	434,060
Trust funds and non profit organisations	1,596,881	1,614,536	2,991	2,991	2,991	2,991
Others	208,846,669	160,802,214	14,189,081	13,198,440	13,868,821	13,025,295
	1,463,205,355	1,193,887,162	74,169,657	75,450,605	69,086,372	67,067,637

Credit risk by public / private sector

	Gross advances		Non-performing advances		Provision held	
	2021	2020	2021	2020	2021	2020
	(Rupees in '000)					
Public / Government	317,402,932	276,485,672	1,071,091	1,076,491	5,400	10,800
Private	1,145,802,423	917,401,490	73,098,566	74,374,114	69,080,972	67,056,837
	1,463,205,355	1,193,887,162	74,169,657	75,450,605	69,086,372	67,067,637

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.1.7 Contingencies and Commitments

Credit risk by industry sector

	2021	2020
	(Rupees in '000)	
Chemical and pharmaceuticals	37,497,701	125,589,265
Agribusiness	4,872,111	5,914,848
Textile	93,954,916	37,747,380
Cement	51,399,786	9,534,715
Defence	14,055,764	13,597,579
Sugar	3,119,186	2,425,872
Shoes and leather garments	1,608,350	2,051,318
Automobile and transportation equipment	30,633,616	12,864,675
Financial	646,177,212	477,416,757
Hotel and tourism	1,083,342	1,371,892
Research and Development	2,247,002	1,322,523
Insurance	7,222,886	1,653,258
Electronics and electrical appliances	16,754,561	16,114,947
Oil and gas	68,651,454	63,355,245
Power and energy	105,841,274	72,438,664
Education and medical	2,974,595	1,934,974
Telecommunication	27,697,852	9,425,449
Printing and publishing	2,469,700	1,238,472
Construction	32,181,379	15,178,433
Mining and quarrying	2,749,857	4,563,574
Food, tobacco and beverages	26,589,405	11,181,197
Wholesale and retail trade	10,533,979	16,553,245
Metal and allied	15,508,860	10,748,845
Individuals	24,602,637	17,820,528
Farming, cattle and dairy	1,549,317	2,106,305
Ports and shipping	1,367,301	2,554,655
Trust funds and non profit organisations	41,572,444	11,175,272
Others	84,261,771	40,352,137
	1,359,178,258	988,232,024

Credit risk by public / private sector

Public / Government	226,782,960	201,203,863
Private	1,132,395,298	787,028,161
	1,359,178,258	988,232,024

44.1.8 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregated to Rs 439,861.952 million (2020: Rs 380,572.960 million).

	2021	2020
	(Rupees in '000)	
Funded	254,870,742	280,605,421
Non-funded	184,991,209	99,967,539
Total exposure	439,861,951	380,572,960

The sanctioned limits against these top 10 exposures aggregated to Rs 628,617.948 million (2020: Rs 550,392.787 million).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.1.9 Advances - Province / Region-wise disbursement and utilization

	2021						
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	3,074,341,509	2,888,634,395	39,963,069	1,314,901	-	144,213,003	216,141
Sindh	8,148,280,498	281,124,813	7,806,216,670	9,728,882	17,231,128	32,115,680	1,863,325
KPK including FATA	62,757,915	756,415	1,832,628	60,159,545	-	9,327	-
Balochistan	9,705,598	-	4,328,047	-	5,377,551	-	-
Islamabad	1,031,523,921	70,198,521	139,370,616	-	-	821,954,784	-
AJK including Gilgit-Baltistan	16,713,826	18,015	-	-	-	574,814	16,120,997
Total	12,343,323,267	3,240,732,159	7,991,711,030	71,203,328	22,608,679	998,867,608	18,200,463

	2020						
Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	2,393,166,304	2,268,965,092	31,989,237	1,144,980	-	90,850,813	216,182
Sindh	6,451,498,873	145,218,707	6,263,286,115	3,912,615	5,562,663	32,079,834	1,438,939
KPK including FATA	51,591,780	1,185,242	1,346,987	49,059,551	-	-	-
Balochistan	4,198,771	-	-	-	4,198,771	-	-
Islamabad	726,933,449	43,618,837	125,045,659	-	-	558,268,953	-
AJK including Gilgit-Baltistan	12,531,134	-	-	-	-	-	12,531,134
Total	9,639,920,311	2,458,987,878	6,421,667,998	54,117,146	9,761,434	681,199,600	14,186,255

44.2 Market Risk Management

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them. Each of these components of market risk consists of a general market risk and a specific market risk that is driven by the nature and composition of the portfolio.

The Bank is exposed to market risk in a number of ways. The largest component is Interest Rate Risk on the Banking Book, which refers to the interest rate risk that the Bank is exposed to due to mismatches in the repricing of its on-balance sheet assets and liabilities. The Bank also has Trading Books in various markets; these assets are fair valued, i.e. changes in the values of the assets arising from market movements are directly reflected in the Bank's profit and loss account.

The objective of the Bank's market risk management strategy is to firstly, assess an acceptable level of risk for each market variable (as stated in the Bank's Risk Appetite Statement), and secondly, to manage the risk arising from fluctuations in these variables to optimize the Bank's income streams.

Treasury and Global Markets is tasked with proactively managing exposures. The ALCO provides governance with respect to market risk exposures and limits, while monitoring and measurement is carried out by Market Risk Management (MRM).

MRM provides a dynamic and proactive approach to market risk monitoring, including the use of tools such as Value at Risk, Earnings at Risk, stress testing and the use of Management Action Triggers (MAT).

44.2.1 Statement of financial position 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	409,528,880	-	409,528,880	347,988,749	-	347,988,749
Balances with other banks	32,176,188	-	32,176,188	38,422,719	-	38,422,719
Lendings to financial institutions	93,742,432	-	93,742,432	30,154,193	-	30,154,193
Investments	993,171,473	912,017,184	1,905,188,657	1,200,609,033	711,628,960	1,912,237,993
Advances	1,384,549,476	-	1,384,549,476	1,117,320,960	-	1,117,320,960
Fixed assets	94,158,252	-	94,158,252	84,350,518	-	84,350,518
Intangible assets	6,613,409	-	6,613,409	4,596,807	-	4,596,807
Deferred tax assets	3,744,933	-	3,744,933	-	-	-
Other assets	136,164,069	8,721,910	144,885,979	105,097,879	3,541,902	108,639,781
	3,153,849,112	920,739,094	4,074,588,206	2,928,540,858	715,170,862	3,643,711,720

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank manages this risk by setting and monitoring currency-wise exposure limits. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank maintains a net open position in various currencies resulting from its transactions. Foreign exchange risk is controlled and monitored through the limits approved by ALCO, within the overall limit advised by the SBP.

	2021				2020			
	Assets	Liabilities	Off-balance sheet items	Net currency exposure	Assets	Liabilities	Off-balance sheet items	Net currency exposure
	(Rupees in '000)							
United States Dollars	311,737,477	339,408,550	32,115,435	4,444,362	238,888,630	300,913,676	53,131,027	(8,894,019)
Great Britain Pounds	2,446,269	14,841,521	11,768,610	(626,642)	2,800,324	13,824,627	10,658,965	(365,339)
UAE Dirhams	42,008,146	62,451,185	32,917,837	12,474,798	26,054,309	38,717,090	26,334,763	13,671,982
Japanese Yen	81,410	63	(38,325)	43,022	11,780	100,063	117,785	29,503
Euros	19,782,196	13,918,765	(3,665,153)	2,198,278	19,945,215	14,299,428	(3,906,039)	1,739,748
Other Currencies	131,035,236	92,379,167	(12,110,982)	26,545,087	68,233,534	24,263,390	(992,744)	42,977,400
	<u>507,090,734</u>	<u>522,999,251</u>	<u>60,987,422</u>	<u>45,078,905</u>	<u>355,933,792</u>	<u>392,118,274</u>	<u>85,343,757</u>	<u>49,159,275</u>

	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	-	450,789	-	491,593
- Other comprehensive income	615,877	-	621,843	-

44.2.3 Equity Position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices.

The Bank takes exposures to a range of equity instruments, and is exposed to losses arising from movements in Equity prices. The Bank holds equity investments in both the AFS and HFT portfolios. The realization of short term capital gains is the principal objective of the HFT portfolio while the AFS portfolio takes a medium-term market view with the objective of earning both capital gains and dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio which is part of the Bank's overall market risk exposure limit on the trading book.

	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	-	15,430	-	7,311
- Other comprehensive income	376,184	-	-	339,701

44.2.4 Interest Rate Risk

Interest rate risk arises due to changes in interest rates, including changes in the shape of the yield curve. The Bank is exposed to interest rate risk in both the Trading and Banking Books. Interest rate sensitivity analysis is conducted at both Banking Book and Trading Book levels. The analysis is performed at least on a monthly basis or more frequently, if required. The analysis helps in estimating and managing the impact of interest rate volatility on the Bank's earnings and on the economic value of equity within the defined tolerance limits. Limits are also in place for fixed income investments of the treasury portfolio at various levels (i.e. Dealer, Transaction, Portfolio, Trading and Banking Book). Regulatory stress testing is conducted on a quarterly basis. Metrics to assess Interest Rate Risk include Interest Rate Gap Reports, Earnings at Risk (EAR) and Economic Value of Equity (EVE). These metrics are assessed based on different stress scenarios.

To further strengthen interest rate risk management, the Bank has developed a standardized framework for computing the Interest Rate Risk in the Banking Book (IRRBB) under the updated guidelines issued by Basel Committee on Banking Supervision Standards.

	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	(1,176,891)	(818,473)	(7,285,526)	(1,221,907)
- Other comprehensive income	(3,605,044)	-	(4,275,920)	(2,274,260)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.2.4.1 Mismatch of interest rate sensitive assets and liabilities

Interest rate sensitivity gaps for assets and liabilities which have contractual maturities have been reported based on the earlier of the re-pricing date or maturity date. However, assets and liabilities which do not have any contractual maturities have been bucketed on the basis of a behavioural study approved by ALCO.

	Effective yield / interest rate	2021										Not exposed to yield / interest risk
		Exposed to yield / interest risk										
		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	Over 10 years	
(Rupees in '000)												
On-balance sheet assets												
Financial Assets												
Cash and balances with treasury banks	0.03%	409,528,880	12,895,269	-	-	229,238	-	-	-	-	-	396,404,373
Balances with other banks	0.94%	32,176,188	8,417,084	160,291	240,437	-	-	-	-	-	-	23,358,376
Lendings to financial institutions	7.25%	93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-	-
Investments	8.19%	1,905,188,657	383,920,827	351,540,025	545,224,463	166,178,295	55,043,262	110,953,570	98,004,866	100,211,912	51,226,889	42,884,548
Advances	8.20%	1,384,549,476	338,939,077	638,518,809	177,080,638	76,316,327	22,444,870	33,010,398	59,306,914	34,767,647	255,996	3,908,800
Other assets		118,806,807	-	-	-	-	-	-	-	-	-	118,806,807
		3,943,992,440	816,552,889	1,011,580,925	722,545,538	242,723,860	77,488,132	143,963,968	157,311,780	134,979,559	51,482,885	585,362,904
Financial Liabilities												
Bills payable		43,853,860	-	-	-	-	-	-	-	-	-	43,853,860
Borrowings	4.71%	432,261,654	56,535,735	168,761,946	43,181,498	49,448,611	11,007,311	13,779,480	16,561,509	64,962,422	8,023,142	-
Deposits and other accounts	3.58%	3,184,260,887	258,266,717	1,605,810,022	92,615,303	109,126,915	5,866,992	16,377,133	3,034,634	8,353,952	306,871	1,084,502,348
Subordinated debt	9.04%	12,374,000	-	12,374,000	-	-	-	-	-	-	-	-
Other liabilities		19,528,712	157,693	315,386	473,079	946,159	1,892,317	1,892,317	3,784,634	10,067,127	-	-
Lease Liability against right-of-use assets	10.32%	109,348,660	-	-	-	-	-	-	-	-	-	-
Others		3,801,627,773	314,960,145	1,787,261,354	136,269,880	159,521,685	18,766,620	32,048,930	23,380,777	83,383,501	8,330,013	109,348,660
On-balance sheet gap		142,364,667	501,592,744	(775,680,429)	586,275,658	83,202,175	58,721,512	111,915,038	133,931,003	51,596,058	43,152,872	(652,341,964)
Net non - financial assets		115,564,243	-	-	-	-	-	-	-	-	-	-
Total net assets		257,928,910	-	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		320,185,675	91,911,293	144,333,664	64,255,279	19,685,439	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(239,848,248)	(85,954,995)	(88,456,093)	(49,772,845)	(15,664,315)	-	-	-	-	-	-
Government Securities transactions - forward purchases		27,830,190	26,993,330	836,860	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(65,732,273)	(65,732,273)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		17,058,770	-	57,639	77,975	309,755	2,105,925	2,712,010	7,346,164	878,616	3,570,686	-
Cross Currency Swaps - sales		(19,308,883)	-	(73,549)	(88,257)	(353,022)	(2,382,932)	(2,899,223)	(9,010,815)	(970,815)	(3,530,270)	-
Interest rate swaps - sales		(5,681,475)	-	(564,808)	-	-	(1,041,667)	(2,000,000)	(2,075,000)	-	-	-
Off-balance sheet gap		34,503,756	(32,782,645)	56,133,713	14,472,152	3,977,857	(1,318,674)	(2,187,213)	(3,739,651)	(92,199)	40,416	-
Total yield / interest risk sensitivity gap		468,810,099	(719,546,716)	600,747,810	87,180,032	57,402,838	109,727,825	130,191,352	51,503,859	43,193,288	(652,341,964)	-
Cumulative yield / Interest rate risk sensitivity gap		468,810,099	(250,736,617)	350,011,193	437,191,225	494,594,063	604,321,888	734,513,240	786,017,099	829,210,387	176,868,423	-

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2020

	Effective yield / interest rate	Exposed to yield / interest risk										Not exposed to yield / interest risk
		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	Over 10 years	
On-balance sheet assets												
Financial Assets												
Cash and balances with treasury banks	0.06%	347,988,749	25,205,777	25,239	-	-	-	-	-	-	-	322,757,733
Balances with other banks	1.21%	38,422,719	9,560,783	1,535,834	-	-	-	-	-	-	-	27,326,102
Lendings to financial institutions	7.63%	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-	-	-
Investments	9.90%	1,912,237,993	178,096,961	540,116,391	457,311,760	280,546,895	156,094,404	53,729,810	99,419,943	77,927,299	30,264,315	38,730,215
Advances	9.94%	1,117,320,960	359,330,915	503,959,608	125,788,144	32,203,551	25,462,862	15,598,421	23,007,942	22,960,314	626,236	8,382,967
Other assets		84,347,963	-	-	-	-	-	-	-	-	-	84,347,963
		3,530,472,577	595,348,629	1,052,637,072	583,099,904	312,750,446	181,557,266	69,328,231	122,427,885	100,887,613	30,890,551	481,544,980
Financial Liabilities												
Bills payable		46,122,344	-	-	-	-	-	-	-	-	-	46,122,344
Borrowings	5.87%	540,095,253	377,747,558	51,421,564	45,457,922	83,306	31,434,293	612,514	7,467,932	25,743,587	126,577	-
Deposits and other accounts	4.55%	2,669,490,716	162,761,588	1,401,476,865	65,832,696	74,101,408	8,576,914	4,482,830	15,118,205	6,789,770	856,148	929,494,292
Subordinated debt	11.64%	22,356,000	-	22,356,000	-	-	-	-	-	-	-	-
Other liabilities		15,300,909	129,977	259,954	389,931	779,863	1,559,726	1,559,726	3,119,451	7,502,281	-	-
Lease Liability against right-of-use assets	11.08%	91,351,018	-	-	-	-	-	-	-	-	-	-
Others		3,384,716,240	540,639,123	1,475,514,383	111,680,549	74,964,577	41,570,933	6,655,070	25,705,588	40,035,638	982,725	1,066,967,654
On-balance sheet gap		145,756,337	54,709,506	(422,877,311)	471,419,355	237,785,869	139,986,333	62,673,161	96,722,297	60,851,975	29,907,826	(585,422,674)
Net non - financial assets		96,968,428										
Total net assets		242,724,765										
Off-balance sheet financial instruments												
Foreign exchange contracts - forward purchases		245,614,763	71,661,326	99,664,060	63,441,801	10,847,576	-	-	-	-	-	-
Foreign exchange contracts - forward sales		(160,270,369)	(64,307,220)	(57,234,188)	(25,172,656)	(13,556,305)	-	-	-	-	-	-
Government Securities transactions - forward purchases		96,427,590	96,380,176	47,414	-	-	-	-	-	-	-	-
Government Securities transactions - forward sales		(54,329,588)	(54,329,588)	-	-	-	-	-	-	-	-	-
Cross Currency Swaps - purchases		14,662,810	616,598	-	90,208	787,250	482,671	1,543,489	1,235,520	9,907,074	-	-
Cross Currency Swaps - sales		(16,007,336)	(711,263)	-	(133,195)	(955,805)	(519,461)	(1,598,333)	(1,186,770)	(10,902,509)	-	-
Interest rate swaps - sales		(7,834,491)	-	-	-	-	(859,491)	(1,875,000)	(5,100,000)	-	-	-
Off-balance sheet gap		118,263,379	49,310,029	42,477,286	38,226,158	(2,877,284)	(896,281)	(1,929,844)	(5,051,250)	(995,435)	-	-
Total yield / interest risk sensitivity gap		104,019,535	(380,400,025)	509,645,513	234,908,585	139,090,052	60,743,317	91,671,047	59,856,540	29,907,826	(585,422,674)	
Cumulative yield / Interest rate risk sensitivity gap												
		104,019,535	(276,380,490)	233,265,023	468,173,608	607,263,660	668,006,977	759,678,024	819,534,564	849,442,390	264,019,716	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.3 Enterprise Risk Management

The Enterprise Risk Management (ERM) vertical of Risk Management, set up by the Bank in 2020, and was further strengthened during the year 2021. Enterprise Risk Management is applicable to all functions within the Bank which ensures robust and consistent approach to risk management at all levels of the organization.

The Bank's Enterprise Risk Management Framework, approved by the Board, outlines the high level essentials of enterprise risk management components, key ERM principles, concepts and suggests a common ERM language, while providing a clear direction and guidance for integrated risk management within the Bank. Day-to-day responsibility for risk management is disseminated through the delegation of individual accountability, with reporting and escalations facilitated through governance structure. Standards, policies, and limits are defined to ensure tasks and processes are well controlled.

The Enterprise Risk Management Team has created a Bank-wide "Risk Taxonomy"; the objective of the Risk Taxonomy is to converge all risks and issues, which helps management in:

- Identifying cumulative impact against each risk type to assess materiality of the risk / issue, providing a holistic picture.
- Standardizing root-cause analysis of risks / issues by doing thematic reviews.

The ERM function also includes a Model Risk Management (MRM) arm that aims to provide independent review and validation of all models being used in the Bank. Another initiative launched during the year under ERM is the New Product Initiative Assessment (NPIA) process whereby all risks within new products/services are comprehensively identified and assessed as per Bank's Risk Taxonomy. The goal is to ensure that they are adequately managed / mitigated with relevant controls in place. NPIA applies to all business lines and across all locations of HBL.

44.3.1 Operational Risk Management (ORM)

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Operational Risk Management is housed within Risk Management and a comprehensive ORM Framework is in place which address all the significant aspects of ORM i.e. people, processes, systems and external events. A SAS software has been deployed that facilitates loss data management, Risk and Control Assessments and tracking of Key Risk Indicators (KRIs). Operational Risk Coordinators have been assigned from all relevant departments of the Bank and are responsible for implementation of the Framework in coordination with the ORM department. An Operational Risk Management Committee (ORMC) is in place to monitor and oversee operational risk issues. The Bank uses the Alternative Standardized Approach (ASA) under Basel II but with a capital floor i.e., the operational risk capital charge under ASA should not fall below a certain percentage of the operational risk capital charge calculated under the Basic Indicator Approach (BIA). The Bank is the first Pakistani bank to achieve this milestone.

Key ORM tools such as Risk Control Self-Assessment (RCSA), KRIs and Operational Loss Data Management are used to gauge the likelihood and severity of operational risk. The Bank uses stress testing to proactively assess impacts to the bank. RCSA exercises are conducted at regular intervals across the Bank. Operational risk reports are regularly submitted to the senior management and the BRMC.

44.3.2 Business Continuity Planning (BCP)

It is the policy of the Bank to maintain a well-defined business continuity program which comprises of policy and procedures and plans with clearly defined roles, responsibilities and ownership for Crisis Management, Emergency Response, Business Continuity and IT Disaster Recovery. The Bank's Business Continuity Steering Committee, which includes representation from the senior management of the Bank, is the governing body of BCP matters and meets on a periodic basis to review key initiatives, testing results and related action plans for strengthening the Bank's ability to manage crisis situations. The Bank's business continuity program complies with the regulatory framework and the leading Business Continuity Management standard, ISO 22301, and is subject to regular internal, external and regulatory reviews and audits.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.3.3 IT related controls

During the year, the Bank's IT controls were further strengthened, with special focus on controls around remote access. Enhanced focus and visibility was given to IT Audit and Compliance, and several control/monitoring initiatives were launched in close coordination with the Internal Audit function of the Bank. A formal procedure for IT Risk Management was introduced to identify and mitigate potential risk areas in a centralized manner. This has been further aligned with ETGRM as well as ERM and ORM frameworks. Enterprise wide Risk Coordinators have been identified and IT Risk Coordinator has been identified to coordinate with stakeholders and ensure that risks are reported and coordinated regularly. An IT risk register has been developed to track IT risks and ensure more stakeholder engagement.

A COBIT 2019 gap assessment has been completed and remediation activity on selected processes/objectives is in progress to achieve the desired capability level. Controls around 'Cloud Computing' were put in place as per the directives and framework provided by SBP. IT introduced better visibility of its Services Management function by revamping existing processes and introducing new processes for effective controls and visibility across the Bank. The IT Steering Committee discipline was established at all international locations to bring efficiency and effectiveness in technology governance and operations.

44.3.4 Information Security Risk

It is vitally important for Bank to protect its customers and their data from cyberattacks and provide secure banking services. Information Security plays a pivotal role in protecting the Bank's data assets from both internal and external threats through effective cyber security risk management, supported by preventive and detective controls capable of responding to emerging external threats.

The COVID 19 pandemic and its associated remote working environment has created opportunities for cyber criminals to steal sensitive data and commit fraudulent activities. Moreover, the Bank's increased digitization, the changing threat landscape, the rise of social engineering frauds, and stringent oversight of the regulator requires continuous measures to strengthen the information security posture of the Bank.

Targeted and frequent information security awareness initiatives for customers and employees were launched using expanded delivery channels, to elevate their level of awareness and better equip them to counter security challenges.

Significant progress has been made in raising information security standards in the international territories to a level consistent with the policies, standards, and controls implemented in the rest of the Bank.

An International external maturity assessment against best practices of Security Operation Center (SOC) was conducted to benchmark our practices with Regional standards.

Moving forward, the Bank plans to strengthen our cyber-defenses through the use of automation and modern technologies, AI and machine learning, targeted customer and staff awareness, adoption of international best practices, Cloud framework and security, customer data protection initiatives, strengthening of API controls, Digital Payments security, security orchestration-based analysis while proactively mitigating against advanced security threats. Furthermore, enhancement of data loss prevention measures, identity and access management, cyber fraud prevention, privileged access management, as well as strengthening ATM security controls besides further alignment of security operation center with international best practices would be the key focus of 2022.

Customers are an important component of the security process and continuous customer education about cyber risks will remain an important component of our defense strategy. These security measures will allow Bank to continue offering innovative digital solutions to its clients while ensuring them protection and peace of mind.

44.4 Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its cash obligations as they become due, or to fund assets, at a reasonable cost, because of the inability to liquidate assets, or to obtain adequate funding.

The Bank follows a comprehensive liquidity risk management policy duly approved by the Board. The policy provides necessary guidelines for establishing a robust liquidity risk management framework which helps in identifying the key liquidity and funding risks to which the bank is exposed, describes how these risks are identified, measured, monitored and reported, and prescribes the techniques and resources used to manage and mitigate these risks. The policy stipulates maintenance of various ratios, funding preferences, and evaluation of the Bank's liquidity under normal and crisis situations (stress testing). The Bank also has a Contingency Funding Plan in place to address liquidity issues in times of crisis. This plan identifies early warning indicators to preempt unforeseen liquidity crises. Triggers are used to ascertain potential stress scenarios.

The Bank's ALCO is responsible for the formulation of overall strategy and oversight of asset and liability management. Liquidity Risk is monitored using a range of metrics, including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR); liquidity gaps and various liquidity ratios are regularly monitored by Market Risk Management. Liquidity risk is reviewed by ALCO on a monthly basis and an update is provided to the BRMC on a quarterly basis.

FOR THE YEAR ENDED DECEMBER 31, 2021

2021

Share capital	14,668,525
Reserves	69,678,669
Surplus on revaluation of assets	
- net of tax	25,189,245
Unappropriated profit	148,392,471
	<u>257,928,910</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

[illegible]

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

Assets and liabilities which have contractual maturities have been reported as per their remaining maturities, whereas assets and liabilities which do not have any contractual maturities have been reported as per their expected maturities calculated on the basis of an objective and systematic behavioral study approved by the ALCO.

		2021									
		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	Over 10 years
		(Rupees in '000)									
Assets											
Cash and balances with treasury banks		409,528,880	275,459,560	12,238,923	7,302,617	25,068,426	18,784,034	9,812,757	13,623,858	23,246,600	23,992,105
Balances with other banks		32,176,188	31,716,625	439,670	-	19,893	-	-	-	-	-
Lendings to financial institutions		93,742,432	72,380,632	21,361,800	-	-	-	-	-	-	-
Investments		1,905,188,657	19,457,355	228,623,398	153,894,542	167,442,921	347,161,076	147,723,407	313,942,475	428,162,687	98,780,796
Advances		1,384,549,476	144,892,520	103,583,017	111,032,907	177,829,742	198,737,778	169,421,630	228,250,977	126,583,454	124,217,451
Fixed assets		94,158,252	8,008,700	1,043,188	1,564,781	3,129,563	6,259,126	6,259,126	7,142,162	11,391,867	49,359,739
Intangible assets		6,613,409	2,123,375	178,631	267,947	535,894	1,071,788	1,071,788	1,363,986	-	-
Deferred tax assets		3,744,933	13,809	231,999	144,220	137,473	913,994	699,130	1,443,668	3,311,267	(3,150,627)
Other assets		144,885,979	35,173,250	33,837,768	35,622,399	18,111,288	21,699,101	281,044	-	161,129	-
		4,074,588,206	589,225,826	401,538,394	309,829,413	392,275,200	594,626,897	335,268,882	565,767,126	592,857,004	293,199,464
Liabilities											
Bills payable		43,853,860	8,024,142	853,089	34,976,629	-	-	-	-	-	-
Borrowings		432,261,654	56,535,735	168,761,946	43,181,498	49,448,611	11,007,311	13,779,480	16,561,509	64,962,422	8,023,142
Deposits and other accounts		3,184,260,887	799,120,660	236,515,638	177,995,881	411,896,189	329,735,505	172,222,036	239,030,828	402,786,978	414,957,172
Subordinated debt		12,374,000	-	-	-	-	-	-	-	-	12,374,000
Other liabilities											
Lease Liability against right-of-use asset		19,528,712	157,693	315,386	473,079	946,159	1,892,317	1,892,317	3,784,634	10,067,127	-
Others		124,380,183	32,678,292	36,635,603	15,482,104	20,505,533	3,650,459	963,405	1,926,810	12,394,619	143,358
		3,816,659,296	896,516,522	443,081,662	272,109,191	482,796,492	346,285,592	188,857,238	261,303,781	490,211,146	435,497,672
		257,928,910	(307,290,696)	(41,543,268)	37,720,222	(90,521,292)	248,341,305	146,411,644	304,463,345	102,645,858	(142,298,208)
Net assets											
Share capital		14,668,525									
Reserves		69,678,669									
Surplus on revaluation of assets - net of tax		25,189,245									
Unappropriated profit		148,392,471									
		257,928,910									

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

2020									
	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
(Rupees in '000)									
Assets									
Cash and balances with treasury banks	347,988,749	257,116,013	5,913,911	5,495,033	13,107,319	15,135,918	7,150,285	10,841,125	17,393,550
Balances with other banks	38,422,719	36,886,885	1,535,834	-	-	-	-	-	-
Lendings to financial institutions	30,154,193	23,154,193	7,000,000	-	-	-	-	-	-
Investments	1,912,237,993	53,536,086	380,436,637	155,343,671	290,903,455	173,560,874	122,263,781	257,043,480	411,973,846
Advances	1,117,320,960	124,902,300	109,508,882	78,092,246	129,483,627	183,115,018	152,262,493	181,601,042	87,101,111
Fixed assets	84,350,518	2,771,974	924,660	1,386,990	2,773,981	5,547,962	5,547,962	6,724,578	9,637,058
Intangible assets	4,596,807	1,609,025	111,972	167,958	335,916	671,833	671,833	1,028,270	-
Other assets	108,639,781	17,337,183	27,397,775	33,971,047	15,057,865	242,476	14,269,722	320,950	42,763
	3,643,711,720	517,313,659	532,829,671	274,456,945	451,662,163	378,274,081	302,166,076	457,559,445	526,148,328
Liabilities									
Bills payable	46,122,344	8,827,160	884,373	36,410,811	-	-	-	-	-
Borrowings	540,095,253	348,732,302	51,536,565	23,348,315	95,184	39,920,322	9,771,489	19,855,427	38,843,367
Deposits and other accounts	2,669,490,716	660,423,072	151,233,486	146,148,430	302,177,133	323,899,759	154,052,312	229,192,253	367,659,908
Subordinated debt	22,356,000	-	9,982,000	-	-	-	-	-	-
Deferred tax liabilities	2,968,857	126,218	863,173	368,776	689,582	(152,386)	(266,991)	(516,845)	(1,901,862)
Other liabilities									
Lease Liability against right-of-use asset	15,300,909	129,977	259,954	389,931	779,863	1,559,726	1,559,726	3,119,451	7,502,281
Others	104,652,876	25,808,069	32,249,734	14,706,096	15,005,555	1,965,178	1,214,285	2,540,986	10,971,133
	3,400,986,955	1,044,046,798	247,009,285	221,372,359	318,747,317	367,192,599	166,330,821	254,191,272	423,074,827
Net assets	242,724,765	(526,733,139)	285,820,386	53,084,586	132,914,846	11,081,482	135,835,255	203,368,173	103,073,501
Share capital	14,668,525								359,021,677
Reserves	63,040,638								(155,720,325)
Surplus on revaluation of assets - net of tax	35,752,856								
Unappropriated profit	129,262,746								
	242,724,765								

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

44.5 Derivatives Risk

The policy guidelines for Derivatives exposures are approved by the Board of Directors (BoD) on the recommendation of the Board Risk Management Committee (BRMC).

The responsibility for Derivatives activity lies with the Treasury and Global Markets business. Measurement and monitoring of market and credit risk limits and exposure, and reporting thereof to senior management and the BoD is done by Market Risk Management (MRM) which, in coordination with the business, also presents limits for review and approval to ALCO and the BRMC. Treasury Operations records derivatives activity in the Bank's books, executes settlements of trades and carries out regulatory reporting to the SBP.

44.5.1 Credit Risk

Credit risk is the risk of non-performance by a counterparty which could result in an adverse impact on the Bank's profitability. The Credit risk associated with derivative transactions is categorized into settlement risk and pre-settlement risk. Pre-settlement risk limits for derivative transactions are recommended by MRM for approval to the appropriate Credit Approval Authority.

44.5.2 Market Risk

The Bank, as a policy, hedges all Options transactions back-to-back. The Bank minimizes the exchange rate risk on its Cross Currency Swaps portfolio by hedging the exposure in the interbank market on a rolling basis. The Bank also manages the interest rate risk of Interest Rate Derivatives and Cross Currency Swaps through Price Value of a Basis Point (PVBP) limits which are monitored and reported by MRM to senior management on a daily basis. These limits are approved by ALCO annually and then approved by the BoD on the recommendations of the BRMC. However interim limit enhancements / amendments may also be sought.

44.5.3 Operational Risk

The Bank has put in place a robust control framework for derivatives transactions. Front office staff dealing in derivatives have the requisite training and experience to conduct this business; responsibilities have been divided amongst the Structuring Desk (tasked with the overall ownership of derivatives and structured products), Trading (which proactively manages the risk from a business perspective), and Treasury Sales (who are involved in marketing and executing transactions with the Bank's client base).

A detailed product program, approved by the Board of Directors, governs the entire value chain for Derivatives, including credit and market risk management, booking, sales practices and settlement. There is a clear segregation of duties whereby operational aspects are handled by Treasury Operations, whereas all Risk issues are the responsibility of the Risk department. A Treasury Middle Office function, reporting into Risk, carries out daily monitoring of exposures. Finally, Compliance monitors any deviation from approved policies and procedures. Internal Audit also regularly reviews systems, transactional processes, accounting practices and end-user roles and responsibilities as part of their reviews of this function.

The Bank uses a derivatives system – integrated into the Bank's core Treasury system - which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures and carry out stress tests and sensitivity analyses. MRM provides details of outstanding positions, profitability, risk exposures and limit compliance to senior management on a periodic basis.

44.5.4 Liquidity Risk

The types of Derivative transactions entered into by HBL are typically straightforward, or 'vanilla' transactions, whereby the Bank is exposed to a negligible amount of Liquidity Risk.

45 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 45.1 The Board of Directors, in its meeting held on February 24, 2022 has proposed a final cash dividend of Rs 2.25 per share for the year 2021. This is in addition to the Rs 5.25 already paid during the year bringing the total dividend for the year to Rs 7.50 per share (2020: Rs 4.25 per share). This appropriation is expected to be approved by the shareholders in the forthcoming Annual General Meeting. The unconsolidated financial statements for the year ended December 31, 2021 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2022.

46 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on February 24, 2022.

47 GENERAL

- 47.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal
Chief Financial Officer

Khaleel Ahmed
Director

Dr. Najeeb Samie
Director

Moez Ahamed Jamal
Director

ANNEXURE I: ISLAMIC BANKING BUSINESS

The Bank operates 259 (2020: 62) Islamic Banking branches and 614 (2020: 853) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION

Note

2021
2020
(Rupees in '000)

ASSETS

Cash and balances with treasury banks		28,015,270	12,685,357
Balances with other banks		1,162,953	85,710
Due from financial institutions	1	28,671,686	5,257,358
Investments	2	191,864,941	139,619,025
Islamic financing and related assets - net	3	166,058,790	153,363,009
Fixed assets		4,629,739	1,163,176
Intangible assets		-	-
Due from Head Office	4	-	90,320
Deferred tax assets		-	-
Other assets		12,962,183	6,132,151
		433,365,562	318,396,106

LIABILITIES

Bills payable		26,310	9,451
Due to financial institutions	5	31,567,668	32,183,448
Deposits and other accounts	6	346,895,368	257,414,395
Due to Head Office	4	11,439,635	12,444
Subordinated debt		-	-
Deferred tax liabilities		73,097	8,718
Other liabilities		15,554,392	6,000,269
		405,556,470	295,628,725

NET ASSETS

27,809,092	22,767,381

REPRESENTED BY

Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		114,330	13,637
Unappropriated profit	8	27,194,762	22,253,744
		27,809,092	22,767,381

Contingencies and commitments

9

PROFIT AND LOSS ACCOUNT

Profit / return earned	10	24,109,086	22,162,393
Profit / return expensed	11	12,360,809	9,748,864
Net profit / return		11,748,277	12,413,529

Other income / (loss)

Fee and commission income		696,748	616,406
Dividend income		-	-
Foreign exchange loss		(20,401)	(69,214)
Income from derivatives		-	-
Loss on securities - net		(23,958)	(180,839)
Others		272	9,383
Total other income		652,661	375,736

Total income

12,400,938	12,789,265

Other expenses

Operating expenses		4,149,716	2,209,871
Workers' Welfare Fund - charge		168,786	193,124
Other charges		2,803	14,111
Total other expenses		4,321,305	2,417,106

Profit before provisions

(Reversals) / provisions and write offs - net		8,079,633	10,372,159

Profit before taxation

Taxation		(22,121)	907,348

Profit after taxation

8,101,754	9,464,811

3,159,684	3,696,779

4,942,070	5,768,032

ANNEXURE I: ISLAMIC BANKING BUSINESS

	Note	2021 (Rupees in '000)	2020
1 DUE FROM FINANCIAL INSTITUTIONS			
Call money lendings	1.2	24,500,000	-
Bai Muajjal receivable with :			
- State Bank of Pakistan		-	5,257,358
- Other Financial Institutions	1.3	4,171,686	-
		28,671,686	5,257,358

1.1 Amounts due from financial institutions are all in local currency.

1.2 Call money lendings carry mark-up at rates ranging from 10.00% to 10.30% per annum and are due to mature latest by February 02, 2022.

1.3 Bai Muajjal receivables with other financial institutions carry profit at 7.35% per annum and are due to mature latest by January 28, 2022.

2 INVESTMENTS BY SEGMENTS

	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)							
Federal Government securities								
-Ijarah Sukuks	119,617,967	-	(537,141)	119,080,826	67,678,595	-	(322,645)	67,355,950
Other Federal Government Securities	11,810,120	-	-	11,810,120	11,324,538	-	-	11,324,538
	131,428,087	-	(537,141)	130,890,946	79,003,133	-	(322,645)	78,680,488
Non-Government debt securities								
-Listed	47,325,231	-	681,000	48,006,231	47,291,628	-	322,500	47,614,128
-Unlisted	12,924,196	-	43,568	12,967,764	13,301,909	-	22,500	13,324,409
	60,249,427	-	724,568	60,973,995	60,593,537	-	345,000	60,938,537
Total Investments	191,677,514	-	187,427	191,864,941	139,596,670	-	22,355	139,619,025

	Note	2021 (Rupees in '000)	2020
3 ISLAMIC FINANCING AND RELATED ASSETS - NET			
Diminishing Musharakah		75,914,470	71,127,412
Running Musharakah		30,704,784	45,034,254
Wakalah		10,381,176	10,000,000
Ijarah	3.1	2,095,534	2,341,651
Murabaha	3.2	1,897,123	1,517,711
Currency Salam		195,118	589,706
Tijarah		2,058,785	422,168
Istisna		973,605	271,460
Musawamah		401,370	-
Home Financing		5,118,865	2,060,742
Advance for Diminishing Musharakah		3,573,753	2,320,561
Advance for Ijarah		1,208,139	312,748
Advance for Murabaha	3.2	8,687,338	1,203,371
Advance for Salam		1,228,367	1,027,180
Advance for Istisna		12,886,460	11,874,971
Advance for Musawamah		272,258	-
Inventories against Murabaha	3.2	2,438,918	2,204,687
Inventories against Tijarah		3,347,923	824,156
Inventories against Istisna		3,708,194	1,285,677
Islamic financing and related assets - gross		167,092,180	154,418,455
Provision against Islamic financing and related assets			
-Specific		(334,402)	(126,457)
-General		(698,988)	(928,989)
		(1,033,390)	(1,055,446)
Islamic financing and related assets - net of provision		166,058,790	153,363,009

ANNEXURE I: ISLAMIC BANKING BUSINESS

3.1 Ijarah

Ijarah	2021						Book value as at Dec 31, 2021
	Cost			Accumulated Depreciation			
	As at Jan 01, 2021	Additions / (deletions)	As at Dec 31, 2021	As at Jan 01, 2021	Charge for the year	As at Dec 31, 2021	
	(Rupees in '000)						
Plant and machinery	933,485	786,521 (388,404)	1,331,602	264,301	276,355 (173,649)	367,007	964,595
Vehicles	2,615,928	474,905 (1,059,841)	2,030,992	943,461	487,613 (531,021)	900,053	1,130,939
Total	3,549,413	1,261,426 (1,448,245)	3,362,594	1,207,762	763,968 (704,670)	1,267,060	2,095,534
	2020						Book value as at Dec 31, 2020
	Cost			Accumulated Depreciation			
	As at Jan 01, 2020	Additions / (deletions)	As at Dec 31, 2020	As at Jan 01, 2020	Charge for the year	As at Dec 31, 2020	
	(Rupees in '000)						
Plant and machinery	1,275,454	640,863 (982,832)	933,485	706,677	345,091 (787,467)	264,301	669,184
Vehicles	2,431,272	1,030,381 (845,725)	2,615,928	828,541	567,234 (452,314)	943,461	1,672,467
Total	3,706,726	1,671,244 (1,828,557)	3,549,413	1,535,218	912,325 (1,239,781)	1,207,762	2,341,651

- 3.1.1 With effect from January 2021, the depreciation method of Ijarah Assets has been changed from reducing balance method to straight line method in order to ensure consistency with the Bank's depreciation method for the remainder of its fixed assets. The effect of this change in method on depreciation in the current year and the next year are as follows:

	2022	2021
	(Rupees in '000)	
Decrease in depreciation expense on Ijarah Assets:		
Machinery	132,059	48,383
Vehicles	156,582	125,786
	<u>288,641</u>	<u>174,169</u>

3.1.2 Future Ijarah payments receivable

	2021				2020			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
	(Rupees in '000)							
Ijarah rentals receivable	<u>821,158</u>	<u>1,168,984</u>	<u>636,948</u>	<u>2,627,090</u>	<u>151,763</u>	<u>1,228,039</u>	<u>1,231,873</u>	<u>2,611,675</u>

3.2 Murabaha

	Note	2021	2020
		(Rupees in '000)	
Murabaha financing	3.2.1	1,897,123	1,517,711
Advances for Murabaha		8,687,338	1,203,371
Inventories against Murabaha		<u>2,438,918</u>	<u>2,204,687</u>
		<u>13,023,379</u>	<u>4,925,769</u>
3.2.1 Murabaha receivable - gross	3.2.1.1	1,915,375	1,526,183
Deferred murabaha income	3.2.1.2	(8,223)	(2,980)
Profit receivable shown in other assets		<u>(10,029)</u>	<u>(5,492)</u>
Murabaha financings		<u>1,897,123</u>	<u>1,517,711</u>
3.2.1.1 The movement in Murabaha financing during the year is as follows			
Opening balance		1,526,183	1,112,652
Sales during the year		27,740,135	14,035,709
Adjusted during the year		<u>(27,350,943)</u>	<u>(13,622,178)</u>
Closing balance		<u>1,915,375</u>	<u>1,526,183</u>
3.2.1.2 Deferred Murabaha income			
Opening balance		2,980	9,825
Arising during the year		650,102	611,469
Recognised during the year		<u>(644,859)</u>	<u>(618,314)</u>
Closing balance		<u>8,223</u>	<u>2,980</u>
3.2.1.3 Murabaha sale price		1,915,375	1,526,183
Murabaha purchase price		<u>(1,897,123)</u>	<u>(1,517,711)</u>
		<u>18,252</u>	<u>8,472</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS

4 Due from Head Office mainly represents inter- branch transactions.

	Note	2021 (Rupees in '000)	2020
5 DUE TO FINANCIAL INSTITUTIONS			
Unsecured acceptances of funds	5.2	1,000,000	10,500,000
Acceptances from the SBP under:			
- Islamic export refinance scheme	5.3	20,029,111	12,185,727
- Islamic long term financing facility	5.4	5,892,219	4,774,050
- Islamic financing facility for renewable energy power plants	5.5	336,665	96,152
- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)	5.6	7,480	-
- Islamic refinance scheme for payment of wages and salaries	5.7	1,253,895	2,456,473
- Islamic temporary economic refinance facility	5.8	2,866,313	1,676,737
Acceptances from Pakistan Mortgage Refinance Company	5.10	181,985	494,309
		31,567,668	32,183,448

5.1 Amounts due to financial institutions are all in local currency.

5.2 Unsecured acceptances of funds carry profit at a rate of 10.05% (2020: 7.00% to 7.15%) and are due to mature latest by January 04, 2022.

5.3 The Bank has entered into an agreement with the SBP for extending Islamic export finance to customers. These carry profit at rates at ranging from 1.00% to 2.00% per annum (2020: 2.00% per annum) and are due to mature latest by December 03, 2022.

5.4 These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These carry profit at rates ranging from 2.00% to 2.50% per annum (2020: 2.00% to 2.50% per annum) and are due to mature latest by November 10, 2029.

5.5 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry profit at rates ranging from 2.00% to 3.00% per annum (2020: 2.00% per annum) and are due to mature latest by December 01, 2026.

5.6 These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises. These carry profit at a rate of 2.00% per annum (2020: Nil) and are due to mature latest by March 30, 2026.

5.7 These borrowings have been obtained from the SBP under a scheme to help businesses pay wages and salaries to their employees during the pandemic and thereby support continued employment. These carry profit at a rate of 0.00% (2020: 0.00% per annum) and are due to mature latest by October 01, 2022.

5.8 These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up new industrial units in the backdrop of challenges faced by industries during the pandemic. These carry profit at a rate of 1.00% (2020: 1.00% per annum) per annum and are due to mature latest by February 11, 2028. The maximum limit granted under this facility is Rs 5 billion per project with a tenor of 10 years, including a grace period of 2 years.

5.9 For all SBP borrowings, the SBP has a right to recover the outstanding amounts from the Bank at the date of maturity of the finances by directly debiting the Bank's current account maintained with the SBP.

5.10 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (2020: 11.21% per annum) is payable semi-annually from August 2020.

6 DEPOSITS AND OTHER ACCOUNTS

	Note	2021			2020		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		(Rupees in '000)					
Customers							
Current deposits		74,346,661	2,812,898	77,159,559	62,427,114	1,975,423	64,402,537
Savings deposits		123,817,395	860,050	124,677,445	104,594,520	695,996	105,290,516
Term deposits		37,250,613	224,478	37,475,091	23,958,921	262,397	24,221,318
		235,414,669	3,897,426	239,312,095	190,980,555	2,933,816	193,914,371
Financial Institutions							
Current deposits		628,929	-	628,929	405,136	-	405,136
Savings deposits		103,455,298	-	103,455,298	61,847,142	-	61,847,142
Term deposits		3,499,046	-	3,499,046	1,247,746	-	1,247,746
		107,583,273	-	107,583,273	63,500,024	-	63,500,024
	6.2	342,997,942	3,897,426	346,895,368	254,480,579	2,933,816	257,414,395

ANNEXURE I: ISLAMIC BANKING BUSINESS

6.1	Composition of deposits		2021	2020
			(Rupees in '000)	(Rupees in '000)
	- Individuals		137,652,291	111,256,207
	- Government (Federal and Provincial)		15,877,953	16,065,576
	- Banking Companies		1,330,231	1,202,181
	- Non-Banking Financial Institutions		106,253,042	62,297,843
	- Other public sector entities		2,708,961	4,346,517
	- Other private sector entities		83,072,890	62,246,071
			<u>346,895,368</u>	<u>257,414,395</u>
6.2	This includes deposits amounting to Rs 160,236.723 million (2020: Rs 126,981.706 million) which are eligible to be covered under insurance arrangements.			
7	CHARITY FUND	Note	2021	2020
			(Rupees in '000)	(Rupees in '000)
	Opening balance		4,234	10,375
	Additions during the year			
	- Received from customers on account of delayed payment		45,256	2,827
	- Profit on charity saving account		175	1,032
			<u>45,431</u>	<u>3,859</u>
	Payments / Utilization during the year			
	- Health	7.1	(4,800)	(10,000)
	Closing balance		<u>44,865</u>	<u>4,234</u>
7.1	Details of charity payments			
	Details of charity payments individually exceeding Rs 100,000			
	Behbud Association Karachi		4,800	-
	Indus Hospital		-	5,000
	Layton Rahmatulla Benevolent Trust - LRBT		-	5,000
			<u>4,800</u>	<u>10,000</u>
8	ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT			
	Opening Balance		22,253,744	16,486,211
	Add: Islamic Banking profit for the year		8,101,754	9,464,811
	Less: Taxation		(3,159,684)	(3,696,779)
	Less: Transferred / Remitted to Head Office		(1,052)	(499)
	Closing Balance		<u>27,194,762</u>	<u>22,253,744</u>
9	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	9.1	3,888,514	1,498,665
	- Commitments	9.2	52,852,441	7,917,674
			<u>56,740,955</u>	<u>9,416,339</u>
9.1	Guarantees:			
	Performance guarantees		2,446,959	1,435,850
	Other guarantees		1,441,555	62,815
			<u>3,888,514</u>	<u>1,498,665</u>
9.2	Commitments:			
	Trade-related contingent liabilities		34,659,479	6,208,476
	Commitments in respect of forward foreign exchange contracts		18,192,962	1,709,198
			<u>52,852,441</u>	<u>7,917,674</u>
9.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		9,520,227	740,199
	Sale		8,672,735	968,999
			<u>18,192,962</u>	<u>1,709,198</u>

ANNEXURE I: ISLAMIC BANKING BUSINESS

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
10	PROFIT / RETURN EARNED		
On:			
Financing		10,496,063	12,702,055
Investments		11,634,767	7,454,290
Amounts due from financial institutions		1,978,256	2,006,048
		24,109,086	22,162,393
11	PROFIT / RETURN EXPENSED		
On:			
Deposits and other accounts		10,732,901	8,596,732
Amounts due to financial institutions		1,371,877	931,183
Foreign currency deposits for Wa'ad based transactions		29,156	32,699
Lease liability against right-of-use assets		226,875	188,250
		12,360,809	9,748,864

12 The Islamic Banking Business maintains the following pools:

General Pool PKR (Mudarabah)

Remunerative rupee deposits of customers form part of the General Pool.

The objective of this pool is to effectively manage Rupee deposits of customers to earn and distribute returns from Rupee denominated earning assets. The funds in this pool are generally deployed in financing assets, placements with FIs and investments in Sukuks etc. A loss, if any, is borne by the depositors as per their proportionate share in the overall volume of the pool.

Special Pool PKR (Mudarabah)

HBL also manages a Rupee denominated Special Pool, with the objective of offering higher returns for selected clients.

The objective of this pool is to effectively manage Rupee deposits of customers to earn and distribute higher returns from Rupee denominated earning assets. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. A loss, if any, is borne by the depositors as per their proportionate share in the overall volume of the pool.

Treasury Pool(s) (Mudarabah / Wakalah / Musharakah)

Treasury pools are created when the Bank accepts placement of funds from FIs for liquidity management. Treasury pools may be based on the principle of Mudarabah, Wakalah or Musharakah. These pools are maintained separately from depositors' pools as these are formed by funds from professional counterparties and are generally obtained for a shorter tenor. The liquidity can also be deployed to fund earning assets in the depositor pools. HBL preferably accepts funds from Islamic Banking Institutions but is permitted to deal with conventional banks as well.

General Pool FCY (Mudarabah)

Remunerative foreign currency (FCY) deposits of customers form part of the FCY General Pool.

The objective of this pool is to effectively manage the FCY deposits of customers to earn and distribute returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency and charging the cost of Shariah compliant hedging to the pool. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. Loss (if any) is borne by the depositors as per their proportionate share in the overall volume of the pool.

Special Pool FCY (Mudarabah)

HBL also manages an FCY denominated Special Pool, with the objective of offering higher returns for selected clients.

The objective of this pool is to effectively manage FCY deposits of customers to earn and distribute higher returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency and charging the cost of Shariah compliant hedging to the pool. The funds in this pool are generally deployed in financing assets, placement with FIs and investments in Sukuks etc. Loss (if any) is borne by the depositors as per their proportionate share in the overall volume of the pool.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharakah)

IERS is an SBP program which offers the Islamic equivalent of conventional Export Refinance and enables exporters to avail refinance through Islamic Banks under Shariah compliant modes. This pool is created for the Export Refinance on Musharakah basis. The profit distribution works exactly the same as pre-agreed profit sharing. Since this is structured as a Musharakah (partnership) as opposed to Mudarabah (fund management), there is no Mudarib fee sharing mechanism.

ANNEXURE I: ISLAMIC BANKING BUSINESS

- 13 The Mudarib's share of profit is 25.88% (2020: 29.31%) and, after netting of Hiba to depositors amounting to Rs 504.73 million (2020: Rs 231.99 million), amounts to Rs. 3,657.724 million (2020: Rs 3,325.687 million). For the Bank's overseas branch, the Mudarib's share of profit is 7.75% (2020: 7.01%) and, after netting of Hiba to depositors amounting to Rs 3.124 million (2020: Rs 2.762 million), amounts to Rs 1.569 million (2020: Rs 0.997 million) was booked as net profit for 2021.
- 14 The following parameters are used for profit distribution from the pool:
- Permissible direct expenses can be charged to the relevant pool. Administrative and operating expenses are paid by the Mudarib and not charged to the relevant pool.
 - The Bank first charges the proportionate profit to average equity allocated to the pools and then charges the Mudarib fee before distribution of profit to depositors.
 - The Bank gives priority to depositors' funds over its own equity for placement in investing activities.
 - Provisions for non-performing accounts are borne by the Mudarib. These are only charged to the respective pool on write off.
 - Income generated from non-funded activities is not considered as income of the pool.
- 15 The average rate of profit earned on the earning assets of the Islamic banking business during the year was 8.03% (2020: 10.66%). A Profit rate of 4.90% (2020: 3.55%) was distributed to depositors and for overseas branch, the average rate of profit earned on the earning assets of the Islamic banking business during the year was 7.75% (2020: 7.01%). A Profit rate of 3.50% (2020: 5.01%) was distributed to depositors.

16 DEPLOYMENT OF MUDARABAH BASED DEPOSITS BY ECONOMIC SECTOR

	2021	2020
	(Rupees in '000)	
Agriculture, forestry, hunting and fishing	5,429,816	30,176,167
Automobile and transportation equipment	714,285	312,732
Cement	7,981,000	7,695,208
Chemicals and pharmaceuticals	11,106,945	16,521,180
Construction	7,000,000	4,525,668
Education and medical	245,455	120,258
Financial	134,611,794	80,463,006
Food, tobacco and beverages	18,588,497	9,038,833
Individuals	8,826,085	3,502,446
Others	23,497,163	3,424,636
Printing and publishing	1,772,668	2,135,904
Production and transmission of energy	94,229,544	94,273,638
Telecommunication	2,005,189	2,416,667
Textile	27,088,761	24,645,185
Metal and allied	9,730,538	6,409,504
Oil and gas	2,376,893	4,080,851
Mining and quarrying	604,774	665,765
Sugar	1,383,368	800,000
Wholesale and retail trade	1,764,346	2,829,832
Total gross Islamic financing and related assets and investments	358,957,121	294,037,480
Total lending to financial institutions	28,671,686	5,257,358
Total deployed funds	387,628,807	299,294,838

16.1 Deployment of Mudarabah based deposits by economic sector by public / private sector

Public / Government	231,444,305	195,730,530
Private	156,184,502	103,564,308
Total	387,628,807	299,294,838

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
Rupees in '000												
1	ALMEHMOOD TRADERS UPPER PORTION, SHOP NO 82 GRAIN MARKET SARGODHA	MEHMOOD AHMED 38403-8952433-7	MUHAMMAD AMIN	1,000	2,229	-	3,229	-	-	2,229	-	2,229
2	RACHNA ENTERPRISES HOUSE 98 INDUS BLOCK DC COLONY GUJRANWALA CANTT	SALEEM RAZA 35200-1537019-1	SANA ULLAH	1,646	2,629	-	4,275	-	-	2,225	-	2,225
3	M BIAL TRADERS CHOWK SHAHEEDAN MULTAN	SHABBIR AHMED 36302-7679525-9	ABDUL GHAFOR	2,767	1,609	-	4,376	-	-	1,559	-	1,559
4	EDGE MAKER INDUSTRIES DHUNKAL ROAD NIZAMABAD WAZIRABAD PAKISTAN	TAHIR RAFIQUE 34104-7743544-7 MUHAMMAD SAJID RAFIQUE 34104-2277168-3 MUHAMMAD ZAHID RAFIQUE 34104-8918355-7 MUHAMMAD SHAFIQUE 34104-8908950-7 MAJID RAFIQUE 34104-8909805-7	MUHAMMAD RAFIQUE MUHAMMAD RAFIQUE MUHAMMAD RAFIQUE MUHAMMAD RAFIQUE MUHAMMAD RAFIQUE	6,226	2,094	-	8,320	-	-	2,094	-	2,094
5	FARZANA ANWER HOUSE A52 NEAR CHANDNI CHOWK COMMERCIAL AREA KOT GHULAM MUHAMMAD DISTT MIRPURKHAS	41304-6582487-4	MUHAMMAD ANWAR KHAN	999	758	-	1,758	-	-	758	-	758
6	MASOOD FARID RICE MILLS CHAK NO 50-GD NOOR SHAH P/O SAME NOOR SHAH DISTT SAHIWAL	MUHAMMAD SHARIF 36502-1325175-7	AHMED SAEED	4,812	2,185	-	6,997	-	-	2,171	-	2,171
7	HAKIM MUKHTAR AHMED KOT SARAJ DIN MASMULA FUTO KE P/O LANDE WALA TEH CHUNIAN	35101-2454482-5	CH. SARAJ DIN	2,000	713	-	2,713	-	-	713	-	713
8	GHULAM RASOOL CHAK SUJAYLI P/O HAVELI LAKHA TEH DEPALPUR DISTT OKARA	35301-8799405-5	MUHAMMAD NAWAZ	1,500	898	-	2,398	-	-	898	-	898
	MAQBOOL AND SONS 26-12 B - 1, MAIN MARKET TOWNSHIP LAHORE	S. MAQBOOL HUSSAIN 35202-2717515-9 S. MUMTAZ HUSSAIN 35202-2717490-5 S. IMTIAZ HUSSAIN 35202-2717507-9	S. NAZIR HUSSAIN SHAH S. MAQBOOL HUSSAIN SHAH S. MAQBOOL HUSSAIN SHAH	24,000	6,748	-	30,748	-	-	6,748	-	6,748

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
10	RASHID MUNEEER URF TIPU CHAK NO 10 NB P/O SAME TEHSIL BHALWAL SARGODHA	38401-9037213-3	MUMTAZ AHMAD	500	856	-	-	-	856	-	856
11	CHAUDERY AND CO VILL GHALLA MANDI NOKHAR P/O SAME DISTT GUJRANWALA	MUHAMMAD SHAFI 34103-0486111-9	HAKIM DIN	900	1,130	-	-	-	980	-	980
12	RANA SILK CENTRE HIGH WAY ROAD DAHRANWALA P O DAHRANWALA TEHSIL CHISHTIAN DISTT BAHAWALNAGAR	ABID HUSSAIN 31102-6036748-5	KHUSHI MUHAMMAD	3,999	3,306	-	-	-	3,304	-	3,304
13	RANA OIL TRADER & AGRI CENTRE CHAK NO 174MURAD PO DAHRANWALA TEHSIL CHISHTIAN	MOHAMMAD SAJID 31102-0193053-7	KHUSHI MUHAMMAD	3,200	2,649	-	-	-	2,649	-	2,649
14	BISMILLAH AGRO AND SPARE PARTS RASOOL NAGAR ROAD SAROKI CHEEMA P/O SAME TEH WAZIRABAD	FAQEER HUSSAIN 34104-6300572-1 NAVEED AKHTER 34104-8432699-1	MUHAMMAD SHARIF GHULAM MOOHUDDIN MUHAMMAD YOUSAF	600	680	-	-	-	655	-	655
15	AWAIS BARTAN STORE 13/14 COLLEGE ROAD MOHALLA ISLAMABAD NEAR ALMIRAJ BAKER GUJRANWALA	ARIF YOUSAF 34101-2452749-1	MUHAMMAD YOUSAF	-	2,166	-	-	-	1,916	-	1,916
16	ADNAN FURNISHERS G.T. ROAD BY PASS GUJRAT	IMRAN AHMED 34201-5705553-5	MAQBOOL AHMED CH.	5,000	4,095	-	-	-	3,991	-	3,991
17	HAMZA AND BROTHERS C/O SHAUKAT RICE MILLS NEAR RAILWAY STATION KAMOKE.DISTT GUJRANWALA.	NADEEM AKHTAR 34102-4986289-5	NOSHAD ALI KHAN	3,127	1,806	-	-	-	1,783	-	1,783
18	ABDUL HASEEB MUHALLAH OFF CAR COLONY NEAR GOVT DEGREE COLLEGE SHEIKHUPURA	35404-8250742-7	ABDUL RAUF	1,495	1,391	-	-	-	1,166	-	1,166
19	MAJOR RICE CORPORATION MAJOR PAYLAS ARAIN TOWN BUDHU RATA ROAD NOWSHERA VISKAN GUJRANWALA	CH MUMTAZ NAZAR 34103-0534717-5	CH NAZAR ALI	4,800	2,804	-	-	-	2,304	-	2,304
20	IRHAM STEEL CASTING SMALL INDUSTRIAL ESTATE DASKA	SHAFAT ALI 34101-2435177-9	MUHAMMAD SHARIF	300	1,290	-	-	-	1,230	-	1,230

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
21	AKBAR ALI VILLAGE KHAKI P/O KOT ABDUL MALIK TEHSILE FEROZEWALA DISTT SHEIKHUPURA	35401-9703474-3	NOOR MOHAMMAD	795	721	-	1,515	-	720	-	720
22	GENERAL SOAP INDUSTRIES F-87 S.I.T.E KARACHI	ANWARUL HAQ 42000-0378042-7 ZIAUL HAQ 42301-0885842-9 MAHMOODUL HASSAN 42301-3063939-7 MUHAMMAD KHALID 42301-5271718-7	HAFIZ AHMED HASSAN AHMED HASSAN FEROZ UDDIN MUHAMMAD SALEEM	30,000	7,797	-	37,797	-	7,114	-	7,114
23	REX IMPEX CHAK NO 10 N B QUDRATABAD TEHSIL BHALWAL DISTRICT SARGODHA	CH UBAID ULLAH 38401-0235555-1 ASAD ULLAH 38401-0160641-1	AJIAZ AHMED AJIAZ AHMED	9,500	3,734	-	13,234	-	3,734	-	3,734
24	IJAZ AHMED CHAK NO 89 SB P.O KHAS TEH & DISTT SARGODHA	38403-0245281-5	FATEH MUHAMMAD	1,500	514	-	2,013	-	514	-	514
25	QUALITY THREAD INDUSTRIES MAIN JHUMRA ROAD OPP. NISHATABAD RAILWAY STATION NEAR NOOR FITMA FAISALABAD	KHAWAJA MUHAMMAD USMAN 33100-0904173-7	KHAWAJA MUHAMMAD SALEEM	3,146	1,429	-	4,575	-	1,175	-	1,175
26	HADI TRAVEL LTD B-18 BLOCK 5 GULSHAN E IQBAL KARACHI	SYED ALI IMAM 42201-3182735-1 SYED FAZAL IMAM 42201-2886647-7	SYED HADI IMAM SYED HADI IMAM	65,819	8,102	-	73,920	-	6,602	-	6,602
27	HAROON KHAN ALFAIZ HOUSE HOUSE NO 429 NEAR CONCEPT SCHOOL AND QURAN ACADEMY NAQHBAND COLONY RASHEEDABAD MULTAN	36602-2804005-7	KHIZAR HAYAT KHAN	3,700	828	-	4,528	-	828	-	828

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
28	HUSSAIN FLOUR AND GENERAL MILLS FSD MUHAMMAD AQEEL CHAK NO228 RB 7 KM BY PASS CHOWIK MAKUANA JARANWALA ROAD FAISALABAD	33100-1042923-3 MUHAMMAD YOUSAF 33301-2107652-7 SHAMIM AKHTAR 33301-2036834-8 MEMONA NASREEN 33100-8067385-4 SHAFIQ AHMED 33100-2086486-1 MUHAMMAD SALEEM 33100-4370983-7	RANA HUSSAIN AHMAD KHAN HUSSAIN KHAN MUHAMMAD YOUSAF RANA SHAKEEL AHMAD RANA HUSSAIN AHMAD KHAN HUSSAIN AHMAD KHAN	13,999	5,566	-	-	-	4,565	-	4,565
29	MUHAMMAD ABID KHAN MOHALLAH MAQLOOK KHEL VPO ROKHRI TEH.MIANWALI DISTT MIANWALI	38302-1068686-3	KHAN ZAMAN	1,998	751	-	-	-	749	-	749
30	MIAN SAJJAD HUSSAIN PERZADA MOZA SHEIKHWAHIN PO KHAS TEH KAHROOR PACCA TEHSIL KHAIRPUR TAMIWALI BAHAWALPUR	31202-8173227-9	MIAN SHAHNAWAZ KHAN PIRZADA	8,499	1,833	-	-	-	1,830	-	1,830
31	GHULAM MUHAMMAD ALI AKBAR AOJUN HOUSE NO. 52/101 SINAWAN MOHALLA KHAR WALA P/O SINAWAN TEH.KOT ADDU DISTT.MUZAFFAR GARH	32303-0618545-1	GHULAM SHABBIR	900	569	-	-	-	569	-	569
32	NASEER AHMED CHAK VIRKAN P.O CHABBA SANDWAN TEH NOWSHERA VIRKAN DISTT GUJRANWALA	34103-2370763-7	MANZOOR AHMED	2,500	1,093	-	-	-	1,093	-	1,093
33	ZAKA ULLAH KALSIAN DHIOTHRAN P/O CHABBA SANDWA DISTT GUJRANWALA	34103-0535130-1	MUHAMMAD KHAN	2,200	1,543	-	-	-	1,389	-	1,389
34	PAKISTAN AUTO INDUSTRIES SUITE # 223,2ND FLOOR, THE PLAZA DO TALWAR,KARACHI	OMAR DANIAL BAWEJA 42301-3857295-9 FIZA AHMED 42301-5766535-8	S.MEHMOOD BAWEJA OMAR DANIAL BAWEJA	135,000	6,652	-	-	-	1,187	5,464	6,652

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
35	KHAN & COMPANY MEZANINE FLOOR SHOP NO 34 AL-HYDRI MEMORIAL MARKET BLOCK-E NORTH NAZIMABAD KARACHI	SHADAN JAMIL KHAN 42000-1688237-7 ALIYA FARHAN 42101-1746774-6	ABDUL JAMIL KHAN FARHAN JAMIL KHAN	2,971	3,963	-	6,934	-	3,963	-	3,963
36	MUHAMMAD IHSAN CHAK # 426 JB P/O CHAK # 424 JB TEHSIL GOJRA DISTT TOBA TEK SINGH	33301-6209627-3	MUHAMMAD ISHAQ	1,360	649	-	2,009	-	648	-	648
37	ASAD ALAM KHAN KHAN KHACHI MOUZA BASTI FADDA TEHSIL MAILSI DISTT VEHARI	36602-0139781-7	RAB NAWAZ KHAN	1,646	1,442	-	3,088	-	1,438	-	1,438
38	SHAIKH BARKAT ALI HOSEIRY GEN. TARIQ ROAD SHOP NO.13 OPP. CANT. BOARD MULTAN	SH. MUHAMMAD IRSHAD 36302-4852879-9	BARKAT ALI	1,301	1,682	-	2,984	-	1,438	242	1,680
39	SYED SAEED ABBAS H NO 25 SHAMSABAD COLONY MULTAN	36302-7747117-7	SYED NAJAM UL HASSAN GARD	2,615	1,277	-	3,891	-	921	-	921
40	NAZ JEELANI VILLAGE VANIKAY TARAR TEH AND DISTT HAFIZABAD	34301-4418089-7	CH. PEER MUHAMMAD	800	714	-	1,514	-	714	-	714
41	AHMED RAZA OFFICERS COLONY, NEAR GOVT. DEGREE COLLEGE SHEIKHUPURA DISTT. SHEIKHUPURA	35404-1509155-5	ABDUL RAUF	1,112	894	-	2,005	-	715	-	715
42	BLOQES BEGUM HOUSE NO 3-B GULSHAN SAKHI SULTAN COLONY MDA CHOWK MULTAN	32303-6385683-4	MUHAMMAD BIN QASIM	2,788	1,127	-	3,915	-	1,015	-	1,015
43	NADEEM AKRAM CHAK NO 433 GB TEHSIL JARANWALA DISTRICT FAISALABAD	33104-6488465-5	MOHAMMAD AKRAM KHAN	-	735	-	735	-	735	-	735
44	KHALID & BROTHERS CLOTH HOUSE MALL RAOD QUAIDABAD DISTT. KHUSHAB	KHALID BASHIR 38201-1052719-3 WAQAR FAISAL 38201-5872570-5 SHAH ZAIB 38201-6805038-1	MUHAMMAD BASHIR MUHAMMAD SALEEM MUHAMMAD SALEEM	2,459	712	-	3,171	-	712	-	712

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
45	TAHIR AMIN KHAN HOUSE NO 2/A PRIMARY SCHOOL AREA SATELLITE TOWN BAHAWALPUR	31204-4347418-3	MUHAMMAD AMIN	3,984	1,965	-	-	-	1,949	-	1,949
46	SAQIB WEAVING FACTORY NEAR CENTRAL JAIL STOP JARANWALA ROAD FAISALABAD	SAQIB NIAZ 33100-0920826-1	NIAZ MUHAMMAD	9,988	5,220	-	-	-	5,087	-	5,087
47	AJIAZ ALI DEH 22 NUSRAT VILLAGE SALLEH SHAH PO 60 MILE TAL DISSTT NAWAB SHAH	45402-3239687-5	HAJI KHAN	800	500	-	-	-	500	-	500
48	SHEIKH MUHAMMAD USMAN NEX 7 NEW ELAHEE PARK AKBAR ROAD KACHUPURA, LAHORE	35202-3406658-1	SH ABDUL MANAN	11,767	10,656	-	-	-	10,656	-	10,656
49	IMRAN IQBAL DERA MAHAR AHMAD KHAN HERAL VILL & P/O CHABBA PURANA TEH.BHALWAL DISTT.SARGODHA	38401-1844670-1	MOHAMMAD IQBAL	999	603	-	-	-	550	-	550
50	ASIM TRADERS GHALLA MANDI SHEIKHAN KAMOKE DISTT.GUJRANWALA	M. AMIR AZEEM 34102-7034107-7	MUHAMMAD AZEEM	3,000	931	-	-	-	881	-	881
51	MUHAMMAD KHALID VILL BERIWALA P O SAME TEH AND DISTT HAFIZABAD	34301-0501182-5	MUHAMMAD YAR	700	626	-	-	-	554	-	554
52	RANA ASAD AHMAD NOON GUJAR KHADDA H NO 109 KHALID COLONY MULTAN CANTT	36302-2132588-1	RANA IJAZ AHMED NOON	2,500	703	-	-	-	703	-	703
53	RANA EJAZ AHMED NOON 3-WALLAYAT ABAD COLONY MULTAN.NO-1 MULTAN	36302-6815380-7	RANA SHOKAT HAYAT NOON	8,000	2,286	-	-	-	2,286	-	2,286
54	MUHAMMAD YAR GENERAL STORE SARANAN CHAMAN ROAD	MUHAMMAD SIDDIQUE 54303-2016889-1	MUHAMMAD YAR	1,600	1,234	-	-	-	1,234	-	1,234
55	SYED ROSHAN ALI SHAH BAKHU SHAH DEPALPUR TEH DEPALPUR DISTT OKARA	35301-1993000-7	FAIZ ALI	498	1,696	-	-	-	1,594	-	1,594

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
							Total			Un-Debited (Waiver)	Debited (Reversal)	
				Principal	Mark-up (Debited + Undebited)	Other Charges						
56	SYED ISHTIAQ HUSSAIN SHAH MOUZZA ABLANI, BASTI KHUJJA BUX PO SHAH PUR TEH HASILPUR DISTT BAHAWALPUR	31203-4871142-1	SYED MANZOOR HUSSAIN	1,203	678	-	1,881	-	-	678	-	678
57	JALAL AGRO SERVICE COMMISSION AGENT GRAIN MARKET HASILPUR (CITY) TEH.HASIL PUR DISTT BAHAWALPUR	MUHAMMAD JALAL DOULTANA 31203-4329476-9	ABDUL SHAKOOR KHAN	6,246	3,483	-	9,729	-	-	3,483	-	3,483
58	SHAFQAT RAUF VIRK H NO 13 E 1 WAPDA TOWN LAHORE	34101-6764595-9	BASHIR AHMED VIRK	2,500	1,269	-	3,769	-	-	1,169	-	1,169
59	SARDAR KHAZZAR HAYAT MOUZA BAQAR KAY P/O DHOLLAN HITHER TEH & DISTT KASUR	35102-0582346-7	NIZAM DIN	2,003	613	-	2,617	-	-	613	-	613
60	RIAZ AHMAD BEHAK AHMAD YAR PO VANIKAY TARAR TEH AND DISTT HAFIZABAD	34301-1764020-9	SHER MUHAMMAD	2,000	1,166	-	3,166	-	-	1,095	-	1,095
61	SHAUKAT HAYAT KHAN VILL MADAD KHAIL PO TEHSIL DISTT MIANWALI	38302-7505045-3	MAHR KHAN	1,880	1,027	-	2,907	-	-	627	-	627
62	MOHAMMAD IMRAN WASEEM V QILA NATHASING P/O TALVENDI TEH CHUNIAN	35101-2557725-5	MOHAMMAD HAYAT	539	639	-	1,178	-	-	578	-	578
63	KHAZIR ABBAS MOHALLAH DAURSUL QARAN ALI PUR CHATTA TEH WAZIRABAD DISTT GUJRANWALA	34104-2316216-5	CH. GHULAM ABBAS	900	973	-	1,873	-	-	973	-	973
64	BASHRAT MAHMOOD CHAK NO 35 SB TEH.SARGODHA DISTT.SARGODHA	38403-0391350-1	AKBAR LAI	2,499	1,249	-	3,749	-	-	749	-	749
65	MUHAMMAD YOUSAF & COMPANY CAL TAX PETROL PUMP HAJI ABAD SHEIKHUPURA ROAD FAISALABAD	MIAN ANJUM YOUSAF 33100-0670939-9	MUHAMMAD YOUSAF	29,993	16,555	-	46,548	-	-	16,153	-	16,153
66	BANNU MIANWALI PETROLEUM SERVICE TALAGANG ROAD RIKHI MOUZA KALRI DISTT. MIANWALI	JAVED SHAKEEL 38302-1104949-9	FATEH MUHAMMAD	2,000	557	-	2,557	-	-	557	-	557

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
67	TALAT KHAN NASHTAR ROAD MOHALLA HAMEED PURA COLONY 3, BAITUL RAFIQ DISTRICT MIRPUR KHAS	44103-1615861-0	RAEES AHMED KHAN	600	681	-	1,281	-	611	-	611
68	ARIF HUSSAIN MOH JAN MOAMMAD CONTRACTOR PIPLAN DISTT MIANWALI	38303-1009076-9	NOOR MUHAMMAD	1,090	566	-	1,656	-	566	-	566
69	ZIA UR REHMAN NEAR MASJID ARIAN WALI FADDA P/O & TEHSIL MALSI DISTT VEHARI	36602-0922103-7	SHAH BEHRAM	704	585	-	1,289	-	584	-	584
70	ZAFAR UZ ZAMAN MEHDI CHAK NO.135 GB TEH.SAMUNDRI DISTT.FAISALABAD	33105-0326722-3	NAZIR AHMED	2,501	828	-	3,329	-	828	-	828
71	SHAHID NAZIR VILLAGE GUMTALA TEHSIL SHAKAR GARH DISTT NAROWAL	34502-3078438-5	NAZIR AHMAD	2,500	1,612	-	4,112	-	1,612	-	1,612
72	MALIK AZHAR IQBAL AWAN WALA JHAWARIAN TEH SHAH PUR DISTT SARGODHA	38404-2589403-7	MALIK NAZAR HAYAT	1,400	558	-	1,958	-	558	-	558
73	MEHR MUHAMMAD AKRAM LAK HUSSAIN VILLAGE AND POST OFFICE MARI TEHSIL AND DISTT SARGODHA	38403-2177485-5	MEHR SHAH MUHAMMAD	750	975	-	1,725	-	975	-	975
74	DHA COGEN LIMITED D-35, BLOCK 5, CLIFTON, KARACHI	BRIG.HAFEEZ ULLAH KHAN 17201-9503417-9 COL(RETD) ASAD NAUMAN 42501-7319209-9 COL.RASHID JAVED BUTT 17201-2298690-5 COL(RETD) MUBARAK ALI MAZHAR 35202-2458512-7 MUHAMMAD TAHA HAMDANI 42301-3539796-9 KHURRAM NOOR 42101-1583659-7 COL(RETD) ARSHAD QADEER SHEIKH 42101-1643040-3	NASRULLAH KHAN SAEED UR REHMAN QURESHI MUHAMMAD JHANGHEER BUTT MUHAMMAD SHARIF SADIQ ALI HAMDANI NOOR UL HASSAN SIDDIQUI ABDUL QADEER	1,726,437	1,684,634	-	3,411,070	1,598,749	1,684,634	-	3,283,383

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
75	AZAM ALI VILLAGE AND P/O CHANGI TEH DASKA DISTT SIALKOT	34601-1282896-7	CHAO KHAN	2,500	1,651	-	-	-	1,451	-	1,451
76	GHULAM NABI VILLAGE FAQIR MUHAMMAD AMIN MANGRIO THEBRI PO CHORE OLD	44107-3547020-3	FAQIR MUHAMMAD AMIN	986	1,070	-	-	-	1,056	-	1,056
77	IRFAN SATTAR HERDAVE PO SAME TEH.& DIST.SHEIKHUPURA	35404-4814755-7	ABDUL SATTAR	3,588	1,933	-	-	-	1,931	-	1,931
78	MUHAMMAD ARSHAD VILL KORIKEY P/O KHAS TEH DASKA DISTT SIALKOT	34601-5836945-5	ABDUL GHANI	1,700	1,278	-	-	-	818	-	818
79	SAIFULLAH VILLAGE CHAK ALAUDDIN P/O SAME TEH.PASRUR DISTT.SIALKOT	34102-3025080-9	GHULAM NABI	2,000	924	-	-	-	924	-	924
80	GHULAM ABBAS CHAK NO 9/3 R P-O CHAK NO 29/3.R TEHSIL HAROON ABAD	31104-1703808-9	NAZIR AHMAD	1,200	649	-	-	-	649	-	649
81	MUHAMMAD KHAN TARAR V MUZAFAR NAO PO VANHEYKEY TARAR TEH & DIS HFZ	34301-1667571-9	MUHAMMAD HUSSAIN TARAR	1,800	774	-	-	-	774	-	774
82	MAZHAR IQBAL MOUZA AZIZ P O CHINIOT TEHSIL AND DISTRICT CHINIOT	33201-1564388-1	AHMAD BAKSH	2,000	631	-	-	-	631	-	631
83	MUHAMMAD HANIF NASTI MANSAB WALA TOBA REHMAN SHAH POST OFFICE DUNGA BUNGA TEH AND DIST BAHAWALNAGAR	31101-1661618-3	MASWAR KHAN	1,200	504	-	-	-	504	-	504
84	MOHAMMAD ILYAS DHAWOKE TEHSIL DASKA SIALKOT	34601-2641307-1	MUHAMMAD SHARIF	2,000	1,157	-	-	-	657	-	657
85	SAKHI RICE TRADERS DHAMRAH ROAD NEAR CENTRAL JAIL LARKANA	SHOEBAN ALI 43203-4685967-5	RAJIB ALI MAHESAR	9,997	3,166	-	-	-	2,609	-	2,609

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
86	MEHR FLOUR MILLS SAFARI VILLAS, HOUSE # 477, MOHALLAH BAHRIA TOWN, SECTOR B, LAHORE	MUHAMMAD ASLAM 35201-7362414-3	MEHAR ALLAH RAKHA	13,980	14,148	-	-	-	13,499	629	14,129
87	RAO ASIF ALI DEARA RAO MOHSIN ALI BAIT KHAN WALA PO MIR HAZAR KHAN TEH JATOI	32302-3889075-5	RAO SAFDAR ALI	4,999	1,338	-	-	-	1,337	-	1,337
88	REHMAT ALI CHAK NO 32 JB TEH DISTT FAISALABAD	33100-7856638-5	SHER MUHAMMAD	4,273	3,214	-	-	-	2,088	-	2,088
89	TAJ TEXTILE MILLS LIMITED 31 C-1 GHALIB ROAD GULBERG-III LAHORE	JEHANGHIR ELAHI 35202-2561094-5 TANVIR ELAHI 35200-5522225-3 SHAHRIKH ELAHI 35202-6374883-5 AMIR JEANGHIR 35202-0676798-7 SH. MUHAMMAD ASHRAF 35202-9135980-9 TARIQ LATIF 35201-8390613-3 MOHAMMAD ASHFAQ NADEEM 35202-5269188-9	SHAIKH EHSAN ELAHI EHSAN ELAHI TANVIR ELAHI JEHANGIR ELAHI SH. NASIR UDDIN ABDUL LATIF MOHAMMAD BASHIR	70,741	105,313	-	27,511	-	105,313	-	132,824
90	MLW IND PVT LTD (FORMLY. GARTER IND) 69/7 GREEN VILLAS FCC SYED MARATAB ALI ROAD GULBERG-IV LAHORE	MUHAMMAD NASIM NIAZ 35202-0794596-7 ABDUL REHMAN 35202-3038102-9	CH. NIAZ MUHAMMAD JAMEEL AHMED	28,740	21,822	-	-	-	21,822	-	21,822
91	DECENT AUTO 51-MONTGOMERY ROAD LAHORE	AYAZ ASIF 35202-4884263-3	RANA MUHAMMAD ASIF	9,918	2,883	-	-	-	1,662	-	1,662
92	KOREA MOTORS 51-MONTGOMERY ROAD LAHORE	MAHMOOD ASIF 35202-8380460-9	RANA MUHAMMAD ASIF	9,988	2,917	-	-	-	1,691	-	1,691
93	MUHAMMAD AAMIR CHAK NO. 713 GB P.O KAMALIA DISTT.T.T.SINGH	33302-2195015-9	MUHAMMAD ASLAM	2,205	1,235	-	-	-	1,235	-	1,235

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
94	WAQAS OIL MILLS DHUPAI ROAD 19/SP PAK PATTAN	ZAFAR IQBAL 36402-9985798-5 TAHIR IQBAL 36402-1924503-3 SHAHID IQBAL 36402-2901740-5 KASHIF IQBAL 36402-6490043-1	NOOR DIN ZAFAR IQBAL ZAFAR IQBAL ZAFAR IQBAL	3,988	2,505	-	6,493	-	-	2,405	-	2,405
95	DILSHAD AHMED BASTI UMAR ABAD MOUZZA TALHAR PO KHAS TEH HASILPUR DISTT BAHAWALPUR	31203-1849597-5	M IBRAHIM	3,000	793	-	3,793	-	-	793	-	793
96	NASARULLAH KHAN CHAK NO 98 NB DISTT. SARGODHA	38403-2139242-7	ALLAH DITTA	1,599	1,238	-	2,837	-	-	958	-	958
97	MUHAMMAD ABDULLAH KOT MUHAMMAD ISHAQ ATTARI KARAM SING POST OFFICE TALVANDI TEHSIL CHUNIAN DISTT KASUR	35101-2517051-7	MUHAMMAD ISHAQ	1,300	581	-	1,881	-	-	581	-	581
98	MIAN ELECTRONICS KASUR ROAD ELLAHABAD CHOWK ALLAHABAD TEHSIL CHUNIAN DISTT KASUR	MUHAMMAD ASHRAF 35101-4010087-3	MUHAMMAD ISHAQ	5,000	1,201	-	6,201	-	-	1,201	-	1,201
99	ZAINA INTERNATIONAL P 2413 BLOCK NO 37 SAMANABAD FAISALABAD	OMAR MUKHTAR 37405-0629804-9	CH. MUHAMMAD MUKHTAR	3,999	801	-	4,799	-	-	799	-	799
100	POSHAK MAHAL HOUSE NO 710 STREET NO 5 SORI GALLI BLOCK NO 4 CHICHAWATNI DISTT SAHIWAL	MAQSOOD SAEED 36501-8323450-3	KHUSHI MUHAMMAD	1,672	581	-	2,253	-	-	578	-	578
101	ASGHAR COMMISSION SHOP GHALLAH MANDI SAHIWAL	ASGHAR ALI 36502-4378870-7	ABDUL AZIZ	699	853	-	1,552	-	-	851	-	851
102	UNCLE NEPHEW ENTERPRISES C/O KHAWRI & CO G T ROAD WAZIRABAD DISTT GUJRANWALA	SAJJAD AHMED KHOKHAR 34104-2268255-7	MUSHTAQ AHMAD	3,140	3,454	-	6,594	-	-	3,094	-	3,094
103	PAKEEZA FOODS 36-S BASTAMI ROAD SAMANABAD LAHORE	MIAN AMJAD IQBAL 35202-2908285-1	JAN MUHAMMAD	19,991	11,323	-	31,314	-	-	8,814	-	8,814

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
104	MIACO INTL 1 B MODEL TOWN LAHORE	ASIF NAZIR KHAN 35202-2341901-1 SIKANDREEN HASSAN 35201-7939320-0	AKHTAR NAZIR KHAN FAISAL HASSAN	58,390	33,341	-	-	-	33,215	-	33,215
105	TARIQ & SONS 35-E MODEL TOWN LAHORE	MIAN TARIQ MAHMOOD 35202-2975592-7	MIAN ZAHOOOR UL HAQ	7,981	3,340	-	-	-	3,340	-	3,340
106	MERCANTILE PACKAGES 42 CHAMBER LANE ROAD LAHORE	MUHAMMAD IQBAL CHAUDHRY 35202-2999122-9	MUHAMMAD YOUSAF CHAUDHRY	9,000	2,821	-	-	-	2,085	-	2,085
107	MUHAMMAD PERVAIZ MADNI KANWAIN WALA P/O KHAS TEH LALIAN DISTT CHINIOT	33201-4929314-5	KHIZAR HAYAT	4,999	1,531	-	-	-	1,147	-	1,147
108	ABDUL MUNAF RATTEKI P.O. PEER GHANI TEHSIL DEPALPUR DISTT OKARA	35301-4263897-1	MUHAMMAD SHAFIQUE	998	690	-	-	-	688	-	688
109	MILLAT RICE MILLS WANYAWALA SIALKOT BYE PASS GUJRANWALA	MUHAMMAD SAEED AHMED BUTT 34101-2345700-1 HINA BUTT 34101-5634737-4	MIAN INYATULLAH BUT JAWAD AHMED BUTT	19,999	15,169	-	-	-	11,668	-	11,668
110	M. ASIF ENTERPRIZES WANYAWALA SIALKOT BYE PASS GUJRANWALA	NADEEM SAEED BUTT 34101-4458503-5 KHALIDA BUTT 34101-2272767-0	MUHAMMAD SAEED AHMED BUTT MUHAMMAD SAEED AHMED	14,999	11,414	-	-	-	8,914	-	8,914
111	MILLAT CNG FILLING STATION SIALKOT BYEPASS ROAD VANIWALA GUJRANWAL	M. SAEED AHMED BUTT 34101-2345700-1 M. AFZAL BUTT 34101-4954213-1 M. NADEEM SAEED BUTT 34101-4458503-5 HINA SAEED 34101-5634737-4	MIAN INYATULLAH BUTT MIAN INYATULLAH BUTT MUHAMMAD SAEED AHMED BUTT JAWAD AHMED BUTT	8,002	9,006	-	-	-	7,008	-	7,008
112	MUZZEFFAR HUSSAIN BHATTI VILLAGE KOTLI NARGAT P/O GOLIAN TEH DASKA DISTT SIALKOT	34601-9718023-7	CH MUHAMMAD BASHIR	999	550	-	-	-	544	-	544
113	NOOR PIPE INDUSTRIES (PVT) LTD 1 QADDAFI MARKET CHOWK DALGRAN NISHTER ROAD BRANDRETH ROAD LAHORE	NOOR MUHAMMAD 35202-2731614-5 MUHAMMAD ANWAR 35202-2731620-1	SHOUKAT ALI NOOR MUHAMMAD	5,196	2,842	-	-	-	2,538	-	2,538

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total	
				Principal	Mark-up (Debited + Undebited)	Other Charges			Total	Un-Debited (Waiver)		Debited (Reversal)
114	SITARA WEAVING INDUSTRIES KAMALIA ROAD TOBA TEK SINGH	MUHAMMAD IMRAN MAQBOOL 33303-6419108-1 MUHAMMAD MAQBOOL 33303-2177153-9 MUNEER AHMAD 33303-0843108-7 AZRA PARVEEN 33303-2097997-4	CH. MUHAMMAD MAQBOOL MUHAMMAD SHAFI NAZIR AHMED MUHAMMAD MAQBOOL	4,194	3,236	-	7,429	-	-	3,176	-	3,176
115	SAJID HAIDER MOUZA SHARAF P.O ENATEE TEHSIL KHAIR PURTAMEWALI DISTT. BAHAWALPUR	31204-2833823-5	GHULAM HAIDER KHAN	2,000	933	-	2,933	-	-	933	-	933
116	ZEESHAN HAIDER PO INAYATI MOUZZA SHARRF TEH KHAIR PUR TAMEWALI DISTT BAHAWALPUR	31204-8760678-9	GHULAM MUHAMMAD	1,500	716	-	2,216	-	-	716	-	716
117	ALI SHER CHAK NO 601 GB JHOKE SAIFAL P/O TANDLIANWALA TEH.TANDLIAN WALA DISTT FAISALABAD	33106-0311415-9	NOOR MUHAMMAD	790	774	-	1,564	-	-	714	-	714
118	ASIF HAYAT GHULAPUR P/O SAME TEH. KOTMOMIN DISTT.SARGODHA	38401-7094419-9	MUHAMMAD AZAM	1,000	649	-	1,649	-	-	599	-	599
119	MUHAMMAD JAVED KHAN MOHALLAH KOZ KALEY TEH & P.O DARGAI DISTT MALAKAND	15401-6280870-1	TAJ MUHAMMAD KHAN	645	29	-	674	645	-	-	-	645
120	KAMRAN TEXTILES PVT LTD 5 KM JARANWALA ROAD KHURRIANWALA FAISALABAD	MUHAMMAD FAROOQ BASHIR 42000-0574080-9 MUHAMMAD SAJJID BASHIR 42000-0574079-5 JAWAD KAMRAN 42000-5672982-5 FAWAD KAMRAN 42000-5588432-5 FAHAD KAMRAN 42000-9558885-1	MUHAMMAD BASHIR SHEIKH MUHAMMAD BASHIR SHEIKH MUHAMMAD FAROOQ BASHIR MUHAMMAD FAROOQ BASHIR MUHAMMAD SAJID BASHIR	378,400	109,509	-	487,909	-	-	89,199	-	89,199
121	MUHAMMAD NAEEM CHAK DAULAT SUKHO TEH DISTT RAWALPINDI	37401-6323571-5	MUHAMMAD YOUSAF	564	200	-	764	564	-	200	-	764

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
122	KHUDA DAD SHAR VILLAGE HAJI MUHAMMAD ALI SHAR P.O.SUI GASS TALKA THARI MIRWAH DIKHAIRPUR	45206-6804844-9	MUHAMMAD ALI SHAR	373	140	-	373	-	140	-	513
123	SAIF ULLAH HOUSE NO.8, STREET 1, KHADIMABAD COLONY, BAHAWALPUR	32203-9559158-3	GAMOON	458	95	-	553	458	95	-	553
124	LAAL SHAH ROOM 01 NLC PETROL PUMP SARAY MOHAJIR DISTT BHAKKAR	35302-8175154-3	SYED FIDA HUSSAIN SHAH	418	215	-	633	418	215	-	633
125	CATHERINE JAMIL POLOS HOUSE NO 56 GALI NO 2 SECTOR C MUHALLAH BHITTAI COLONY KORANGI CROSSING MALIR KARACHI	42501-0631483-6	JAMEEL POULUS	393	168	-	560	393	168	-	560
126	KHADIM HUSSAIN H 12 ST 13 MADINA COLONY REHMAT CHOWK LAHORE	35202-7132367-7	ALLAH YAR	418	189	-	608	418	189	-	608
127	KAMRAN ALI HOUSE NO 73 A MIAN WAFAQI COLONY JOHAR TOWN LAHORE	34101-0809115-5	MUSHTAQ AHMED	415	184	-	599	415	184	-	599
128	ZAFAR IQBAL AKRAM KHAN DAGER BALA MAIN CHOK RAMDAS PESHAWAR	17201-2124201-9	RAHIM GUL	441	205	-	646	441	205	-	646
129	MUHAMMAD NOUMAN RAUF H NO 209 BLK 3 KARIM PARK RAVI ROAD LAHORE	42201-9035659-7	RAUF TARIQ	384	200	-	584	384	200	-	584
130	HASSAN ZAFAR 115-M UNIWORTH INDUSTRIAL ESTATE KOT LAKH PAT LAHORE	35202-4836313-1	ZAFAR IQBAL	394	208	-	602	394	208	-	602
131	AAMAR IQBAL QTR NO 2 OFFICER COLONY DISTT BHAKKAR	36501-4112040-9	MUHAMMAD IQBAL	369	172	-	541	369	172	-	541
132	TARIQ MAHMOOD HOUSE # P-50,215 RB, STREET # 1 GULSHAN JELANI FAISALABAD	33100-4940011-5	ABDUL HAMEED	395	209	-	604	395	209	-	604

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
133	MUHAMMAD SHAHBAZ MOH AZHAR TOWN MAIN BAZAR GALI NO 2 NEAR NTU FSD	33203-2665374-5	M RAMZAN	457	250	-	707	457	-	250	-	707
134	MUHAMMAD ARSHAD FITANI NEAR SHAHWALA BAGH BAHAWALPUR AHMED PUR EAST BAHAWALPUR	31201-0347159-9	KHADIM HUSSAIN	397	197	-	594	397	-	197	-	594
135	USMAN MANZOOR NO.9 KACHI ABAADI QUIDE ABAAD, P/O KHAAS, CHAK NO.72NP, TEH RAHIM YAR KHAN DISTT RAHIM YAR KHAN	31303-7217712-9	MANZOOR AHMAD	466	233	-	699	466	-	233	-	699
136	MUHAMMAD SAEED CHAK NO 438 GB TEH.SAMUNDARI DISTT. FAISALABAD	33105-5030108-7	MUHAMMAD MUSHTAQ	510	224	-	734	510	-	224	-	734
137	REHNUMA PUBLISHERS H#735 E CANAL VIEW HOUSING SOCIETY LAHORE	SHAHZAD MUZAMMIL 35202-9860371-3	MUHAMMAD MUZAMMAL	1,490	599	-	2,089	-	-	589	-	589
138	MIAN MUHAMMAD TAYYAB RAZA HOUSE NO 6-E MUHALLA OFFICERS COLONY MULTAN	36302-1284622-3	MIAN ZAKA SARDAR	1,221	900	-	2,120	-	-	720	-	720
139	PAK MADINA GARMENTS GALI ZAR GRAN MAIN BAZAR SHEIKHUPURA	M. TARIQ BHATTI 35404-6518790-7	MUHAMMAD MIRAJ DIN BHATTI	2,000	1,567	-	3,567	-	-	1,517	-	1,517
140	BASHIR AHMED BASTI ASLAM NOAI MOHALLAH FARID NAGAR PAKPATTAN	36402-5565293-7	NOOR MOHAMMAD	499	946	-	1,445	-	-	945	-	945
141	KHURRAM SHEHRZAD MALIK H NO 01 ST NO H BLOCK W NEW SATELITE TOWN SARGODHA	38403-2022017-9	MALIK NASRULLAH KHAN	779	532	-	1,311	-	-	531	-	531
142	REHMAN TRADERS C/A 14 CHANDNI CHOWK UNIVERSITY ROAD KARACHI	FAZLUR REHMAN 42201-5141366-7	CH. ABDUL REHMAN	12,398	5,999	-	18,397	-	-	5,157	-	5,157
143	ABDUL JABBAR BROTHERS 935 P I B COLONY KARACHI	ABDUL JABBAR 42201-6977489-3	CH. ABDUL REHMAN	12,416	4,838	-	17,254	-	-	3,994	-	3,994

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
144	MUHAMMAD HUSSAIN CHAK NO 14 DNB P/O SAME TEHSIL YAZMAN DISTT BAHAWALPUR	31205-3672466-9	GHULAM MUHAMMAD	2,500	801	-	-	-	801	-	801
145	MUMTAZ HUSSAIN TARAR VILLAGE KOLO TARAR P/O KHAS TEH, DISTT. HAFIZABAD	35201-3077221-5	TAFFAZUL HUSSAIN TARAR	11,293	5,382	-	-	-	5,382	-	5,382
146	SHANDAR OIL MILLS MILL AREA GOLARCHI PO TALUKA GOLARCHI S.F.R, DISTT BADIN	PESU MAL 41304-2199441-7	NEBHAN DASS	4,998	2,692	-	-	-	2,488	-	2,488
147	ALAM TRADERS ZAFARWAL ROAD DHABLIWAL DISTT NAROWAL	MUHAMMAD NADEEM 34501-1990636-3	MUHAMMAD LATIF	2,500	927	-	-	-	737	-	737
148	MUQADDAS SILK CENTER 7 COMMERCIAL ZONE LIBERTY MARKET GULBERG LAHORE	JAMSHED MALIK 35202-7442980-7	ABDUL WAHID	20,986	12,783	-	-	-	12,530	-	12,530
149	ASHIQ HUSSAIN CHAK NO 345 JB TEHSIL GOJRA DISTT TOBA TEK SINGH	33301-4853959-3	MUHAMMAD DIN	1,218	571	-	-	-	567	-	567
150	GHULAM SAJAD NEAR GOVERNMENT PRIMERY SCHOOL MUHALLA KHALIQUE COLONY LARKANA	43203-2635414-5	ABDUL HAMEED KHOKHAR	1,343	312	-	-	473	310	-	783
151	SHAMA EXPORTS PVT LTD P-225 TIKKA GALI # 2, MONTGOMERY BAZAR FAISALABAD	SHEIKH AKBAR ALI MUJAHID 33100-9008463-7 SHAHZAD IFTIKHAR 33102-1749610-3	MUHAMMAD ALI IFTIKHAR UD DIN	179,545	173,872	-	-	-	173,417	-	173,417
152	RAG TEXTILE MILLS PVT LTD CHOTA MUHAMMED WALA JARANWALA ROAD FAISALABAD	RANA MUHAMMAD AFZAL KHAN 33100-9697155-5 RANA ANWARUL HAQ KHAN 33100-7373689-5 RANA MUHAMMAD AZAM KHAN 33100-8846247-5 RANA MUHAMMAD MUZAMMAL 33100-1910790-1 RANA SOHAIL ASHRAF 42501-8045974-9 RANA NAVEED ASHRAF 33100-5683041-1 RANA SHAHZAD ASHRAF 33100-1017075-3	Haji Abdul GHAFOOR RANA ABDUL GHAFOOR HAJI ABDUL GHAFOOR KHAN HAJI ABDUL GHAFOOR RANA MUHAMMAD ASHRAF RANA MUHAMMAD ASHRAF RANA MUHAMMAD ASHRAF RANA MUHAMMAD ASHRAF	4,940	4,535	-	-	-	4,475	-	4,475

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
153	GHULAM MUSTAFA CHAK NO 1/4L P/O AHMED PUR SIAL TEH AHMED PUR SIAL DISTT JHANG	33204-0453423-3	AHMED NAWAZ	1,500	702	-	2,202	-	-	702	-	702
154	MUHAMMAD SAQLAIN BASTI RASHEED BAILA SARBANA PO HAVELI BAHADUR SHAH TEH. SHOTKOT DISTT. JHANG	33203-0104847-9	GHULAM SHABBIR	1,500	739	-	2,239	-	-	739	-	739
155	CHEEMA ZARI TRADERS SAROKI DISTT. GUJRANWALA	RIAZ AHMED CHEEIMA 34104-0406485-7	CH KHUSHI MUHAMMAD	298	682	-	980	-	-	680	-	680
156	ZAHD HOUSE 146 STREET 5 NAWALANE MEHRAB KHAN ESSA KHAN ROAD GALI 5 LYARI KARACHI	42301-5672730-5	ABBAS	536	200	-	737	536	-	200	-	737
157	SHOUKAT HOUSE NO 1932 KL MOHALLAH KEHA L LINK RD TEHSIL AND DISTT ABBOTABAD DHQ HOSPITAL ISLAMABAD	13101-4887519-9	MEHBOOB KHAN	386	172	-	558	386	-	172	-	558
158	MUHAMMAD ZAFAR FLAT NO 24 4TH FLOOR TINY APARTMEN BLOCK 7 FB AREA KHI NEAR SUNGAM GROUND, KARACHI	42201-4232930-1	MUHAMMAD ASGHAR	405	195	-	600	405	-	195	-	600
159	HASSAN MATI H NO 212, SHARFABAD KARACHI	42401-3805996-9	MUHAMMAD MATI UR REHMAN	354	213	-	568	354	-	213	-	568
160	MUHAMMAD YASIR H NO 1496 32 E NASIR COLONY KARACHI	42201-0737400-9	MTASLEEM	721	351	-	1,072	721	-	351	-	1,072
162	AMER SHAHZAD DD 453 II JHANDA CHICHI RAWALPINDI	37405-3590238-5	SAFDAR HUSSAIN	416	239	-	655	416	-	239	-	655
163	QURAT UL AIN HOUSE NO 326 HAJI NATHA KHAN KHOSO VILLAGE MODEL COLONY KARACHI	42201-8861752-0	M ASHRAF ALI KHAN	476	250	-	726	476	-	250	-	726

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
164	RAJA SARMA KHAN H NO-CB-195, ST-17, MOH HAJIAN DHOKE SYEDAN, RAWALPINDI	37405-7525370-7	KHURSHID AHMED KHAN	428	223	-	428	-	223	-	651
165	SHOUKAT ALI ST 4 MOHALA MAIN BAZAR CHUNG MULTAN ROAD LAHORE	35202-2779696-3	IRSHAD UL HAQ	349	174	-	349	-	174	-	524
166	SUNEELA KANWAL MOHALLAH SEDAN SHAH UPPER MALL LAHORE	37406-3542717-2	AMANAT MASIH	358	145	-	358	-	145	-	503
167	SHABIR AHMED CMC THAR BLOCK-II EPTL PROJECT TEH ISLAMKOT THARPARKAR	43504-0394855-1	NIHAL KHAN	355	227	-	355	-	227	-	581
168	GHULAM QADIR MOHALLA ARSAR WARD NO 321 DHORO NARO TALUKA DISTT HYDERABAD	44107-2622824-1	AKBER ALI	432	240	-	432	-	240	-	672
169	CHUGHTAI SHOPPING MALL HALL ROAD OPPSITE MIRPUR PUBLIC PARK SECTOR F/1 MIRPUR AZAD KASHMIR	MOHAMMAD AMIN CHUGHTAI 61101-4734752-5 MOHAMMAD MUNIR 81301-7603187-1	ABDUL KARIM ABDUL KARIM	23,701	7,344	-	-	-	7,344	-	7,344
170	M. ISMAIL KHAN KOT KHAN POST OFFICE KHAS TEHSIL AND DISTT JHANG	33202-1344578-3	AMJID ALI KHAN	1,300	1,022	-	-	-	922	-	922
171	MUHAMMAD AKRAM MOHALLAH KILEAY KHEL P.O. PIPLAN TEH; PIPLAN DISTT; MIANWALI	38303-0963395-3	KHAN MUHAMMAD	1,999	1,395	-	-	-	1,294	-	1,294
172	MODREN FURNITURE HOUSE QADIR ABAD ROAD NEAR PILOT SECONDARY SCHOOL TEH.PHALIA DISTT. MANDI BAHAUDDIN	MAZHAR IQBAL 34403-1890898-9	GHULAM RASOOL	2,000	705	-	-	-	602	-	602
173	SALMAN LALI HOUSE # 717, BLOCK E-2 WAPDA TOWN LAHORE	33201-5743170-1	MUHAMMAD ASAD LALI	997	950	-	-	-	847	-	847

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
174	MUHAMMAD SARFRAZ DERA MALANGAN WALA CHAK QAZI PO BHERA TEHSIL BHALWAL	38401-6851744-9	MUHAMMAD NAWAZ	1,199	800	-	2,000	-	-	800	-	800
175	TANVEER AHMAD UPPI PIO SAME TEH KOTMOMAN DISTT SARGODHA	38406-0412558-9	HASSAN ALI	1,989	964	-	2,953	-	-	953	-	953
176	MUHAMMAD HAYAT VILLAGE MUHAMMAD WALA PIO DERA JARA TEHSIL SAHIWAL DISTT SARGODHA	38402-6052387-1	FATEH MUHAMMAD	1,899	1,083	-	2,982	-	-	1,082	-	1,082
177	FABRICA MILLS PVT.LTD. 18-KM, OPP.ASHFAQ TEXTILE CHAK 211/R.B. MOUZA MUJAWARAN- WALA,JARANWALA ROAD, FAISALABAD	NOREEN FAISAL 42000-0503431-0 HINA MUBASHAR 42301-5395961-2 YASMEEN AZHAR 42101-1694357-4	FAISAL AZHAR MUBASHER AZHAR AZHAR HUSSAIN	28,559	13,773	-	42,332	-	-	11,854	1,918	13,772
178	SYED ALI ASGHAR SHAH BLOCK A/C 38 AKHTAR COTTAGES NEAR GULISTAN-E-SAJJAD HYDERABAD	41303-8115403-3	ALI HUSSAIN SHAH	699	739	-	1,438	-	-	738	-	738
179	AL-ABID SILK MILLS LTD. A-39, SITE, MANGOPIR ROAD, KARACHI	QAMAR MASHKHOOR 42201-6780761-7 MUHAMMAD SAJID HAFEEZ 42101-3124729-3 AZIM AHMED 42301-0912143-9 SYED MUHAMMAD JAVED AZAM 42201-8147445-3 ADIA NASEEM 42301-0783384-4 SADAF NADEEM 42301-0878886-8 NASIM AHMED SATTAR 42301-0840043-1 SYED RAZA ABBAS JAFRI 42201-0215685-1	MASHKHOOR AHMED EJAZ AHMED SIDDOQUI NASEEM AHMED SYED MUHAMMAD FAROOQ AZAM NASEEM AHMED SATTAR NADEEM YOUSAF SHEIKH ABDUL SATTAR SYED SHABAHAT HUSSAIN	825,579	394,283	-	1,219,862	598,252	-	394,283	-	992,535

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
180	CHIMERA PVT LTD 17 LAWARENCE ROAD LAHORE	AMIR SALEEM ANWAR KHAN 35202-3418643-7 TAHIR SALEEM ANWAR KHAN 35202-2713059-9 NASIR SALEEM ANWAR KHAN 35200-6304912-5	MUHAMMAD ANWAR KHAN MUHAMMAD ANWAR KHAN MUHAMMAD ANWAR KHAN	71,072	51,294	-	-	-	31,318	-	31,318
181	ALHAJ SHAMSHER ELECTRONIC AND ELECT VIALAGE WARI PAYEEN POST OFFICE WAR TEHSIL WARI DISTT DIR	SHAMSHER KHAN 15702-6786316-3	SHER ZADA	2,495	3,947	-	-	-	3,947	-	3,947
182	PAKHEIM INTERNATIONAL PHARMA PVT LTD 28-KM, FEROEZPUR ROAD, LAHORE	MUHAMMAD IJAZ NASIR 35201-1521450-7 FAREEDA IJAZ 35201-1271008-4	MUHAMMAD SHARIF W/O MUHAMMAD EJAZ NASIR	51,500	44,560	-	-	-	38,560	-	38,560
183	MUHAMMAD ASHRAF GROUND FLOOR OUSE F 22/2 KDA SCHEME NEAR BILAWAL CHOWARANGI KARACHI	32303-1056715-3	GHULAM HASSAN	381	179	-	-	-	179	-	560
184	IKHLAQ AHMED KHAN GAGGA SARAI P/O KHAS TEH PATTOKI DIST KASUR	35103-3310004-5	RANA DAWOOD KHAN	330	178	-	-	-	178	-	508
185	ALI IMRAN HOUSE NO 160 JINNAH COLONY SAMANABAD, LAHORE	35202-9587193-9	SHAFQAT ALI	338	165	-	-	-	165	-	502
186	SHAHEEN IMRAN HOUSE NO 902 BLOCK 3 SECTOR D GREEN TOWN LAHORE	36603-4333194-2	MUHAMMAD IMRAN	602	253	-	-	-	253	-	855
187	MUHAMMAD YOUNUS HOUSE NO 7/410 WHITE HOUSE LANE NO 01 ZAMA PARK LAHORE	15201-0569569-1	MUHAMMAD KHAN	360	154	-	-	-	154	-	514
188	AURANG ZAIB THANA KUNDI SPIN TQANGI QUETTA	54401-6782492-7	M NAWAZ	380	160	-	-	-	160	-	540
189	ASFA REHMAN HOUSE NO 12 STREET NO 16 MASHE EN PURA LAL PULL MUGHAL PURA NEAR LAL PUL LAHORE	35201-1379790-6	REHMAN KHALID	444	231	-	-	-	231	-	675

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
Rupees in '000												
190	MATIUR REHMAN GANDI KHAN KHEL TEHSIL DISTRICT LAKKI MARWAT	11201-2410353-7	HABIB UR REHMAN	384	176	-	559	384	-	176	-	559
191	SEHRISH KHAN H # 397 ST # 07 G-10/1 ISLAMABAD	36302-5943027-8	AKHTER HUSSAIN KHAN	392	127	-	519	392	-	127	-	519
192	MEHMOOD AHMAD SHER CHAK NO 10/14 L P/O SAME TEHSIL CHICHAWATNI DISTT SAHIWAL	35202-6156617-5	FALAK SHAIR	618	356	-	974	618	-	356	-	974
193	FARID ULLAH KHAN AZGHAR KHEL LAKKI MARWAT BANNU	11101-5647163-3	HUKAM ZAD KHAN	555	324	-	879	555	-	324	-	879
194	MUHAMMAD UMAIR BASTI CHAH B AHDAR WALA MOUZA LASHKAR PUR PO KHAS MULTAN	36303-6742017-5	HAJI MUHAMMAD	350	217	-	567	350	-	217	-	567
195	HABIB E MUSTAFA IMRAN SHAHEED CHOWK MUHALLAH GULSHAN FAROOQ PURA MULTAN	36302-6043497-1	FAYYAZ AHMED	334	178	-	512	334	-	178	-	512
196	RIFAAT HAMEED GIRLS DEGREE COLLEGE PALLANDRI AJK	82401-3518817-2	ABDUL HAQIMID	490	258	-	749	490	-	258	-	749
197	MUHAMMAD NAZAR BASTI LASHKRAN DULLA AKKOKA P/O MAHTA JEHDO TEHSIL CHISHTIAN DISTT BAHAWALNAGAR	31102-8621792-7	MUMTAZ	1,639	770	-	2,410	-	-	770	-	770
198	MUHAMMAD BUKHSH ATTIQ BASTI QAZI NOOR MUHAMMAD MOZA TRANDA MADHO KHAN PO NAWAN KOT TEH KHAN PUR	31301-6137753-3	QAZI SHAMS DIN	1,747	881	-	2,628	-	-	881	-	881
199	M S & CO HOUSE NO.4 HAJI MALIK LAL DIN ST NO.4 NEAR INTERWOOD FACTORY SHALAMAR TOWN LAHORE	MUHAMMAD SARWAR 35201-1607033-7	LAL DIN	3,000	944	-	3,944	-	-	944	-	944

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
200	MUHAMMAD AYUB RANGERS HOMEOPATHIC COLLEGE NAZIMABAD NO 5 NEAR MATRIC BOARD OFFICE KARACHI	45206-1549131-1	GULSHAN DASTI	342	183	-	525	342	-	183	525
201	YOUSAF SADDIQUE CDA MAINTENANCE III C BLOCK PAK SECTT ISLAMABAD	61101-2678610-9	SIDDIQUE MASIH	430	282	-	712	430	-	282	712
203	MUHAMMAD USMAN ANWAR HOUSE 13 BLOCK F MILLAT TOWN FAISALABAD	33100-2254806-7	M ANWAR TAHIR	667	90	-	757	667	-	90	757
204	MUHAMMAD ZAMAN HOUSE NO 4-C STREET NO 2 BLOCK Z GULSHAN USMAN TEH & DISTT. R.Y. KHAN	31201-8016985-1	DURR MUHAMMAD KHAN	418	145	-	563	418	-	145	563
205	MUHAMMAD ASGHAR APT 31 AL AMIN BUILDING FIRDOUS MARKET GULBERG 3 LAHORE	33100-9660851-7	MUHAMMAD ISMAIL	373	201	-	574	373	-	201	574
206	NAZIR AKHTAR KHOKHAR C A TEXTILE 32 KM LHR SKP ROAD SHAIKHUPURA GUJRANWALA	31202-0265359-1	M NOOR AHMAD KHAKHAR	461	236	-	696	461	-	236	696
207	NABI BUX HOUSE NO. C-329, PARA MEMON PARA DISTT. TANDO ALLAH YAR	41307-2880706-5	RASOOL BUX JARWAR	329	817	-	1,146	-	-	566	566
208	ARZOO TEXTILE MILLS LTD 209 REGENCY ARCADE THE MALL FAISALABAD	AZHAR MAJEED 33100-0686482-3 ARSAL MAJEED 33100-1985425-7 AFZAL MAJEED 33100-1899070-7	ABDUL MAJEED AZHAR MAJEED AZHAR MAJEED	340,030	205,410	-	545,440	-	-	195,410	195,410
209	JAHANGIR KHAN TORABAZ KHEL WALA CHIDROO TEH AND DISTT. MIANWALI	38302-1222226-5	KHAN AMEER KHAN	949	531	-	1,480	-	-	531	531
210	TAYYAB CLOTH HOUSE 23-ICHHRA ROAD ICHHRA LAHORE	ALTAF AHMED 35202-2908751-1 FIRDOUS BEGUM 35202-2725600-6	SIRAJ DIN ALTAF AHMED	30,000	16,601	-	46,601	-	-	16,601	16,601

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
Rupees in '000												
211	YOUSIF QTR NO. A-16, LABOUR QTRS, SUI GAS FIELD SUI DERA BUGTI SUI	55103-5486757-9	JAN ALI	454	128	-	582	454	-	128	-	582
212	AZHAR SAEED QURESHI HOUSE NO. 193-15-BI, TOWN SHIP LAHORE	35202-3596379-7	ABU ZAFAR QURESHI	571	58	-	628	571	-	58	-	628
213	SYED SHAKIL KAZMI JATLAN PO KHAS MIRPUR AJK	81302-5291501-7	JAFAR HUSSAIN SHAH KAZMI	391	159	-	550	391	-	159	-	550
214	WAZIR KHAN KUTCHA HOUSE AT KILLI NASIRABAD KACH ROAD QUETTA	54400-0316777-1	HAJI JAN MUHAMMAD	493	202	-	695	493	-	202	-	695
215	SHAOOR AHMED ABRO NEAR KILO PATTI CINEMA SAMITYA MUHALLA RDNEW NAZAR LARKANA	43203-8351300-9	M IBRAHIM ABRO	439	205	-	644	439	-	205	-	644
216	ISMAEAL NADIR CHAH ABIDABAD KOT BAHADUR SHAH P/O KHAS TEHSIL AHMAD PUR SIAL DISTRICT JHANG	36302-9867537-3	NADIR ABBAS SHAHID	417	193	-	610	417	-	193	-	610
217	RANA SHAHID MEHMOOD HARARR SIALKOT	34603-4444610-3	MUAHMAMD IQBAL	481	244	-	726	481	-	244	-	726
218	ARSLAN SARWAR VILLAGE AND PO MITRAN WALI GALLI, NAZAR BATT WALI DASKA SIALKOT	42301-6020305-3	M. SARWAR	578	147	-	725	578	-	147	-	725
219	LUBNA YAQOOB CIVIL HOSPITAL HOUSE NO.2 MARDAN	16101-3096844-2	YAQOOB MASIH	552	337	-	889	552	-	337	-	889
220	KIRAN YOUNIS CHAK NO. 435/BF, VEHARI P SAHIWAL	36502-4048919-2	AMIR SHAHRAM	718	392	-	1,110	718	-	392	-	1,110
221	SOHAIL AKHTER MILLS RESEARCH INSTITUTE SAHIWAL	33100-1934855-5	AKHTAR ALI	531	276	-	807	531	-	276	-	807
222	MUHAMMAD LUQMAN HOUSE NO.43 RMS BLOCK CANTT VIEW TOWN D.C. COLONY	34101-8328264-9	ABDUL RAUF	2,012	856	-	2,868	-	-	648	-	648

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
223	NAZAM ALI MOUZA BAKHU SHAH DEPALPUR DISTT OKARA	35301-4119623-5	SYED SHAH SAWAR	498	833	-	1,331	-	731	-	731
224	SALMAN APPARELS DULLO KHURD OFF FEROZE PUR ROAD, FACTORY AREA LAHORE	MALIK SALAH UD DIN 35202-7797141-5	MALIK AHMEDIN	788	2,287	-	3,074	-	2,074	-	2,074
225	DILSHAD BROTHERS WARD NO 5MUHALLA MEHRAB KHAN WALA GOGRAH DISTT LODHRAN	SYED TALIB HUSSAIN SHAH 36203-2611608-9 DILSHAD HUSSAIN 36203-9776225-9	SYED NOOR AHMED SHAH SHAMSHAD ALI	549	1,109	-	1,658	-	1,108	-	1,108
226	MOHAMMAD BASHIR VILLAGE DHERANKEY LALKEY P/O KHAS TEH & DISTT HAFIZABAD	34301-4328862-3	LAL KHAN	2,142	1,009	-	3,152	-	802	-	802
227	GHULAM ABASS JATOI STREET NO.13 MOHALLAH QADEER ABAD MULTAN	36302-1101916-1	RAB NAWAZ	1,423	1,210	-	2,633	-	1,005	-	1,005
228	RANA ALTAF BROTHERS RICE FACTORY BAHAWALPUR BY PASS BAHAWALPUR ROAD	RANA ALTAF HUSSAIN 36303-2717373-3	ABDUL LATIF	7,490	7,684	-	15,174	-	7,674	-	7,674
229	MASOOM ZARAI SERVICE DAMMARWALA DISTT. MUZAFFARGARG	GHULAM ABBAS 32302-1110009-7	NAZEER AHMED	450	636	-	1,086	-	576	-	576
230	USMAN HAIDER KHAKWANI MDA CHOWK HOUSE NO 42 MEHRBAN COLONY MULTAN DISTRICT COUNCIL OFFICE	36302-3169715-7	ABDUL RAHEEM KHAKWANI	2,290	658	-	2,948	-	658	-	658
231	CH AMEER HASSAN VILL P/O UDDOWALI TEH NOWSHERA VIRKAN DISTT GUJRANWALA	34103-0487419-7	CH NOOR DIN	1,500	940	-	2,440	-	940	-	940
232	SEITH BROTHERS LASANI HOUSE KHALIQ STREET MOHALLAH MUSLAM PARK RAFIOA ABAD NARANG MANDI TEHSIL MURIDKE SHEKHUPURA	ABDUL MUKHTAR 35401-1856686-9	KHUSHI MUHAMMAD	-	2,227	-	2,227	-	2,227	-	2,227
233	AL MACCA OIL MILLS CHOTI ROAD KOT CHUTTA D.G.KHAN	MUHAMMAD SIDDIQUE 32102-1026351-3	ELAHI BAKHSH	3,000	955	-	3,955	-	955	-	955

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total	
				Principal	Mark-up (Debited + Undebited)	Other Charges			Total	Un-Debited (Waiver)		Debited (Reversal)
234	KALEEM AND SONS HOUSE NO 452 A PEOPLES COLONY NO 1 FAISALABAD	FAHAD KALEEM 33100-4200311-3	AZMAT KALEEM RANA	3,644	1,319	-	4,964	-	-	1,319	-	1,319
235	UNIQUE PURSE HOUSE 78/K NEW ALAMGIR MKT SHAH ALAM MKT LAHORE	MUHAMMAD AKHTAR 35202-6545858-5	MUHAMMAD ALI	3,499	906	-	4,405	-	-	905	-	905
236	LAYYAH RICE MILLS LAYYAH 2 KM LAYYAH ROAD ADDA SARGANI SOLING KAROR LAL EASON DISTT. LAYYAH	TANVEER HUSSAIN 32203-1968191-5 SAQIB SAFDAR 32202-0452110-9 GHULAM ABBAS 42501-2744113-1	FAQEER MUHAMMAD KHAN GHULAM SAFDAR HUSSAIN BAKHSH	16,885	2,243	-	19,128	-	-	2,179	-	2,179
237	SHERWANI CLOTH HOUSE REHMANIAN BAZAR MAILSI DISTT VEHARI	ZUBAIR IQBAL KHAN 36602-7865256-9	MUHAMMAD IQBAL KHAN	500	503	-	1,003	-	-	503	-	503
238	MIAN ALI NAWAZ THAHEEM H NO 265/B GUL GASHT COLONY MULTAN	36302-7960044-7	MIAN HAQ NAWAZ THAHEEM	1,499	740	-	2,239	-	-	739	-	739
239	SHABBIR AHMED SUKH PUR P/O KHAS THAKAR SINGH WALA TEHSIL DEPALPUR DISTT OKARA	35301-1906652-1	NAZIR AHMED	700	797	-	1,497	-	-	797	-	797
240	JATOI AGRO TRADERS RAMPUR ROAD JATOI TEHSIL JATOI DISTT. MUZAFFARGARH	AKHTAR ABBAS 32302-3531380-5	MASHOOQ ALI	499	915	-	1,414	-	-	913	-	913
241	KHALID IQBAL COTTON INDUS PVT LTD INDUS HIGHWAY ROAD RAJAN PUR TEH & DISTT RAJAN PUR	RAO IQBAL AKHTER 32403-1646866-3 MUHAMMAD KHALID 32403-7457892-9 RAO BILAL AKHTER 32403-1646867-1	RAO AKHTER ALI FAREED BAKHSH RAO AKHTAR ALI	12,465	12,324	-	24,789	-	-	12,289	-	12,289
242	MUHAMMAD ASHRAF KOT AMEER P O CHAK NO 104 NB TEHSIL SAHIWAL DISTRICT SARGODHA	38402-6744539-7	SHER MUHAMMAD	1,300	688	-	1,988	-	-	688	-	688
243	PUNJNAD AGRI CARE 19-KASSI VEHARI ROAD MULTAN	MUNAWWAR KHALID JAVED 31201-3724837-9	KHADIM HUSSAIN	3,300	10,661	-	13,961	-	-	10,021	-	10,021

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
244	ZAHID HUSSAIN VILL GONDAL P/O SAME TEH SHAHPUR DISTT SARGODHA	38404-0987427-7	ALLAH DAD	1,500	897	-	-	-	880	-	880
245	ZAHIDA BIBI BASTI RIAZ ABAD, SHEIKH WAHAN, P.O KAHRIPUR TAMEWALI TEHSIL KHAIRPUR TAMEWALI DISTRICT BAHAWALPUR	31204-0175729-2	SAJJAD HUSSAIN PERZADA	5,990	2,207	-	-	-	2,207	-	2,207
246	REHMAN HUSSAIN P/O CHAK NO 4 TDA, CHAK NO 2TDA TEH AND DISTT KHUSHAB	38201-7061957-3	MUHAMMAD HUSSAIN	1,000	649	-	-	-	629	-	629
247	SAFDAR HUSSAIN CHAK NO 49 P O SAME PATTOKI DISTT KASUR	35103-6599555-9	KHAIR SHAH	642	488	-	-	442	488	-	930
248	MUHAMMAD SHER VILLAGE KUDHALI ARRA POST OFFICE SAME TEH SAHIWAL DISTT SARGODHA	38402-1548015-3	HAJI MUHAMMAD ABDULLAH	1,389	1,573	-	-	-	1,572	-	1,572
249	MUHAMMAD MOOSA VILLAGE & P/O SOOMAR FAQIR TAL SHAHDADPUR DISTT SANGHAR	44204-7265815-7	MIR MUHAMMAD	530	1,121	-	-	-	850	-	850
250	NOON BROTHERS TEH/ KEHROR PACCA AMEER PUR STATION KAHOR PACCA DISTT LODHRAN	MAJID RAFIQUE 36202-4610030-1	MUHAMMAD RAFIQ	499	620	-	-	-	522	47	569
251	ZAID KAMBAL HOUSE B-3 ACHA BARA MARKET SHAHALAM MARKET LAHORE	ZAHID HUSSAIN 35202-2898573-5	AKBAR ALI	2,299	1,698	-	-	-	1,697	-	1,697
252	MUNEER QASIM MOUZA BHUCH KAY P/O JURA TEH & DISTT KASUR	35102-5051000-9	QASIM ALI	508	871	-	-	-	678	-	678
253	HARIS FLOUR MILLS MOUZA RAMAN P.O. SAMMA SATTI BAHAWALPUR	MALIK AHMAD USMAN NAWAZ 31202-5093800-7 MUNIR AHMAD BAJWA 36502-5602309-3 SHAFQAT SHAHEEN 31202-2893826-4	MALIK ALLAH NAWAZ NASEER AHMED BAJWA MALIK ALLAH NAWAZ	10,000	4,475	-	-	-	3,475	-	3,475

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
254	HAFIZ POULTRY FARM VILL SAAD PO DOST PURA TEH DISTT KASUR	MUHAMMAD ARSHAD 35102-0609430-5	ABDUR REHMAN	1,369	1,463	-	2,833	-	1,333	-	1,333
255	GULJEHAN CHAK NO 23 MB PO CHAK NO 24 MB TEH QADABAD DIST KHUSHAB SARGODHA	38201-1109151-9	HAJI GHULAM HAIDER	994	585	-	1,579	-	529	-	529
256	ABDUL MAJEED HAMEED VILLAGE BRUDGE RUN SIG POST OFFICE TALVENDI TEHSIL CHUNIAN DISTT KASUR	35201-9485326-9	YASEEN KHAN	886	1,116	-	2,002	-	1,099	-	1,099
257	AHSAN VILL CHAK GALLAN P/O GOLOTIAN KALAN TEH DASKA	34102-8377367-3	CH SHUKAR DIN GILL	1,997	1,093	-	3,091	-	1,091	-	1,091
258	TOOR & SONS IRON STORE ZAREEF SHAHEED TEH SHUJABAD DISTT: MULTAN	ABDUL REHMAN 36303-0999305-7	MEHR UDDIN KHAN TOOR	694	555	-	1,249	-	546	-	546
259	MUHAMMAD RAZMAN SOORATABAD P/O JHALLAN DISTT GUJRANWALA	34103-0528504-7	GHOUS MUHAMMAD	1,199	660	-	1,859	-	559	-	559
260	ZAFAR ULLAH VILLAGE NATT NEAR PUNJAB MANDI AL WAHID TOWM MURIDKE TEH MURIDKE DISTT SHEIKHUPURA	34101-3971318-3	GHULAM RASOOL	940	595	-	1,535	-	558	-	558
261	MUKHTAR AHMAD MOUZA GULL P/O DERA BAKKHA TEH DISTT BAHAWALPUR	31202-0270299-5	SH HAJI M RAMZAN	747	966	-	1,713	-	963	-	963
262	MUZAMMAL ABBAS BURYANA PO TALIB WALA TEH BHALWAL DISTT SARGODHA	38401-0281817-5	MUREED HUSSAIN	200	841	-	1,041	-	841	-	841
263	MAQSOOD & CO KHAWAJA BAZAR MUZAFFARABAD AK	KHAWAJA MAQBOL-JUR-REHMAN DHAMAN 82203-1186542-1	FATEH MUHAMMAD DAHMAN	1,800	939	-	2,739	-	678	-	678
264	MUHAMMAD SALEEM KAAT THAMAN WALI FAZAL HUSSAIN P/O DUNGA BUNGA TEHSIL AND DISTRICT BAHAWALNAGAR	31101-1649626-5	MUHAMMAD JAHANGIR	2,500	512	-	3,012	-	512	-	512

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
265	H.M.NAEEM TEXTILE PVT LTD AULIA TRADE CENTRE, 19-E, COOPER ROAD LAHORE	HAFIZ MUHAMMAD NAEEM 35202-3778510-3 PARVEEN NAEEM 35202-0971694-0	SHEIKH MUHAMMAD BASHIR MUHAMMAD NAEEM	25,241	19,741	-	-	-	17,877	-	17,877
266	GLOBAL FINANCIAL SOLUTIONS SUIT # 1 & 2 C-5-C KHAYBAN-E- SEHER PHASE VII D.H.A. KARACHI	IRFAN WAHID 42301-3492442-1	ABDUL WAHID	24,500	12,018	-	-	-	7,242	-	7,242
267	A H WEAVING FACTORY CHAK NO-216/RB MUHAMMAD WALA JARANWALA ROAD FAISALABAD	MUHAMMAD NAWAZ 33104-2159235-9	GHULAM MUHAMMAD	2,998	3,678	-	-	-	3,526	-	3,526
268	MUHAMMAD AZAM KHAN P.O WASANDAY WALI UMAR PUR JANOB I MUZAFFAR GARH	32304-5608086-9	GHULAM QADIR KHAN	2,100	795	-	-	-	794	-	794
269	RIAZ PROTEIN AND MODEL FARM MOUZIA DODA P/O KHASS TEHSIL BHALWAL DISTT SARGODHA	NASIR MEHMOOD 38403-6387598-3	RIAZ AHMED	1,999	547	-	-	-	546	-	546
270	DESERT DUBAI TRAVEL DESERT DUBAI TRAVEL, SUIT NO 508 5TH FLOOR MADINA CITY MALL ABDULLAH HAROON ROAD SADDAR KARACHI	MUHAMMAD MUNAF 42301-1059266-7	ABDUL AZIZ	9,726	1,546	-	-	-	1,546	-	1,546
271	KHALID MAHMOOD CHAK NO 135 G/B,P O KHAS,TEH SAMUNDRI DISTT FAISALABAD	33105-6191326-9	ASGHAR ALI	1,499	821	-	-	-	820	-	820
272	RAO LIAQAT ALI VILLAGE DHALLI P/O SAME TEH DIST NAROWAL	34501-0850203-3	MUHAMMAD BASHIR	1,179	1,005	-	-	-	903	-	903
273	GROOM BRIDE SPECIAL TARIQ S BALAR COLONY NO 1 JOHN STREET KOTLAKEPAT LAHORE PAKSIATAN	TARIQ BASHIR 35202-4902720-1	BASHEER	300	1,709	-	-	-	1,509	-	1,509
274	CH MOHAMMAD SHARIF NEAR NAWAZ MARKET GUJRANWALA ROAD ALI PUR CHATTHA TEH WAZIRABAD DISTT GUJRANWALA	34104-2367663-7	MOHAMMAD NAWAZ	2,344	628	-	-	-	621	-	621

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
275	RANA IMRAN CHAK NO 24/2 L TEHSIL RENALA KHURD DISTRICT OKARA SAHIWAL REGION	35302-1182941-3	RANA MUNAWAR	1,700	2,183	-	3,883	-	-	2,083	-	2,083
276	NASIR MEHMOOD RANDHAWA CHAK NO.135 GB TEH.SAMUNDRI DISTT.FAIALABAD	33105-2254523-1	ASGHAR ALI	2,000	1,229	-	3,229	-	-	1,229	-	1,229
277	HAQ NAWAZ CHAK NO 125 JB POST OFFICE KHAS JHUMRA ROAD TEH AND DISTT CHINIOT	33201-0135359-5	NAZEER AHMAD	1,972	730	-	2,702	-	-	556	-	556
278	MUHAMMAD MANZOOR KHAN TAHIR CHAK 104 R B PANDIA WALI PO SAME TEHSIL JARANWALA DISTRICT FAISALABAD	33104-2107076-9	SARDAR KHAN	1,249	634	-	1,884	-	-	534	-	534
279	AL MUNAWAR AGRI FARM MUHALLA SHEIKHAN WARD NO 01 AHMAD PUR LAMMA TEH	SH. NUMAN NABI BUKSH 31304-2029505-5	SH MUHAMMAD MUNWAR	3,994	3,948	-	7,942	-	-	3,948	-	3,948
280	MUHAMMAD RIAZ CHAK GHULAB ALI P/O GHULAB ALI TEH BAHAWAL NAGAR	31101-1592947-3	MUHAMMAD AMIN	1,200	723	-	1,923	-	-	723	-	723
281	IMRAN MAQBOOL TEXTILES CHAK NO.119/JB.DHANOLA ROAD SAMANA, OFF SARGODHA ROAD, FAISALABAD	IMRAN MAQBOOL 42000-0559756-7	MAQBOOL AHMAD	79,620	44,866	-	124,486	-	-	39,866	-	39,866
282	YEN TEXTILES INDS PVT LTD 92-BANK SQUARE MARKET MODEL TOWN LAHORE	MUHAMMAD YAWAR SAEED 35202-4983495-9 ARSLAN SAEED 35202-5474671-9 MEMONA YAWAR 35202-2648868-4 ARZA SAEED 35201-0986807-6	MIR SAEED HASSAN YAWAR SAEED YAWAR SAEED JAMSHED SAEED	46,817	26,687	-	73,504	-	-	23,436	1,443	24,879
283	SHAHNAWAZ DAIRY FARM V P O MARRI TEHSIL SARGODHA	MEHR SHAHNAWAZ KHAN 38403-0902369-9	MUHAMMAD AKRAM LAK	548	855	-	1,403	-	-	553	-	553

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
284	MUHAMMAD IMRAN IRSHAD VILLAGE & POST OFFICE BAKHIANWALA TEH DASKA DISTT SIALKOT	34601-5206826-9	IRSHAD AHMED	1,185	1	-	2	-	771	-	1
285	MUHAMMAD ZAFARULLAH DEH SOOF SHORO TALUKA & DISTT THATTA	41304-5898162-7	MUHAMMAD SAIFULAH ARAIN	1,402	1,273	-	2,676	-	973	-	973
286	ABDUL KHALIQ KOTLA FATEH KHAN P/O RABANA TEHSIL SAHIWAL DISTT SARGODHA	38402-9886551-7	ALLAH YAR	2,000	880	-	2,880	-	830	-	830
287	MUHAMMAD AHMED ANYATKAY P/O AKBAR TEH & DISTT OKARA	35302-7293281-3	GHULAM FARID	990	709	-	1,699	-	549	-	549
288	GHULAM ABBAS RATO KALA PO SAME TEHSIL BHALWAL DISTRICT SARGODHA	38401-0375005-1	GHULAM HUSSAIN	1,100	625	-	1,725	-	624	-	624
289	ALLAH YAR CHAK N/O 71/D SABANINA WALA POST OFFICE CHAK N/O 73/5/L TEH & DISTT PAKPATTAN SHARIF	36402-0800145-7	MUHAMMAD ESSA	800	501	-	1,301	-	501	-	501
290	SYED MOHAMMAD ISHAQ SHAH VIL TIBA GAMA SHAH P/O TIBA MEHRBAN SHAH TEHSIL PIPLAN DISTT MIANWALI	38303-3855835-7	SYED MUREED AHMAD SHAH	1,972	1,011	-	2,983	-	683	-	683
291	WAZIRAN BIBI CHHINLAN WALA P/O & TEH ISAKHEL DISTT MIANWALI	38301-8756212-6	MUHAMMAD ASLAM	1,300	917	-	2,217	-	617	-	617
292	SAFDAR HUSSAIN CHAK NO.23/MB, P/O 24/MB TEHSIL QAIDABAD, DISTT. KHUSHAB	38201-4744108-9	GUL JEHAN	800	554	-	1,354	-	504	-	504
293	FARHAD ALI DEV SIAL NANO WALA P/O SAME CHUNIAN DISTT KASUR	35101-3663985-1	SHARFAT ALI	1,099	1,135	-	2,234	-	834	-	834
294	WAHLA CHICKS HOUSE NO 186-D MILLAT TOWN MILLAT ROAD NEAR WAHLA CHOWK FAISALABAD	MOHSIN KHALID 33100-2570873-5	KHALID MASOOD	2,700	1,358	-	4,058	-	1,158	-	1,158

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
295	MASOOD AHMED VILL. KOTLI CHAMB WALI P/O KALA KALAN TEH DASKA DISTT SIALKOT	34601-4769709-3	MUHAMMAD SIDDIQUE	1,500	932	-	2,432	-	-	807	-	807
296	QADRIA COTTON INDUSTRIES CHHONAN WALA ROAD HASILPUR TEHSIL HASILPUR	SHEIKH MUHAMMAD ALAM 31203-1730811-3 FAIZUL HASSAN 31203-4961299-7 MUHAMMAD MOSHIN RAZA 31203-6928524-5 AHMED RAZA KHAN 31203-2052219-1 MEHMOOD-UL-HASSAN 31203-0164433-5 MUHAMMAD RAZA KHAN 31203-6938024-5	MUHAMMAD SHADI HAJI MEHMOOD UL HASSAN HAJI MUHAMMAD HAQ NAWAZ KHAN HAJI MUHAMMAD HAQ NAWAZ KHAN MIAN SHER MUHAMMAD KHAN HAJI MUHAMMAD HAQ NAWAZ KHAN	464	1,360	-	1,824	-	-	1,310	-	1,310
297	ALLAH TAWAKAL KANDOM BATTERY & LEAD SULTAN ESTATE NEAR GANDA NALA SIE 2 KHALI BYE PASS GUJRANWALA	MUNAWAR HUSSAIN 34103-4564251-1 MUHAMMAD ASGHAR 34103-6031516-5	MUHAMMAD RAFIQUE BASHIR AHMAD	6,000	1,289	-	7,289	-	-	1,284	-	1,284
298	ADEEL FURNISHERS NEAR KALRA KHASA G.T ROAD GUJRAT	MOBEEN AHMED 34201-2715709-1	RAEES AHMED MIRZA	6,000	1,401	-	7,401	-	-	1,401	-	1,401
299	DHANI BUX VILLAGE MUHAMMAD RAMZAN RAJAR P/O PITHORO TALUKA PITHORO DISTRICT UMERKOT	44105-5880712-5	MUHAMMAD RAMZAN	2,000	611	-	2,611	-	-	511	-	511
300	BILAL AHMAD NEAR MASJID AHLE HADEES MUHAMMADIA VILL CHAK TOOTI P/O MITRANWALI TEH DASKA DISTT SIALKOT	34601-1588002-1	BASHIR AHMAD	1,787	723	-	2,511	-	-	661	-	661
301	ZAINI SHOES MATERIAL HAKEEM CENTER BHORA GALI NO 1 AMIN PUR BAZAR FAISALABAD	IJAZ AHMED 33100-0468484-3	IKRAM ULLAH	349	581	-	929	-	-	581	-	581
302	AMJAD ALI VILLAGE SHARIF PUR PO RAYYA KHAS DISTT NAROWAL	34501-0127389-9	MUHAMMAD RAFIQUE	2,499	1,448	-	3,947	-	-	1,377	-	1,377
303	MAKHDOOM SHAH NAWAZ MAKHDOOM HOUSE HALA	41301-7000696-9	MAKHDOOM GHULAM NABI	2,067	4,967	-	7,034	-	-	4,967	-	4,967

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Mark-up (Debited + Undebited)		Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
				Principal	Total						
304	FAISAL SHOES SHAHDULA GATE YOUSAF MARKET GUJRAT	SH. MOHAMMAD IDREES 34201-0600897-7	SHEIKH ZAFAR IQBAL	2,650	842	-	-	-	842	-	842
305	MUHAMMAD ANWAR DERA SULTAN MUTALI DHORI PHULARWAN TEHSIL BHALWAL	38401-6974076-7	SULTAN AHMAD	999	575	-	-	-	524	-	524
306	PERVAIZ AKHTAR FARID KOT TEH DEPALPUR DISTT OKARA	35301-4161441-9	FALAK SHER	1,396	848	-	-	-	844	-	844
307	SHAHZAD FARYAD OLD METAL SHOP NO 1 MIAN FERAZ SONS CENTRE MAIN BAZAR DHOLANWAL CHOWK YATEEM KHAN BUND ROAD LAHORE	MUHAMMAD SHAHZAD 35202-2779909-1	FARYAD HUSSAIN	1,598	1,419	-	-	-	1,419	-	1,419
308	MUZAFAR ALI PO SAME RASOOL PUR TARAR TEHSIL PINDI BHATTIAN DISTRICT HAFIZABAD	35201-7171699-3	IJAZ AHMAD	2,300	747	-	-	-	647	-	647
309	SHEIKH CARRIAGE OPPOSITE SANGHAM MORE G T ROAD GUJRANWALA	SH MUKHTAR AHMAD 34103-7947888-1	MUHAMMAD ASLAM	8,061	7,373	-	-	-	5,949	-	5,949
310	FITWELL FURNITURES 64-A, 2 D. H. A LAHORE	ZAHEER AHMAD BABAR 35201-1907529-3	MIRZA ANAYAT ULLAH	9,999	6,870	-	-	-	6,009	-	6,009
311	ADIL COMMISSION SHOP NEW GHALLA MANDI ADIL FAROOQ KHAN ROAD KAMOKI	MUHAMMAD FAROOQ AHMED 34102-5382973-3	MUHAMMAD ASLAM	4,528	2,732	-	-	-	2,511	-	2,511
312	MUHAMMAD SALEEM KANWAN WALA PO KHAS TEH LALIAN CHINIOT	38403-6956820-3	MEHAR UMAR HAYAT	1,150	510	-	-	-	501	-	501
313	MUHAMMAD QASIM LALI BANGLA ROAD DERA SALEEM LALI LALIAN DISTT CHINIOT SARGODHA	33402-0341885-3	MUHAMMAD SALEEM	1,398	629	-	-	-	627	-	627

Rupees in '000

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
314	DERA BAKHA COTTON FACTORY DERA BAKHA BAHAWAL PUR	CH. SAFDAR HUSSAIN 31202-8169422-5 CH. MUNIR AHMED 31202-0769989-9 ZAFAR IQBAL 33100-5071406-9 JAWED AHMED CH. 31202-0250616-5 SALJAD AHMED CH. 31202-8641711-1 CH. ABDUL HAMEED 31202-0337536-5	CH. HASHMAT ALI CH. HASHMAT ALI CH. HASHMAT ALI CH. FAZAL AHMED CH. FAZAL AHMED CH. NAZIR AHMED	-	9,236	-	9,236	-	-	2,433	-	2,433
315	MUHAMMAD ASHRAF CHEEMA CHAK-226 RB, CHAK CHEEMA BAJWAH, P/O KHAS, TEH. FAISALA BAD SADAR, DISTT. FAISALABAD	33103-0646535-3	GHULAM MUHAMMAD CHEEMA	1,769	753	-	2,522	-	-	752	-	752
316	NUSRAT ABBAS VILL. MUHAMMAD ALI WALA P/O TIR KHAN WALA TEH. SAHWAL DISTT. SARGODHA	38402-1545404-1	ZAFAR ABBAS	600	569	-	1,169	-	-	519	-	519
317	EJAZ FILLING STATION VILLAGE GONDAL P/O SAME TEH DISTT. SIALKOT	CH. MUREED HUSSAIN 34603-8062582-1	ALLAH RAKHA	-	993	-	993	-	-	993	-	993
318	NASEERAN BIBI SAHI NEAR JAMIA MASJID SIDDIQIA AWAMI ROAD DASKA DISTT SIALKOT	34601-4601253-4	ARSHAD MAHMOOD SAHI	1,799	826	-	2,625	-	-	825	-	825
319	SHEIKH M NAEEM HAIDE TRDERS FEROZE WALA ROAD GALA PURANA PHADDY KHAN NEAR NAWAK WALI CHAKI GUJRANWALA	SH. MUHAMMAD NAEEM 34101-2692195-5	SH. MUHAMMAD AMIN	1,000	726	-	1,726	-	-	726	-	726
320	COLONEL SEAFOOD PVT LTD. PLOT NO. A-9 & 10, KORANGI FISH HARBOUR CHASHMIA GOTH LANDI KARACHI	ZAHID IQBAL 42301-7928664-5 RUBINA ZAHID 42301-8028892-8	SULTAN SIKANDER KHAN ZAHID IQBAL	31,635	24,260	-	55,895	-	-	22,230	-	22,230
321	BADAR MUNIR & BROTHERS KIRYANA & GENERAL MERCHANT MARKET ROAD NO 1 NAWABSHAH	BADAR MUNIR KHOJA 45402-0946939-1 MUHAMMAD SOHAIL KHOJA 45402-6028118-3	GHULAM RASOOL KHOJA GHULAM RASOOL KHOJA	4,349	2,981	-	7,330	-	-	2,461	-	2,461

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
322	ALAM BROTHERS DEHLY MUL TAN ROAD HAVELI P/O HAVELI LAKHA TEHSIL DEPALPUR DISTT OKARA	FAKHAR ALAM 35301-191708-1 FAIZ ALAM 35301-5166003-1	MUHAMMAD SALEH MUHAMMAD SALEH	1,998	2,286	-	-	-	2,084	-	2,084
323	NAZIR AHMED VILLAGE KOT DARAN P.O. KHAS TEH. SAMBRIAL TEHSIL DISTT SAMBRIAL	34601-0770752-3	MUND BUKSH	1,543	1,528	-	-	-	1,322	-	1,322
324	MUHAMMAD ASLAM NADEEM BHOCHKAY PO JORA TEH DISTT KASUR BOCHKERY DISTT KASUR	35102-7593397-9	QASIM ALI	533	658	-	-	-	658	-	658
325	ASHRAF BOLT INDUSTRY KACHA RAHIM ROAD BADAR STREET NEAR FAIZ KANTA MISRI SHAH LAHORE	MUHAMMAD ASHRAF 35202-9725489-1	MUHAMMAD RAMZAN	23,488	14,873	-	-	-	14,361	-	14,361
326	RAO MUHAMMAD QAISER KHAN MAZHAR ABAD P/O DEPAL PUR TEH DEPAL PUR DISTT OKARA	35301-2171461-1	MUHAMMAD NASIR KHAN	394	946	-	-	-	740	-	740
327	ADNAN AHMED B-112 MADINA BLESSING BLOCK 10 A GULSHAN IQBAL KARACHI	42501-1547948-7	ISHTIAQ AHMED	367	183	-	-	-	183	-	550
328	YASIR AMIN A 35 CHULTAN HOUSING SCHEME QUETTA	42201-0548626-9	M AMIN	450	183	-	-	-	183	-	633
329	JAVED IQBAL CA TEXTILE H NO 11 FAMILY COLONY SKP	33202-9190488-1	MANZOOR HUSSAIN	362	265	-	-	-	265	-	628
330	SARWAN KHAN H NO 619 PATHNA GOTH HUSSAINABAD HYDERABAD	41306-5832482-7	AZIZ ULLAH PATHAN	393	166	-	-	-	166	-	558
331	QURAT UL AIN ASHRAF LAGHARI ALI HOUSE MIAN RD H NO 1 SARGODHA	42501-4482555-6	M ALI AMMAR	400	200	-	-	-	200	-	600
332	MUNAWAR ELAHI BASTI NOOR SAMAND KHAN, MERU BALOCH P/O DULLA BHADERA, TEHSIL CHISHTIAN DISTT. BAHAWALNAG	31102-1983428-4	WALI DAD	2,500	760	-	-	-	760	-	760

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
							Un-Debited (Waiver)			Debited (Reversal)		
				Principal	Mark-up (Debited + Undebited)	Other Charges					Total	
333	SAEED AHMED CHAK NO 46D DEPALPUR	35301-5347124-1	MUHAMMAD YASIN	330	583	-	913	-	-	563	-	563
334	FIVE STAR D BRICKS OPP HUSSAINY DARBAR NEAR MARAKA QRT MULTAN RD LHR	REHMAN TALIB 35202-2525617-1	MALIK ISRAR HUSSAIN	9,954	7,264	-	17,218	-	-	6,018	-	6,018
335	RUKHSANA PERVAIZ SCHOOL OF NURSIN CHILDREN HOSPITAL LAHORE	35202-8721980-2	M ASGHAR	719	258	-	976	719	-	258	-	976
336	VINCENT HOUSE NO 182 A-1 GILL STREET BAHAR COLONY NO 2 KOT LAKHPAT LAHORE	35201-7392384-9	VICTOR	392	126	-	518	392	-	126	-	518
337	ZULQARNAIN HAIDER SIDDIQUE H NO. 2441 BLOK D EID GAH ROAD NEW SHAMSABAD MULTAN	36302-6157894-9	NAJAF ALI	371	173	-	544	371	-	173	-	544
338	MUHAMMAD KAMRAN ABBASI MCR 007904-7TH FLOOR SHAHNAZ ARCADE SHAHEED-E- MILLAT ROAD, KARACHI	42101-5358500-7	MUHAMMAD ZAMAN KHAN	404	183	-	586	404	-	183	-	586
339	FARZANA HUSSAIN DIST HEAD QUARTER HOSPITAL	37405-3501790-2	ALI AKBAR	403	143	-	546	403	-	143	-	546
340	HUMAIRA GULZAR HOUSE NO 88 STREET NO 01 AZAM BASTI MAHMODABAD KARACHI	42301-9067035-8	GULZAR HUSSAIN	382	179	-	561	382	-	179	-	561
341	WAQAR HUSSAIN PR HEAD QUARTER SINDH ZIAUUDIN RD OPP SHAHEEN COMPLEX KARACHI	42501-8979330-7	JALAL UDDIN	357	153	-	510	357	-	153	-	510
342	FAISAL IQBAL HOUSE NO 267 STREET NO 9 IQBAL COLONY ABADI QURBAN LINE GULBERG II LAHORE	35201-4786918-5	M IQBAL	411	233	-	643	411	-	233	-	643
343	MUHAMMAD AZAM R-894 SAZGAR ENGINEERING WORKS LTD. 18KM RAIWIND ROAD, LAHORE	35202-1824364-3	JUMAY KHAN	338	191	-	529	338	-	191	-	529

Rupees in '000

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
344	MUHABAT ALI C/O CSCECL H#A-30 FRIENDS CO- OPERATIVE HOUSING SOCIETY SHIKARPUR ROAD SUKKUR	45205-1797379-3	JAHAN KHAN PANHWAR	413	227	-	413	-	227	-	640
345	MUHAMMAD ANWAR H NO P 103 SECTOR 6 D MOHALLAH ANAR KALI URJANI TOWN KARACHI	42101-0843285-1	MUHAMMAD AKBER	525	253	-	525	-	253	-	778
346	FAISAL RASHEED HOUSE # 1485 STREET # 4 NOOR CHOKRA RAWALPINDI	37405-0238906-5	ABDUL RASHEED	334	187	-	334	-	187	-	521
347	BILAL MUSHTAQ H NO 07 PEOPLES COLONY ST NO 3 GUJRANWALA	34101-9557653-5	MUHAMMAD MUSHTAQ	345	178	-	345	-	178	-	524
348	MALIKA FUKRAJ BEGUM CHOACH PO KHAS TEH SEHNSA KOTLI	81203-7730222-6	RAJA KAMAL	431	122	-	431	-	122	-	553
349	SHEZAD ALI SHAD HOUSE NO 251 BLOCK J-1 SUN FLOWER SOCIETY JOHAR TOWN LAHORE	37405-0228293-3	SHAMSHAD ALI SHAD	434	213	-	434	-	213	-	647
350	YOUSRA NAWAB ALI 14794 CUS EX PMCL JAZZ NICE TRADE ORBIT 44-A BLOCK 6 PECHS SHAHRAH-E-FAISAL, KARACHI	42101-1201121-4	MUHAMMAD AKRAM SIDDIQUI	433	154	-	433	-	154	-	587
351	MUHAMMAD OBAID JUBILEE FAMILY TAKAFUL AL SHARIF PLAZA 2ND FLOOR SHAMSABAD RAWALPINDI	14301-2079508-3	SHAD MUHAMMAD	459	264	-	459	-	264	-	723
352	ALI AHMED CHAK NO 97/6R P O SAME SAHRAWAL	36502-1293825-1	NASEER AHMED	456	262	-	456	-	262	-	719
353	KAMRAN KHAN ROOM NO 13 SUB JAIL SASU KOHISTAN PESHAWAR	17301-0612084-3	HAKEEM KHAN	386	214	-	386	-	214	-	600
354	SHAUKAT MASIH HOUSE NO 56 STREET NO 39 A ITTIFAQ PARK NOORI DARBAR ROAD MUGHAL PURA LAHORE	35201-7775326-9	BAJ MASIH	352	184	-	352	-	184	-	536

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
355	S.MUSHTAQ AHMED SHAH OFFICE OF THE MUNICIPAL COMMITTEE GHOTKI GHOTKI	45102-3304438-3	SYED KHUDA BUX SHAH	821	428	-	1,249	821	-	428	-	1,249
356	SABIR GILL H NO CS 613/30 MUH FREEK HILL SUKKUR	45504-1107481-1	GULZAR FAZAL MASHI	318	243	-	561	318	-	243	-	561
357	DUR MUHAMMAD GOTH TANDO BALEND KHAN ODHO WALIO GHOTKI	45102-2300996-9	REHMAT ULLAH	359	197	-	556	359	-	197	-	556
358	MUHAMMAD IBRAHIM SHAR C/O PROFESSOR DAIM ALI SHAR GOVERNMENT DEGREE COLLEGE THARI MIRWAH KHAIRPUR	45206-7668721-7	QAIM UDDIN SHAR	351	203	-	554	351	-	203	-	554
359	NAJEEB UR REHMAN KHAN BAMA BALA PO KHAS TEH & DIST OKARA	35302-8143066-5	ABDUL WAHAB KHAN	477	180	-	657	477	-	180	-	657
360	MOAZZAM MUKHTAR H NO 6 ST NO 81 MANJAR ST MOHALLA GWALIAN LHR	35202-7545701-5	MUKHTAR AHMED	361	185	-	546	361	-	185	-	546
361	AAMOOSSE KHOKHAR H NO 328 B TAAJ PURA SCHEME HARBANS PURA LAHORE	35202-3864041-5	SARFRAZ ANJUM	371	193	-	565	371	-	193	-	565
362	KH SAJJAD AKHTAR 156 MOHALLA SHAH GHOUSS ABD SORAJ MIYANI ROAD MULTAN	36304-8551230-7	KHAWAJA WAHID BUX	487	250	-	737	487	-	250	-	737
363	FAWAD KHAN FC LINE HAYAT ABAD PESHAWAR KPK PESHAWAR	17101-7997882-1	SAIDAN SHAH	350	195	-	544	350	-	195	-	544
364	AZMAT SHAUKAT E 1726 MARIYAM COLONY LAHORE	35201-7459333-5	SHAUKAT GILL	382	222	-	605	382	-	222	-	605
365	MUHAMMAD SHAFQAAT H NO 01 ST NO 7 MUHALLA IMTIAZ ROA SHARIF ABAD GUJAR PURA LHR	32301-3595223-9	ABDUL MAJEED	487	278	-	765	487	-	278	-	765

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
366	AKHTAR ULLAH KHAN HOUSE NO 12/A CTO COMPOUND II CHUNDRIGAR ROAD KARACHI	42301-5096174-1	SHAKAQI ULLAH KHAN	337	175	-	337	-	175	-	512
367	NAEEM MASIH H 340 S/NO 15 MOHALLA GULBAHAR COLONY LAHORE CANTT LAHORE	35201-3744031-9	NAZIR MASIH	309	197	-	309	-	197	-	506
368	ZEESHAN ZAHID CAA MT SEC NEAR PROJECT GATE ALLAMA IQBAL INT AIRPORT LAHORE	42000-4863923-1	ZAHID RASHEED	487	266	-	487	-	266	-	753
369	GHOUS BUX CHINA STATE CONSTRUCTION ENG CORPO PANJOO BAAG GHOTKI TEHSIL AND DISTT. GHOTKI	45206-5429838-7	PIYAR ALI	366	179	-	366	-	179	-	545
370	SULIMAN SHAH VILLAGE AND POST OFFICE SARO SHAH TEHSIL TAKHT BHAI DISTT MARDAN	16102-5303008-9	SAID KARIM	375	213	-	375	-	213	-	588
371	FAHEEM IQBAL KHAN CHULBAARG TOWN HOUSE 181 KHYWAL JHELUM	36103-1666422-3	MALIK MIR KHAN	380	162	-	380	-	162	-	542
372	SHAIKH MUHAMMAD HAFEEZ ULLAH HOUSE G 64/5 CLAYTON QUARTERS JHANGEEER ROAD 2 KARACHI	42201-1543263-5	MUHAMMAD SAMIL ULLAH	502	249	-	502	-	249	-	751
373	MUHAMMAD NAWAZ EDUCATION DEPTT GES BONGI LALU THESEL PATTOKI DISTT KASUR	35103-0610933-1	MUHAMMAD ASLAM	535	294	-	535	-	294	-	829
374	SNS INTERNATIONAL 17/2, KHIABAN COLONY NO. 2, ZIA TOWN RD , 204 R.B FAISALABAD	SHAKEEL AHMAD 33100-7536224-1	SHEIKH FAQIR MUHAMMAD	9,367	4,883	-	-	-	2,622	-	2,622
375	FIAZ AHMAD RATIO KALA P/O KHAS BHALWAL SARGODHA	38401-0341357-7	BASHIR AHMAD	1,499	1,125	-	-	-	1,025	-	1,025

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
376	RIAZ HUSSAIN VILLAGE SHERGARH POST OFFICE JORA KALAN TEH NOORPUR DISTT KHUSHAB	38202-3082721-1	MUHAMMAD NAWAZ	316	568	-	885	-	-	515	-	515
377	BISMILLAH COMMISSION SHOP HERNOLI MOHALLAH HABIB KHEL ASRANWALA POST OFFICE ASRAN WALA TEHSIL PIPLAN DISTRICT MIANWALI	FAROOQ AZAM 38303-8446000-1	MUHAMMAD MUSTAQEEM	4,413	1,716	-	6,129	-	-	1,716	-	1,716
378	A ONE KINNO FACTORY CHAK 19 SB P/O SAME TEH.KOT MOMIN DISTT.SARGODHA	KHALID MEHMOOD 38401-3365313-9	MUHAMMAD ASLAM	4,940	1,451	-	6,391	-	-	1,451	-	1,451
379	MUHAMMAD AKHTAR MOHALLA SABRI MASJID BUCHEKI TEH NANKANA SAHIB	35402-1959153-5	MUHAMMAD ABDULLAH	950	503	-	1,453	-	-	503	-	503
380	ADIL FURNITURE MART ABDULLAH PUR FAISALABAD	MUHAMMAD AFZAL 33100-2628145-3	ABDUL KHALID	1,000	824	-	1,824	-	-	824	-	824
381	MOHAMMAD AFZAL CHAK NO 347 JB CHATHA TEH GOURA DISTT T T SINGH	34301-5482415-5	KHAN MOHAMMAD	1,300	732	-	2,031	-	-	731	-	731
382	MUHAMMAD ASHRAF SHAD CHA ARRIYAN WALA LUDDAN PO KHAS TEH AND DIST VEHARI	36603-1395818-5	M ABDULLAH	773	64	-	837	773	-	64	-	837
383	TAMEER ASSOCIATES PVT LTD SB 37 BLOCK N 13B UNIVERSITY ROAD GULSHANE-JOBAL KARACHI	PERVAIZ UL HAQ SIDDIQUI 42301-9884097-7 NAVEED UL HAQ SIDDIQUI 42301-2089615-9 SURRAIYA JAHAN	MUBIN UL HAQ SIDDIQUI MUBIN UL HAQ SIDDIQUI MUBIN UL HAQ SIDDIQUI	2,265	973	-	3,238	-	-	738	-	738
384	PUNJAB STEEL FURNITURE: H NO 27 ST NO 2 LEJNAH COLONY COLLEGE ROAD TOWN SHIP LHR	RAFIQUE AHMED 35202-0647396-1	SH. NISAR AHMED	534	670	-	1,204	-	-	670	-	670
385	IMRAN AND CO GHALLAH MANDI KALEKI TEH HAFIZABAD DISTT HAFIZABAD	IMRAN ASLAM 34301-4649978-1	MUHAMMAD ASLAM	2,720	3,225	-	5,945	-	-	2,358	387	2,745
386	ABU BAKAR ZARE FARM AHMEDPUR LAMMA SADIQABAD	SHAZIA NOURIN 31304-6147646-0	SHEIKH IFTIKHAR UDDIN	2,300	3,298	-	5,598	-	-	3,298	-	3,298

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
387	HAQ NAWAZ MOUZA ESSA WALA P/O AHMAD PUR SAIL TEH AHMED PUR SIAL DISTT JHANG	33203-9346575-1	NOOR MUHAMMAD	2,000	1,107	-	-	-	1,107	-	1,107
388	AHMAD NAWAZ BASTI NAWAZ ABAD P/O THAKMAHAL ALI GOHAR NO 326 TEH& DISTT BAHAWAL NAGAR	31101-8809660-1	KHUDA YAR CHISHTI	2,338	1,198	-	-	-	1,036	-	1,036
389	NASEER AHMAD VILLAGE MUSTAFA ABAD PO VIRKANWALI HAVAILI SATTHAN	38401-5860558-7	MUHAMMAD YAR	2,480	1,115	-	-	-	995	-	995
390	ABDUL SATTAR PAKKI MANDI ZIA SHAHEED ROAD MOHALLAH LALEKA COLONY HAROONABAD DISTT BAHAWALNAGAR	31104-1702897-1	MANZOOR AHMED	995	705	-	-	-	605	-	605
391	KALLU BROTHERS RICE DEALERS GHALLA MANDI NARANG MANDI P/O SAME TEHSIL MURIDKE DISTT SHEIKHUPURA	CH. BASHIR AHMAD KALLU 35401-1837336-1 ADNAN BASHIR KALLU 35401-1837296-5	CH. MUHAMMAD ALI KALLU BASHIR AHMAD KALLU	2,082	1,048	-	-	-	1,048	-	1,048
392	SCHON TEXTILES LIMITED PLOT NO C-4/A SITE KARACHI	SYED ATHER HUSAIN 42301-9533743-5 SYED TAHIR HUSAIN 42000-2107518-9 NASIR H SCHON 42000-1427717-1 SYED AMIR HUSAIN 42301-0980580-7 MRS ANJUM HUSAIN 42000-5848720-4 MRS FARAH NASIR SCHON 42000-8294695-4 FARNAZ AMIR HUSAIN 91509-0116253-6	SYED TALIB HUSSAIN SYED ATHER HUSAIN SYED ATHER HUSAIN SYED ATHER HUSAIN SYED TAHIR HUSAIN SYED NASIR HUSAIN SYED AMIR HUSAIN	22,508	30,723	-	-	-	30,723	-	30,723
393	SAVAI PROCESS 68 RATTGON ROAD LAHORE	SHAHID AMIN KASHMIRI 35202-7099729-5	MUHAMMAD AMIN KASHMIRI	8,307	7,785	-	-	-	7,785	-	7,785
394	CHAMAN DAS GENERAL MERCHANT WARD # 74 PARO SHAHI BAZAR KHIPRO	CHAMAN DAS 44202-4583886-3	CHATTO MAL	6,000	802	-	-	-	802	-	802

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
395	MOHAMMAD SARWAR VILL ROHAILA P/O KOPRA TEH SAMBRAIL DISTT SIALKOT	34601-0870140-1	MUHAMMAD HUSSAIN	2,500	1,600	-	4,099	-	-	1,599	-	1,599
396	FAZAL ABDULLAH EXPORTS PVT LTD. P-838, LIAQUAT ROAD, FAISALABAD	CHAUDHARY ABDUL KARIM 33100-3352810-3 KASHIF KARIM 244-93-629981 HUMAIRA KASHIF 244-91-629983	CHAUDHARY MUHAMMAD ABDULLAH CH. ABDUL KARIM CH. KASHIF KARIM	2,954	1,312	-	4,266	-	-	966	-	966
397	SAJJAD AHMAD BASTI (JODHA DUDDY) MOUZA ABLANI POST OFFICE SHAH PUR THE HASIL PUR BWP	31203-1715792-7	KHAN MUHAMMAD	1,502	600	-	2,102	-	-	552	-	552
398	ZAHID RASHEED H NO.08 GALI 02 MOH KHUSHI MUHAMMAD GUJAR PELLAHABAD P/O SAME TEH CHUNIAN DISTT KASUR	35101-8952746-7	MUHAMMAD RASHEED	1,500	1,079	-	2,579	-	-	1,019	-	1,019
399	NASIR ABBAS CHAH AHMAD ABAD MOUZA DHAN MIANI P/O PHAR PUR VIA 18 HAZARI TEH. AND DISTT. JHANG SADDAR	33202-1295489-7	HAQ NAWAZ	480	858	-	1,338	-	-	813	-	813
400	PAK MELAMINE CHEMICALS LIMITED 210-MERHABA TOWERS KAREEM MARKET KAREEM BLOCK ALLAMA IQBAL TOWN LAHORE	LIAQAT ALI 34102-0422717-9 MUHAMMAD IMRAN MUBARIK 35202-0436254-1 MUHAMMAD SIDDIQUE 34101-2495221-3 MUHAMMAD SADDIQUE KALLAH 34101-2495221-3 RANA ZEESHAN MUBARIK 35202-9645678-5 CH. MUHAMMAD ISHAQ 35202-8303919-3 RABIA NAZ 61101-1108895-4	CH. MUHAMMAD YOUNAS HAJI MUBARAK ALI HAJI NOOR MUHAMMAD HAJI NOOR MUHAMMAD HAJI MUBARAK ALI CH. ALLAH DITTA Not Available	-	1,318	-	1,318	-	-	818	-	818
401	CH MUHAMMAD HARIS MANZOOR CHAK NO 102 SB P/O KHAS TEHSIL AND DISTT SARGODHA	61101-0361090-9	CH MANZOOR AHMAD	2,504	1,636	-	4,140	-	-	1,590	-	1,590

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
402	WASEEM AHMAD KHAN QTR NO 1 BLOCK C RAVI CAMPUS PATTOKI KASUR	35200-1453320-1	ABDUL SATTAR KHAN	727	319	-	727	-	319	-	1,045
403	ISHTIAQUE AHMED MUHALLAH L WARI SHARIF TALUKA & DISTT BADIN	41101-9231695-7	NOOR MUHAMMAD	430	95	-	430	-	95	-	525
404	YASIN KARAMAT QUAID MILLAT COLONY STREET NO 10 NEAR DATA GENERAL STORE CHUNGI AMAR DISHU LAHORE	35102-8720199-7	KARAMAT ALI	365	180	-	365	-	180	-	545
405	MUHAMMAD ASHRAF RIAZ BASTI NAWAINA BAD ALI WALIPO ALI PUR MUZAFFARGARH ALIPUR	32301-5158811-9	RIAZ HUSSAIN	427	104	-	427	-	104	-	530
406	IMRAN UL HAQ SETHI 10 RAZA BLOCK ALLAMA IQBAL TOWN LAHORE	35202-4992545-9	SH.ABDUL HAQ SETHI	5,916	5,129	-	-	-	5,129	-	5,129
407	NASAR IQBAL DERA ALI KA DHORI P/O SAME TEH BHALWAL DISTT SARGODHA	38401-0326156-7	MUHAMMAD BAKHSH	650	569	-	-	-	539	-	539
408	HASSAN MUSHTAQ 52-GULLFISHAN COLONY NEAR UMER MKT. MORE SAMANABAD LAHORE	35202-2265341-7	CH. MUSHTAQ AHMED	3,861	3,769	-	-	-	3,769	-	3,769
409	AL REHMAN FILLING STATION VILLAGE DHODA P.O. DHODA TEHSIL PASRUR DISTT. SIALKOT	AAMIR IMDAD 34602-0766365-1	ABDUL REHMAN	1,850	661	-	-	-	621	-	621
410	GHULAM JAFFAR CHAK NO 242JB TEH CHINIOT DISTT. JHANG	33201-1577377-7	MUDDI KHAN	1,000	568	-	-	-	518	-	518
411	RASHID MAHMOOD OFFICERS COLONY NO 2 MADINA TOWN HOUSE NO 128 B FAISALABAD	33100-0983968-3	UAZ MAHMOOD	554	79	-	554	-	79	-	633
412	AMIR VALI VAHIDY H.NO.R-12, AL-NOOR SOCIETY F.B.AREA, BLOCK 20 NEAR EDHI CENTRE, KARACHI	42101-3565802-5	M ZAKI VAHDY	1,660	288	-	1,660	-	288	-	1,948

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
413	ARMAN DAWOOD SADDAR AZEEM RD H NO 57 CANTT TEH DISTT JHELMU	37301-2220475-3	ASHIQ DAWOOD	397	135	-	532	397	-	135	532
414	WALEED BASIT CHAK NO 295 AYUB RESARCH STREET NO 1 MOHALA RASALLAH NO 12 FAISALABAD	33100-5494888-9	BASHARAT ALI	360	198	-	558	360	-	198	558
415	WAZIR AHMED SATHIO HOUSE NO 36 WARD NO 04 GHARIBABAD TANDO MUHAMMAD KHAN	41308-4842290-5	HAJI AHMED	992	795	-	1,787	-	-	687	687
416	STANDERD FEBRICS ALUNG LOHARI GATE GHANTA GHAR MULTAN	MUZAFFAR HASSAN KHAN 36302-7664154-1	HASSAN BUKHSH	1,500	1,869	-	3,369	-	-	1,689	1,724
417	PROGRESSIVE KNITWEAR PVT. LTD. 35-D MUSLIM TOWN LAHORE	ARIF SEAR 35202-2317502-7 SHAGUFTA ARIF 35202-8720576-2	MIR MUHAMMAD SHARIF W/O ARIF SEAR	558	907	-	1,465	-	-	654	654
418	SHAHID MAHMOOD KHAN H# M/355 BALO KHEL MAKHDoom HAJI SAHIB P/O TEH DISTT MIANWALI	38302-1205677-5	MUHAMMAD AKBAR KHAN	1,534	717	-	2,251	-	-	661	661
419	GHULAM FARID CHAK NO.91/6-R P/O SAME DISTT SAHIWAL	36502-1305975-3	REHMAT ALI	2,399	736	-	3,135	-	-	635	635
420	QAMAR UZ ZAMAN CHAK KHOBAR P/O JAND WALA TEH BAHAWAL NAGAR	31101-3593052-5	MIAN MUHAMMAD ZAMAN	1,453	841	-	2,294	-	-	841	841
421	MUHAMMAD YAR ASWAN BHATTIAN P/O KHANQAH DOGRAN TEH SAFDAR ABAD	35504-0358207-5	MIRZA	800	870	-	1,670	-	-	845	845
422	ASIF IQBAL OIL MILLS MOZA KOT BAHADUR,MAKHDOM PUR ROAD KABIRWALA DISTT KHANEWAL	MUHAMMAD IQBAL 36102-8967663-9 MAHAR RIAZ HUSSAIN MAHAR 36102-2030563-7	MAHAR AHMAD MAHAR AHMAD KHAN	4,996	629	-	5,625	-	-	629	629
423	GORAYA BROTHERS SHOP NO 7 CHAUDHRY MARKET MONTGOMERY BAZAR FAISALABAD	SHAFQAT MEHMOOD 33100-8335971-7	MUHAMMAD ASHRAF	1,197	1,400	-	2,597	-	-	1,301	1,400

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
424	GHULAM QADIR VILL SADARWALI P O BADIANA TEH DISTT SIALKOT	34603-2217284-1	AHMED DIN	740	541	-	1,282	-	541	-	541
425	JAMAL FIBER MILLS 32 KM SHEIKHUPURA ROAD OPPOSITE PRIDE SPINNING MILLS FAISALABAD	SHER MUHAMMAD AWAN 35404-1628242-7 ABUBAKAR BILAL 35404-1144654-5	MUHAMMAD DIN AWAN GULZAR AHMED	6,768	682	-	7,451	-	545	-	545
426	ABDUL RASHID GOTH ABDUL RAHEEM MIRBAHAR HAKRA P O MUHAMAD PUR TALUKA TEH DISTT	45102-5593003-3	QALANDER BUX MIRBAHAR	555	49	-	605	555	49	-	605
427	MUHAMMAD NASEER GALI NO 10 MOHALA ZAID PURA HU JRA OKARA GHOTKI	35301-1886438-9	GHULAM MUHAMMAD	497	18	-	515	497	18	-	515
428	MANSOOR AHMED MIRZA HOUSE NUMBER A-7 BLOCK 1 MUHALLAH GULSHAN E IQBAL KARACHI EAST	42201-1643547-9	MANZOOR AHMED MIRZA	1,771	96	-	1,867	1,771	96	-	1,867
429	SAIN TEXTILE ENTERPRISES OFFICE NO 9-10-GOLE CHINIOT BAZAR SHAHID MARKET FAISALABAD	MUHAMMAD ASGHAR 33100-2169956-9 MUHAMMAD AKRAM 33100-0621985-1 MUHAMMAD AFZAL 33100-0700001-7 MUHAMMAD ARSHAD 33100-0693456-3 MUHAMMAD AKBAR 33100-0707991-1	ABDUL MAJEED ABDUL MAJEED HAJI ABDUL MAJEED ABDUL MAJEED ABDUL MAJEED	39,819	15,936	-	55,755	-	15,936	-	15,936
430	ABDUL RAZZAQUE GOTH HAJI MUHAMMAD KAPRI DEH SOORJANI P O ABADGAR TAULUKA BULARI SHAH KARIM DISTRICT TANDO MUHAMMAD KHAN	41602-0589022-3	ABDUL SATTAR	888	775	-	1,663	-	663	-	663
431	SANA ULLAH KHAN THATHI NOOR PO SAME TEHSIL BHALWAL DISTRICT SARGODHA	38401-6707167-7	GUL SHER KHAN	1,100	1,279	-	2,379	-	1,129	-	1,129
432	FIDA HUSSAIN CHAK NO 18 P/O AND TALUKA GOLARCHI DISTT BADIN	41102-3773222-7	MUBARAK KHAN	985	703	-	1,688	-	588	-	588

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total	
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)		
433	ZAFAR IQBAL 242 JB TEH CHINIOT DIST JHANG	33201-1577378-9	MUDY	598	511	-	1,109	-	-	503	-	503
434	FAHIM RAFIQ P 34 STREET NO 3 MOHALLAH MEHNDI GOJRA DISTT TOBA TEK SINGH	33301-9747960-7	MUHAMMAD RAFIQ	1,500	1,039	-	2,539	-	-	739	-	739
435	ALUMINIUM COMPANY OF PAKISTAN INDS. PVT. LTD. ALCOP HOUSE E-5 SURVEY SHEET NO. 36/P/1 SURVEY NO. CC 8-A BLOCK 7 & 8, K.C.H.S. UNION LTD. KARACHI	MANSOOR AHMED KUSHTIWALA 42201-0799868-9 NADEEM AHMED KUSHTIWALA 42201-6123701-5 RIZWAN SAEED 42201-8354242-1 NOMAN SAEED 42201-6479541-3 FARHAN SAEED 42301-1538776-3 REHAN SAEED KUSHTIWALA 42201-3878446-5 ILYAS AHMED KUSHTIWALA N/A	HAJI FAZAL ELLAHI KUSHTIWALA HAJI FAZAL ELLAHI KUSHTIWALA SAEED KUSHTIWALA SAEED AHMED KUSHTIWALA SAEED AHMED KUSHTIWALA SAEED KUSHTIWALA FAZAL ELLAHI KUSHTIWALA	71,157	37,476	-	108,633	-	-	13,633	-	13,633
436	IJAZ AHMED VILL CHOWKE KALAN P.O. BEGOWALA TEH SAMBRIAL DISTT. SIALKOT	34601-3339715-3	ABDUL REHMAN	1,584	1,108	-	2,692	-	-	1,042	-	1,042
437	MUHAMMAD ASHRAF ASHRAF MANZIL GALI DR A Q KHAN MOHALLAH GHOUSE PURA SIALKOT	34603-8365197-1	FEROZE DIN	2,500	1,571	-	4,071	-	-	1,521	-	1,521
438	ATLAS KNITWEAR PVT LTD SB-2 AL-AHMED PLAZA 1ST FLOOR SUITE A1 A3 BLOCK 13-C GULSHAN-E- IQBAL KARACHI	MANSOOR UL HAQ SIDDIQUI 421-60-004897 MRS.NISHAT KHURSHID 421-41-004896 AMJAD AHMED ALI 502-66-520231 MOHAMMAD SWALEH AHMED N/A	MUHAMMAD KHURSHID UL HAQ SIDDIQUI MUHAMMAD KHURSHID UL HAQ SIDDIQUI AHMED ALI SHAIKH AHMED ULLAH	7,113	5,176	-	12,289	-	-	5,176	-	5,176
439	MANZOOR AHMAD RANA MANGOWAL KALAN P/O KHAS TEH SHAHPUR SADDAR DISTT SARGODHA	38404-0529748-9	MUHAMMAD AZIZ RANA	1,100	665	-	1,765	-	-	664	-	664

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
440	MUHAMMAD KHAN NEAR EID GAH VILLAGE BATHAY WADH P/O SALHO KEY TEH DASKA DISTT SIALKOT	34601-1778654-1	MURAD ALI	2,000	875	-	-	-	825	-	825
441	FALCON FINISHING & DYEING PLANT HOUSE NO #13 REHMAN ABAD NISHAISTA CHOWK KASHMIR ROAD GHULAM MUHAMMAD ABAD FAISALABAD	SABIR HUSSAIN BABAR 33100-2872389-1	MUHAMMAD BUKSH	8,497	8,103	-	-	-	7,574	529	8,103
442	MUHAMMED NAWAZ MOUZA HAMBOANA TEH LALIAN DISTT CHINIOT	33201-5268712-3	SULTAN ALI	799	566	-	-	-	515	-	515
443	AAMIR SHEHZAD DERA BAQRI JUSPAL DOULAT PUR TEH KOTMOMEN	38401-0228203-9	SHERA	380	751	-	-	-	631	-	631
444	MUHAMMAD QAMARULLAH KHAN KHACHI ARA P.O. MIR AHMAD SHER GHARH TEHSIL SAHIWAL	38402-2468992-9	MUHAMMAD ZAFAR ULLAH KHAN	2,102	1,135	-	-	-	1,097	-	1,097
445	RAJPUT BREAD INDUSTRIES LTD A 32 S I T E HYDERABAD B-493 FB AREA-A KARACHI	RAO MUHAMMAD JASEEM 42101-1863843-5 IFZA FAHIM 42101-7313715-2	RAO MUHAMMAD TASLIM W/O.RAO MUHAMMAD FAHIM	8,000	4,541	-	-	-	1,302	-	1,302
446	MUHAMMAD ASHRAF GONDAL DHORI PO KHAS PHULARWAN TEH BHALWAL DISTT SARGODHA	38401-0286186-7	CHAUDHARY MUHAMMAD NAWAZ	1,796	1,167	-	-	-	1,163	-	1,163
447	RAO SAEED AKHTER KHAN AKHTER FARM MAZHAR ABAD P/O DEPALPUR TEHSIL DEPALPUR DISTT OKARA	35302-1999417-1	RAO MUHAMMAD AKHTER KHAN	1,500	1,228	-	-	-	1,128	-	1,128
448	RAB NAWAZ H.NO.495.MOHALLAH PURANI ABADI GUJRANWALA ROAD KHANQAH DOGRAN SAFDARABAD	35403-5508076-5	LIAQAT ALI	1,460	537	-	-	-	516	-	516
449	AWAIS AKBAR TOOR CHAK NO.105 S.B TEHSIL & DISTT SARGODHA	38403-5786659-5	TANVEER HUSSAIN	1,000	682	-	-	-	632	-	632

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
450	MUHAMMAD BASHIR & CO VILLAGE & P/O CHABBA SAND WANA TEH NOWSHRA VIRKAN DISTIC GUJRANWAL	M BASHIR 34103-427203-1	REHMAT ALI	749	582	-	1,331	-	-	582	-	582
451	HAFAEEZ UR RAHMAN BASTI GAMO WALA DAAK KHANA LODHAN SHER PUR LODHRAN	36203-9510870-1	MALIK ABDUL KHALIQ	1,400	874	-	2,274	-	-	774	-	774
452	ABDUL GHAFUOR CHAK NO 15/GB SHAMSA P O SAME TEH AND DISTT NANKANA SAHIB	35402-3581728-9	SHAH MUHAMMAD	629	651	-	1,280	-	-	651	-	651
453	PUNJAN OIL MILLS 19-KASSI VEHARI ROAD MULTAN	MUNAWAR KHALID JAVED 31201-3724837-9 SURAYYA KHADIM 31201-1927955-6 JAMSHED KHALID 31201-8910225-9 JAVED KHALID 31201-7549860-9	CH. KHADIM HUSSAIN SAFDAR MUMTAZ CH. KHADIM HUSSAIN CH. KHADIM HUSSAIN	2,000	1,560	-	3,560	-	-	1,376	53	1,430
454	MAQBOOL AHMAD CHAK NO. 27/SB P.O. SAME TEH. & DISTT. SARGODHA	3840386221601	JAMIL AHMED	800	571	-	1,371	-	-	541	-	541
455	MUHAMMAD ASLAM MOUZA AWAN ATTAR P/O SHAR GHAR TEH DEPALPUR DISTT. OKARA	3530167937193	MUHAMMAD ALI	525	757	-	1,282	-	-	682	-	682
456	CH IUAZ AHMAD BAJWA CHAK NO 145 RB WARD PURA TEH CHAK JHUMRA DISTT FAISALABAD	33101-8410503-1	CH MUHAMMAD RAFIQ BAJWA	849	572	-	1,421	-	-	572	-	572
457	FAIZ AHMAD BAJWA VILL KALAIR KOT P O RATTAT BAJWA TEH DASAKA DISTT SIALKOT	34601-2522039-1	MUHAMMAD SHAFI BAJWA	1,300	799	-	2,099	-	-	759	-	759
458	LIAQAT ALI BASTI DHAH BAKAINI MOZA BAKAINI PO BAKAINI TEH JATOI DISTT MUZAFFAR GARH	32302-8263046-5	MIAN MOHAMMAD HASSAN	1,496	782	-	2,278	-	-	678	-	678

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
459	MUHAMMAD SHAHBAZ VILL.JHADA P.O.KOT HAKIM KHAN TEH.BHALWAL	38401-4868016-1	MUHAMMAD NAZIR	620	733	-	-	-	667	-	667
460	GHULAM HUSSAIN V.P.O HAZRAT KALIYAN WALA TEH WAZIRABAD DISTT GUJRANWALA	34104-4996861-3	NAZAR MUHAMMAD	549	671	-	-	-	670	-	670
461	KHIZZAR HAYAT POST OFFICE KARAM PUR DHALO TEHSIL MAILSI VEHARI	36602-5871109-9	KHAN MUHAMMAD KHAN	3,607	5,832	-	-	-	5,743	-	5,743
462	MUHAMMAD ALI PATOLI MUHALLAH MATLI POST OFFICE MATLI TULKA MATLI DISTT. BADIN	41103-3508066-7	MAJEED	2,000	1,807	-	-	-	1,607	-	1,607
463	GHULAM SHABIR MASTOI HOUSE NO.B-13 SCARP WAPDA COLONY NAUSHERO FEROZE TEHSIL DISTRICT NAUSHAHRO FEROZE SINDH MAIN ROAD NAUSHARO FEROZE	45302-0384972-5	GHULAM MUHAMMAD MASTOI	2,493	1,051	-	-	-	843	-	843
464	MUHAMMAD HUSSAIN VILLAGE SIDHAR WALI P O BADIJANA TEH & DISTT SIALKOT	34602-5410920-3	SHUKAR DIN	2,499	1,183	-	-	-	1,082	-	1,082
465	MAWAZ KHAN V CHAK NO 23 MB PO 24MB TEH/D KHUSHAB	38201-1254125-9	GHULAM HAYDER	1,496	1,353	-	-	-	1,350	-	1,350
466	CH RASHEED AHMED CHISHTIAN ROAD MUDASSIR SHAHID SATRAIT MADINA TOWN BAHAWALNAGAR	31101-7554466-1	CH FAZAL AHMED	1,500	1,464	-	-	-	1,318	-	1,318
467	AFTAB AHMAD 214 RB DHUDHIWALA H NO P 20 ST NO 1 NOOR PURA	37203-2262287-5	MALIK JEHAN KHAN	1,600	391	-	-	-	391	-	1,991
468	MUHAMMAD FAISAL GALI NO 9 ASIF GENERAL STORE JHANDA CHICHI	37405-7421388-3	MOHAMMAD HAFEEZ	936	228	-	-	-	228	-	1,164
469	JAMSHAD KHURSHAD BHATTI PLOT NO:D-04/249,AKHTER COLONY KARACHI	37405-6881532-5	KHURSHAD MASIH	499	122	-	-	-	122	-	621

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
Rupees in '000												
470	SYED NADEEM RAZI H NO R 481 SECTOR 10 NORTH KARACHI NEAR HABIBIA MASJID	42201-3407551-7	HASEEB UR REHMAN	912	171	-	1,084	912	-	171	-	1,084
471	IMRAN D-V/ 280 USMANIA COLONY DODA VILLAGE GULBAHAR NEAR REHMANIA HOTEL	42101-1879723-3	MANZOOR AHMED	472	116	-	589	472	-	116	-	589
472	UMAR MUHAMMAD YOUSUF ABDULSATTAR HOUSE # 158, B-BLOCK GULFISHAN COLONY, JHANG ROAD	65933-1100002-1	M ABDUL YOUSUF SATTAR	496	115	-	611	496	-	115	-	611
473	RUBINA LIAQAT HOUSE#P-47-A BHARWAL COLONY ABC ROAD	34601-1553116-2	MALIK MUHAMMAD LIAQAT	498	97	-	595	498	-	97	-	595
474	MUHAMMAD ALI H NO B-III ASIF COLONY MP RD	42401-5571997-5	AHMED WALI	749	174	-	923	749	-	174	-	923
475	ZEB A GULSHAN JAVED FLAT 302 B BLOCK 3RD FLOOR NAZ PLAZA MA JINNAH ROAD NEAR GUL PLAZA AND ELECTRONICS MARKET	42401-0699489-6	GULSHAN JAVED MASIH	451	97	-	548	451	-	97	-	548
476	NAVEED AHMAD HOUSE# 40-A BLOCK#D PCSIR STAFF COLONY COLLEGE ROAD	35201-1271769-9	GHULAM HUSSAIN	786	146	-	932	786	-	146	-	932
477	KIRAN TANVEER HOUSE # 591 MOH SARFARAZ COLONY MAIN BAZAR PAHARI GROUND FOWARA CHOWK NEAR DILPAZIR MEDICAL STORE	33102-8223101-4	TAIMOOR HUSSAIN	500	123	-	623	500	-	123	-	623
478	SAIMA BATOOL ROOM NO. 418 4TH FLOOR PBC RADIO PAKISTAN SECTOR G-5	37405-0567962-4	SYED HADI HUSSAIN	483	122	-	605	483	-	122	-	605
479	MUHAMMAD MUSSADIQ BUTT OFFICE # 2 FIRST FLOOR USMAN PLAZA NEAR SHARIF MOTORS WEST CANAL ROAD	35202-1637668-5	AGHA MUHAMMAD SHAREEF	495	107	-	602	495	-	107	-	602

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
480	SYED ZAFAR ADNAN H NO 138 K BLOCK JOHAR TOWN	35201-9102433-3	SYED HAMID ALI	541	126	-	667	541	-	126	667
481	SHAHBAZ ALI HOUSE NO 1-C SHAH KAHWAR TOWN BHATTA CHOWK DEFENCE ROAD NEAR BHATTA CHOWK DHA MALL	35201-7796872-5	MUKHTAR AHMED	437	68	-	506	437	-	68	506
482	AHMED SAEED HOUSE # 780/A BAHRIA TOWN	33100-1793304-9	MUHAMMAD USMAN ALI	489	116	-	605	489	-	116	605
483	ZAHOR AHMED STREET KHATIKAN WALI INSIDE KHALI GATE	34101-0269955-3	ABDUL QADOOS	1,117	210	-	1,327	1,117	-	210	1,327
484	SYED MUFAKHAR HUSSAIN 80 ABDALI ROAD FAYSAL BANK LTD	36302-1630369-5	SYED SABIR HUSSAIN	632	170	-	802	632	-	170	802
485	ABDUL SAMAD SHAIKH FLAT # A-105 ROOF LAKE DRIVE GULISTAN E JOHAR BLOCK 18 NEAR PERFUME CHOWK	45501-6901214-1	ABDUL SATTAR	970	196	-	1,166	970	-	196	1,166
486	ALI NAWAZ CHEEMA HOUSE # 30/3 12TH LINK SARWAR ROAD NEAR: ZAKIR TIKKA LAHORE CANTT	35202-9337058-5	BABAR NAWAZ CHEEMA	491	102	-	593	491	-	102	593
487	MURSALEEN 68-HABIB HOMES, PECO ROAD, TOWNSHIP, PUNJAB	35202-7516679-5	MEHMOOD ALI	557	100	-	657	557	-	100	657
488	M FAYYAZ KHALID 20-E MODEL TOWN	35202-6743199-3	MUHAMMAD TUFAIL	608	111	-	719	608	-	111	719
489	MOHAMMAD IMTIAZ KHALID HOUSE# 311,MARGALLA ROAD, SECTOR F-10/3, PUNJAB	61101-2772459-9	Muhammad Riaz Ul Haq	469	61	-	530	469	-	61	530
490	SHABBIR AHMAD HAIDER PARK,HAIDER STREET, MAIN OUTFALL ROAD,ISLAMPURA, H# 16, LAHORE, PUNJAB	35202-2967398-3	ABDUL AZIZ	595	117	-	712	595	-	117	712
491	MOHAMMAD AMIR 177.STR# 10, CAVALRY GROUND EXT PUNJAB	35201-2819459-3	ABDUL AHAD KHAN RAO	555	121	-	675	555	-	121	675

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
492	SHAHID LATIF HOUSE# 163 B STREET 10 NEAR CENTRAL AVENUE PHASE 1 BAHRIA TOWN	37405-0647203-3	ABDUL LATIF KHALID MINHAS	451	101	-	552	451	-	101	552
493	MALIK SHAFIQ UR REHMAN HOUSE # 165 BB PHASE # 4 DHA CANTT	35200-1574362-3	UMAR HAYAT AWAN	400	114	-	514	400	-	114	514
494	MOHAMMED ALI SHYHAKI F-3, SUITE NO 301, PLOT NO 124 N, KHYABANE MUSLIM, DHA PHASE 6, TAHA HOMES,	42301-1030160-9	ALI SHYHAKI	480	82	-	562	480	-	82	562
495	ANJUM AZHAR 32/51 B STREET 03 DHA PHASE 06 LAHORE	37405-8612020-0	M AZHAR MALIK	575	139	-	714	575	-	139	714
496	ZOHAB RAZA H NO 9D CANAL PARK HOUSING COLONY HAROON ABAD DIST BAHAWALPUR	31104-9122662-1	BASHIR AHMED	402	113	-	515	402	-	113	515
497	CH MUHAMMAD NASIR RASHEED HOUSE#SN 945 MOHALLAH CHAUDHARY COLONY SHAMSABAD RAWALPINDI	37405-9892596-5	CH MUHAMMAD RASHEED	482	103	-	585	482	-	103	585
498	MUHAMMAD ZUBAIR HOUSE#64, STREET NO-4, SABZI MANDI ROAD, BLOCK#5, NEAR, AL AZIZ MARRIGE HALL KHANEWAL	36103-3873316-9	M JAMIL	979	175	-	1,154	979	-	175	1,154
499	UMER AKBAR SHAH H NO 24 BLOCK P PHASE 1 DHA LAHORE	35202-8501763-9	PEER AKBAR SHAH	499	99	-	598	499	-	99	598
500	FAHAD AZIZ PLOT NO WS-1 M.N APPARTMENTS 1ST FLOOR FL-1 BLOCK-2 CLIFTON OPP BILAWAL HOUSE KARACHI	42301-2378247-9	ABDUL AZIZ	499	133	-	632	499	-	133	632
501	SIKANDER IQBAL CHOUDHRY MADINA COLONY, NEW GHALLA MANDI HOUSE# 94, MULTAN,PUNJAB.	36302-0421637-9	M IQBAL CHOUDHRY	1,041	239	-	1,280	1,041	-	239	1,280

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
502	MIRZA RAHEEL AKHTAR STREET CHANDA FAN WALI SHAHDOLA ROAD CHAH BERI WALA GUJRAT	34201-3938237-7	MIRZA MUHAMMAD NAWAZ	495	95	-	591	495	-	95	591
503	MUNSIF ALI H#RC 5/31 BLK R USMNA GHANI COLONY NEAR MASJID E SAKHRA NORTH NAZIMABAD, KARACHI	42101-0748722-9	FAQEER GULL	462	131	-	593	462	-	131	593
504	SHEIKH TARIQ AMEER HOUSE#6297 WARD#07 MOHALLAH USMANIA TEHSIL KEHROOR PACCA LODHAN CITY MULTAN	36202-3091360-7	SHEIKH MUHAMMAD	836	310	-	1,146	836	-	310	1,146
505	MOHAMMAD BABAR HOUSE # 1196/B, SAYZING STREET, MOHALLA CHA KHAIJI WALA, KAMALIA DIST. TOBA TEK SINGH	33302-8821497-1	MUHAMMAD HANIF	496	119	-	615	496	-	119	615
506	AZHAR WALI MOHAMMAD HOUSE NO 507 (BASEMENT) STREET NO 128 SECTOR G-9/3, ISLAMABAD	42301-2788584-9	WALI MUHAMMAD	654	67	-	722	654	-	67	722
507	SYED HASNAIN ABBAS KAZMI HOUSE NO. 94/A E-BLOCK SATALITE TOWN RAWALPINDI	37405-0271116-3	S TAJAMAL HUSSAIN	499	119	-	618	499	-	119	618
508	ASAD ALI 154/2 A BLOCK MODEL TOWN LAHORE	35401-0417715-7	MUHAMMAD ASIF	485	74	-	558	485	-	74	558
509	MALIK NADEEM YAQOOB HOUSE NO 77 BLOCK B-1 WAPDA TOWN GUJRANWALA	34101-3758556-9	MALIK YAQOOB	611	157	-	768	611	-	157	768
510	NAWMAN AHMED HOUSE# D 11 PHASE 3 NHS KARSAN KARACHI	42301-4568587-7	SIDDIQUE AHMED	914	216	-	1,130	914	-	216	1,130
511	TANVEER AHMAD H NO 1 ST 20 AHATA THANEDAR AZIZ ROAD CHAH MIRAN 'NEAR HBL WASSAN PURA BR, LAHORE	35201-6959081-7	NAZIR AHMAD	413	110	-	522	413	-	110	522

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.		Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name		Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
						Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
512	MUHAMMAD NASEER KAYANI DAKHANA ALI PUR FARASH MAJOHAN TEH ZILA ISLAMABAD	61101-4758294-3	M SAID KAYANI	496	113	-	609	496	-	113	-	-	-	609
513	SHAHZAIB AHMED NOON H # 109 MOHALLAH KHALID COLONY MULTAN	36302-7346395-7	RANA SHAHZAD AHMED NOON	641	142	-	783	641	-	142	-	-	-	783
514	MUHAMMAD YASIR KHAN DURRANI HOUSE NO. 77-A MAIN JINNAH STREET, SECTOR 1, AIRPORT HOUSING SOCIETY NEAR GULZAR E QUAID, RAWALPINDI	16101-9549769-9	ABDUL SATTAR KHAN DURRANI	462	130	-	592	462	-	130	-	-	-	592
515	NOMAN SHAHID H NO C 26 PHASE 2 FAZAL TOWN NEAR DOGA PLAZA RAWALPINDI	37405-7679696-7	SHAHID AHMED KHAN	494	143	-	638	494	-	143	-	-	-	638
516	ABDUL WAHEED VIRK HOUSE NO 247 NASHTAR BLOCK ALLAMA IQBAL TOWN LAHORE	34101-0306395-5	M TUFAIL	483	106	-	589	483	-	106	-	-	-	589
517	MUHAMMAD ZAHID MUGHAL C/O HIDAYAT ULLAH MUGHAL PO BOX KHAS VILLAGE DHONIKI TEHSIL WAZIRABAD DISTT GUJRANWALA	34104-1130124-9	HADAYAT ULLAH MUGHAL	977	151	-	1,128	977	-	151	-	-	-	1,128
518	MUHAMMAD IQBAL P/O KHAS CHAK NO 26/BC NEAR HBL ADDA 13 SOLING BAHAWALPUR	90403-0178552-3	MUHABAT ALI	481	103	-	584	481	-	103	-	-	-	584
519	SARDAR ALI HOUSE NO.251, SABRI STREET, DARBAAR MAHAL ROAD NEW MUSLIM TOWN, BAHAWALPUR	31205-8439764-9	SHEIKH BASHIR AHMED	498	113	-	611	498	-	113	-	-	-	611
520	MUHAMMAD SHAKEEL FAIZ HOUSE# A/393, ST# 22 MOHAN PURA, RAWALPINDI	37405-0309162-5	Not Available	598	136	-	734	598	-	136	-	-	-	734
521	SHAHID MAHMOOD KHOKHAR HOUSE NO 1 SAFETY HOMES LANE NO 1 OPPOSITE SULEMAN SWEETS SIALKOT ROAD, GUJRANWALA	34101-2533680-7	Not Available	637	123	-	760	637	-	123	-	-	-	760
522	AMIR MAHMOOD GULBERG III 133-E/1 LAHORE	35202-0217788-9	Not Available	621	136	-	756	621	-	136	-	-	-	756

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
523	REHAN UZ ZAMAN P 3872 IST FLOOR MCB BLDG HAJIABAD ROAD SHEIKHUPURA ROAD FAISALABAD	33100-09000046-7	SIKANDAR IQBAL	1,056	205	-	1,261	416	205	-	621
524	AHMED SHARIF FLAT # 3 BANGSAR PLAZA COMMERCIAL MARKET RAWALPINDI	61101-7367870-7	WADEEM ANWAR	1,057	221	-	1,278	307	221	-	528
525	GHULAM MURTAZA KHAN HOUSE #42-S KHUDA BAKSH HOUSING SOCIETY ALLAMA IQBAL AIRPORT LHR CANTT LAHORE	35202-2440691-9	WASAL KHAN	942	142	-	1,084	382	142	-	524
526	KHALID PARVAIZ HOUSE #42/II KHYABAN-E-HILAL PHASE-VI, D.H.A. KARACHI	42301-3495760-7	Not Available	1,024	131	-	1,155	444	131	-	575
527	ABDUL WAQAR WAQAR BUILDERS, FLAT NO. 01, MUSTAFA APARTMENT, MURAD MEMON GOTH, TEHSIL MALIR, KARACHI	42501-1392782-1	ABDUL GHAFAR	1,184	313	-	1,497	434	313	-	747
528	QASIM HUSSAIN CHAH QADIR WALA POST OFFICE PEER JAGI PANAH A SMAA L GHARBI TEHSIL & DISTRICT LAYYAH	3220316576687	WAHID BAKHASH	843	99	-	942	792	170	-	962
529	GHULAM QADEER SABIR NEW GHALA MANDI MUHALLAH KOT PEER MASTAN SHAH MULTAN	3630275947703	ABDUL MAJEED	422	50	-	472	422	102	-	524
530	MUHAMMAD ALTAF BASTI BANGALA GARDAIZ PUR SHUJABAD	3630426259369	FAIZ BUX	687	118	-	805	687	146	-	833
531	QAISER EHSAN H#19 ST#13 BANK COLONY SAMAN ABAD LAHORE	3520269549917	EHSAN ULLAH	626	107	-	732	626	155	-	781
532	MUHAMMAD SHAKEEL HOUSE NO. 2 STREET NO. 1 MOHALLA CAPRI PARK FAISALABAD ROAD SHEIKHUPURA	3540404079171	REHMAT ALI	757	90	-	847	757	168	-	925
Unconsolidated				5,458,793	3,742,146	-	9,199,755	2,315,683	3,575,381	10,847	5,901,140

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal			Total			Un-Debited (Waiver)	Debited (Reversal)	
				Principal	Mark-up (Debited + Undebited)	Other Charges						
533	MUHAMMAD BILAL AWAN DAIWALA P/O BATA PUR LAHORE	3520164047933	MUHAMMAD IQBAL	704	82		786	704	181			885
534	BAKHT ALI R-221 3RD FLOOR BLOCK 10 BAKHTAWAR GOTH GULISTAN JOHAR KARACHI	3230180472625	KHUDA BAKHSH	427	74		501	427	145			573
535	AZMAT ALI PLOT # 1003 STREET # 33 MEHMOOD ABAD PECHS KARACHI	4210115163963	MUHAMMAD ALI	470	83		553	455	134			588
536	MUMTAZ HUSSAIN POST OFFICE KHAS CHAK NUMBER 244 J B TEHSIL BHAWANA DISTRICT CHINIOT	3340303770995	UMAR HAYAT URF UMARA	550	66		616	550	137			687
537	ASIM MUKHTAR H#84,MUHALLA MIRAJ PARK BEGUM KOT SHAHDARA LAHORE	3520211736473	MUKHTAR HUSSAIN	690	95		786	690	182			872
538	ALI HAIDER H 308 MOHALLA G T ROAD SHALIMAR CHOWK BAGHBANPURA LAHORE	3520180651385	MUHAMMAD RIAZ	669	88		757	669	159			828
539	MUHAMMAD RIZWAN HUOUSE NO 39 STREET NO 3 MUHAJAR COLONY LIAQAT PUR RAHEEM YAAR KHAN	3130209119023	M GULZAR	791	88		879	791	189			981
540	ALLAH BUX CHAK NO 152A/TDA PO LADHANA TEHSIL & DISTRICT LAYYAH	3220334744767	HAJI FAQEER MUHAMMAD	821	70		890	821	170			991
541	ABDUL LATIF LAKRAN VALA DEPALPUR LAKRAN VALA DEPALPUR	3530109099549	MUHAMMAD SHARIF	394	53		447	394	112			506
542	ABDUL GHAFFAR NEAR MASJID QUBA KHAN PARK MOHALLA SEGHAL GARDEN DIJKOT	3310020049943	MUHAMMAD YAQOOB	462	59		521	462	113			575
543	SHAHERYAR P/O SHORKOT CITY KAKI NOO DOEM TEHSIL SHORKOT DISTRICT JHANG	3320391321521	MUHAMMAD HAYAT	1,000	172		1,172	938	203			1,141
544	MARRIYUM INAM ULLAH KHAN H-87 STR-3 A ONE COLONY GULBERG A ONE COLONY GULBERG	3520015008992	CHAUDRY ANAM ULLAH KHAN	380	69		449	380	131			511

Rupees in '000

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II*Rupees in '000*

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
545	MUHAMMAD QASIM ABRO VILLAGE DUR MUHAMMAD P.O KAKAR DUR MUHAMMAD TALUKA KHAIRPUR NATHIN SHAH DISTT DADU	4130687613533	ALLAH WARAYO ABRO	800	74		874	634	143		777
546	BASHART ALI SATHYALI P.O. CHAK QAZIAN SHAKAR GARH NAROWAL	3450215835171	ABDUL RASHEED	405	57		462	405	122		527
547	ABDUL JABBAR GOTH DARGAHI P/O CHAK NO.181/NP TEHSIL SADIQABAD DISTT. RAHIM YAR KHAN	3130498163459	DHENGANA	790	70		860	686	139		826
548	HAJI MUHAMMAD ASHIQ CHA BARI WALA P/O KHAS GOGRA	3620318160663	RANA MUHAMMAD SADIQ	392	62		453	392	116		508
549	MUHAMMAD IMTIAZ ST # 2 IQBAL NAGAR MARZI PURA BUREWALA VEHARI	3660198121283	HAJI MUHAMMAD IQBAL	636	90		726	636	168		804
550	JAMSHAD HAIDER POST OFFICE KATH YALA WARKAN BIDAD PUR TEHSIL MUREEDKAY DISTRICT SHEIKHUPURA	3540504139795	MUHAMMAD BUTA	495	0		495	470	80		550
551	ARSHAD IQBAL LALOWALI P/O SAME SARGODHA	3840339454985	BHOLA	418	63		480	418	111		529
552	ITTEFAQ ITTEFAQ JAVAIID NAGAR , POBOX KOTABDUL MALIK , FEROWZALA	3540154853117	MUHAMMAD RAMZAN	913	114		1,027	913	228		1,141
553	MUHAMMAD SHAKEEL CHAK NO 419 EB BUREWALA VEHARI	3660120672459	MUHAMMAD HUSSAIN	999	56		1,055	757	71		828
554	MUHAMMAD USMAN TAHEAT POST OFFICE CHAND RAAY LAHORE	3520248117243	MUHAMMAD AFSAR	1,000	34		1,034	966	142		1,108
555	SHABBIR HUSSAIN POST OFFICE KAAHNA NO AHLO TEHSIL LAHORE CANTT DISTRICT LAHORE	3520153101081	DARA	500	20		520	461	59		519
556	KHURASHEED AHMED TALLAT PARK MAIN BUND ROAD LAHORE	3520247608039	ALLAH DITTA	398	54		452	398	117		515

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000												
S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total	
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)		
557	NASIR MEHMOOD NEAR GRID STATION MUHALLA SALAMAT PURA WARBURTON TEH & DISTT NANKANA SAHIB	3550102196289	RUSTAM ALI	1,000	110		1,110	1,000	222		1,222	
558	RAAJ KUMAR PARO SAWAI ROAD SHAHDADPUR SANGHAR	4420452508937	ASOO MAL	398	72		470	398	127		526	
559	MUHAMMAD FARAZ RAKKA CHAND RAY HOUSE NUMBER 286 MOHALA G AWALAH COLONY LAHORE CANTT DISTRICT LAHORE	3520117814029	MUHAMMAD YOUNAS	495	9		504	470	79		550	
560	HAMMAD AZEEM PARACHA H#286,MUHALA TARIQ ABAD,KHANEWAL H#286,MUHALA TARIQ ABAD,KHANEWAL	3610365287617	HAFAEEZ AHMAD PARACHA	537	84		621	537	133		670	
561	MUHAMMAD IRSHAD PURAB P.O RAVI RIYAN FEROWZ WALA DISTRICT SHEIKHUPURA	3540158563169	BARKAT ALI	800	10		810	470	101		571	
562	MUHAMMAD ASHRAF STREET NO.1 ELYAS COLONY SADIQABAD RAHIM YAR KHAN CHAK NO.132/P P/O 158/P SADIQABAD	3130464403597	MUHAMMAD HUSSAIN	700	135		835	700	208		908	
563	MUHAMMAD SAFYAN CHAK NO 44 TARA GARH P/O KHAS PATTOKI KASUR	3510357371629	MUHAMMAD YOUNAS	646	114		760	646	157		804	
564	JUNAID JAVED H NO.5 FAROOQ-E-AZAM STREET REHMANPURA LAHORE	3520209769735	JAVED IQBAL	1,000	43		1,043	942	141		1,083	
565	JAVED KHAN VILL:GUJREE PO SANGHAR SANGHAR	4420338363605	SHER ALLAH KHAN	420	53		473	420	119		539	
566	MUHAMMAD IRFAN SHAKAR GANJ H#04 sT#10 SYED PUR MULTAL ROAD LAHORE	3520205555647	MALIK REHMAT ALI	395	60		454	395	115		509	
567	MEHBOOB KHAN FAROOQ E AZAM P/O KOT SULTAN SUHARA WASAWA LAYYAH	3220301379273	MANZOOR AHMAD	660	70		730	660	157		816	

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total	
				Principal	Mark-up (Debited + Undebited)	Other Charges			Total	Un-Debited (Waiver)		Debited (Reversal)
568	KUHRAM JUNAID H # 16 ST# 24 MOHALA NAZAAM ABAD KOT KHWAJA SAEED LHR	35202325333393	JAMSHAID IQBAL	927	157		1,084	927	244		1,171	
569	WASEEM SHARIF GALI MOLVI HABIB ULLAH WZD H#II/3S/12 WAZIRABAD	3410423148025	MUHAMMAD SHARIF	446	69		515	446	110		557	
570	DAWOOD AHMAD CHAK NO 451 EB BUREWALA VEHARI	3660109319043	MAHBOOB AHMAD	693	92		785	693	131		824	
571	MUHAMMAD NASIR PO RAJANA CHAK 536 GB BHAGAT ESCAPE TEHSIL & DISTT T.T. SINGH	3330352857103	MUHAMMAD YASIN	488	81		570	488	129		617	
572	HASSAN RAZA BUKHARI NAZD NEW KHAN ADDA JALALPUR ROAD MOHALA HASHMI COLONY SHUJA ABAD DISTRICT MULTAN	3630428712777	KARAMAT HUSSAIN SHAH	1,000	-		1,000	941	140		1,080	
573	MUHAMMAD ZUBAIR GULSHAN COLONY STREET #11 GOGIA SHAHAB DIN BUNDROAD LAHORE	3520215327927	ABDUL MAJEED MANA	885	130		1,015	885	213		1,098	
574	SHAH ZAIB BEROON PAK GATE HOUSE NUMBER 9 35 MOHALA SHATRANJI BAF MULTAN	3630265398691	NAZAR HUSSAIN	579	105		684	579	133		711	
575	AKHTER ALI CHAK NO 275 EB POST OFFICE KHAS BUREWALA VEHARI	3660195083437	MUHAMMAD AKBAR	515	73		588	515	134		649	
576	USMAN ALI POST OFFICE KHAS JAAQIR BASEEEN TEHSIL AND DISTRICT GILGIT	4220123799015	SHER AHMED KHAN	750	-		750	730	115		845	
577	ABDUL GHAFFAR NEW CENTER JAIL ROAD HOUSE #1-A MOHALLA SUNSHINE COLONY MULTAN	3630265331447	ABDUL GHAFOR	757	92		849	378	177		556	
578	MUHAMMAD GULZAR KHALIQ H # 16 GULSHION FAZAL COLONEY BWP	3120240638589	ABDUL KHALIQ	997	118		1,115	997	257		1,254	
579	MOHAMMAD ZAMAN BHIRI KHURD P/O KHAS NOSHEHRA	3410371226527	MOHAMMAD MANSHA	800	30		830	524	67		592	

Rupees in '000

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
Rupees in '000												
580	MUHAMMAD ASGHAR BASTI RAJPUTAAN WALI POST OFFICE KAAHNA NO. AHALO TEHSIL LAHORE CANTT DISTRICT LAHORE	3520187924213	FAJR UD DIN	495	21		516	470	71			541
581	MOHAMMAD SOHAIL JAJI H NO 87-LDA BEGUM PURA LAHORE	3520119161059	MOHAMMAD SIDDIQUE	873	99		972	873	203			1,076
582	MUHAMMAD RAMZAN CHAK NO 439 EB BUREWALA VEHARI	3660110874877	MUHAMMAD HUSSAIN	555	64		619	555	122			678
583	MUNIR SULTAN HF#1 CHOUDHRY PARK RASHID ROAD BILAL GUNJ	3520243492313	NAZIR AHMED	744	-		744	744	185			929
584	ABDUL RAZZAQ H#3 ST#A-6 BLOCK SHAH DEEN PARK DAROGHWALA LHR.P.O BAGHBANPURA TEH. LAHORE CANTT & DIST. LAHORE	3520113141865	BARKAT ALI	722	90		812	722	162			883
585	MUHAMMAD HANIF HOUSE NUMBER 1 MOHALA WARD NUMBER 1 B R B PUL JALO MOR LAHORE CANTT DISTRICT LAHORE LAHORE	3520114544285	GULAAB KHAN	502	103		605	502	159			661
586	MUHAMMAD ASLAM CHAK NO 423 B TDA PO 388 TDA LAYYAH	3220328741875	MUHAMMAD IQBAL	518	69		588	518	132			650
587	ABID ALI H NO 2 STREET NO 6 MOHALLA QUAID MILLAT COLONY CHUNGI AMAR SIDHU LAHORE	3520277323577	NIYAMAT ALI	500	12		512	443	75			518
588	MUHAMMAD SAJID AHLO P/O KAHNA NU LAHORE	3520234647997	MUHAMMAD JAVED	495	21		516	441	73			515
589	ABDUL QAYYUM AMAD GARDEN SALEEM TOWN KAHINA NU LHR	3520172128675	ABDUL REHMAN	433	84		517	433	130			563
590	MUHAMMAD AZIZ H# 28 E14/6 ARIF ABAD 1	3520116854695	GHULAB DIN	833	-		833	833	198			1,031
591	SYED AZHAR UDDIN AHMED TARIQ PLAZA FALAT # D 6 PLOT # 7 SIBLOCK C NAZIMABAD KARACHI	4210154843779	SYED IKRAMUDDIN AHMED	396	75		472	396	130			527

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)	
Rupees in '000											
592	MUHAMMAD IRFAN GALI SHAH PUR KANJURA MOHALA BAHTI TEH LAHORE DIST LAHORE 03097419305	3520245241031	MUHAMMAD LATIF	404	78		482	404	119		523
593	SHAIKAT ALI FEROZ PUR MUHALA DULO KALAN GLAXO FECTORY LAHORE	3520133650403	JAFAR HUSAIN	488	79		568	488	134		622
594	ZAHID HUSSAIN BASTI Rajpota ALOKI P/O KAHNA LAHORE	3520180838929	MUHAMMAD ASLAM	495	43		538	489	84		573
595	RAHIB ALI QAIM KHAN THARI MIR WAH KHAIRPUR SINDH	4520689944521	ALLAHWARYO	480	47		527	438	88		526
596	MUNEER AHMED W.NO 2 MOHALLA MIR MUHAMMAD DIGRI MIRPURKHAS	4410102055153	Mir Abdul Kahliq	408	68		476	408	125		533
597	ZEESHAN ALI P.O. QILLA KALAR WALA MOHALLA LAL PURA TEHSIL PASRUR DISTT. SJALKOT	3460298919589	MUHAMMAD KHALID	565	71		635	565	138		702
598	MOHAMMAD FAHEEM ASLAM NATIONAL HOSPITAL MULTAN ROAD PHOOL NAGAR TEHSIL PATTOKI DISTRICT	3610312688249	MOHAMMAD ASLAM	963	166		1,129	963	264		1,228
599	ABID MEHMOOD ST # 2 IQBAL NAGAR MARZI PURA BUREWALA VEHARI	3660167102617	MUHAMMAD IQBAL	670	89		759	670	166		836
600	MUHAMMAD IRFAN BERONE SOHA BAZAR CHOWK RANG BAZAR HOUSE NO F-763 LAHORE	3520284519915	ABDUL RASHEED	495	43		538	489	83		572
601	SHEIKH MAKHDOOM ALI SHAHZAD CLOTH MARKET SHERAWALA GATE AZAM CLOTH MARKET LAHORE	3540117922111	SHEIKH ZAHOOOR AHMED JAFRI	787	-		787	751	128		879
602	MUHAMMAD ALMAS NUTT P/O BATA PUR LAHORE LAHORE	3520162285929	MUHAMMAD ABBASS	719	74		793	719	153		872
603	IFTIKHAR ALI BERKI CHAK NO 439 EB POST OFFICE SA BUREWALA VEHARI	3660146853245	MUHAMMAD HUSSAIN	566	74		639	566	151		717

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning				Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total
				Principal	Mark-up (Debited + Undebited)	Other Charges	Total			Un-Debited (Waiver)	Debited (Reversal)	
604	SHAHNAWAZ NEAR STADIUM GROUND CHANNA MUHALLA JACOBABAD	4310253006821	ESSA	500	12		512	445	83			528
605	NUSRAT NISAR AHMED WAZIR ALI H # E710 MOHALA SYEDON SHAH COLONY APAR MALL LHR	3520112758592	NISAR AHMED	411	80		491	411	124			535
606	DILAWAR ALI ALI M-6 GHULAM HUSSAIN COLONY MUBARAK COLONY HYDERABAD	4130266305297	GHULAM ALI	421	69		491	421	141			563
607	ABDUL RAHEEM UJJAN VILLAGE GUL MOHAMMAD UJJAN PO THARO SHAH TALKA BHIRYA DISTRICT N FEROZE	4530143971155	ABDUL RAOUF UJJAN	500	117		617	500	155			655
608	MUHAMMAD RIAZ H # 10-A-ST#01, MOHALA RAJPOOT PARK SHAD BAGH LHR TEH. LHR CITY DIST. LHR	3520213345539	MUHAMMAD HEERA	473	72		545	473	136			609
609	NAVEED ANWAR HOUSE NO 13 W BLOCK HOUSING SCHEME BUREWALA VEHARI	3660105402087	MUHAMMAD ANWAR	494	-		494	494	111			605
610	LAL ZUBAIRA STREET#2, MOHALA BILAL PARK BEGUM KOT SHADRA LAHORE	3520268889870	MASRI KHAN	937	134		1,071	937	221			1,158
611	ABDUL AZIZ GAON RASHEED KHIBAR POST OFFICE KHIB AR KHABRANI TEHSIL AND DISTRICT MATYARI	4130558133825	WAKYO KHAN	500	1		501	474	95			570
612	TAHIR MAHMOOD GHAWIND LAHORE CANT LAHORE	3520112060739	DURAB KHAN	971	134		1,105	971	258			1,229
613	ZAHID IQBAL BASTI GHUNIAN KHAN PUR	3130199197819	ABDUL RAZZAQ	400	129		529	400	129			529
614	IJAZ HUSSAIN KOT YAQOOB POST OFFICE MURIDKE	3540503611449	GHULAM QADIR	468	67		535	468	135			603
615	MUHAMAD YOUSAF KANA LABANA P.O KHAS MURIDKAY SHAIKUPURA	3540106304663	NAWAB DEEN	879	111		990	879	228			1,107

Details of advances written-off

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2021

ANNEXURE II

Rupees in '000

S. No.	Name & Address of the Borrower	Name of Proprietor/Partners/ Directors (with NIC No.)	Father's /Husband's Name	Outstanding Liabilities at the beginning			Principal Write-off	Mark-up & Other Charges Write-off	Other Financial Relief Provided		Total	
				Principal	Mark-up (Debited + Undebited)	Other Charges			Un-Debited (Waiver)	Debited (Reversal)		
												Total
616	NASIR ALI HOUSE NUMBER FS 74/8 MOHALA F SOUTH MALIR TOUSEE COLONY	4220102614407	RIASAT ALI	500	10		510	435	81		515	
617	MUHAMMAD JAFAR BASTI RANGPUR,P.O LODHRAN KOTLA ALI DASTI	3620318436959	NOOR MUHAMMAD	488	63		551	488	118		607	
618	SARFRAZ ALI MOHALLA JANDIALA ROAD MIRAJ PURA	3540454823525	MUHAMMAD TUFAIL	447	54		501	447	101		548	
619	MUHAMMAD TARIQ HOUSE NO.7 STREET NO.7 MOHALA AMIR TOWN HARBANS PURA LHR	3520190485591	HAJI SUFI MUHAMMAD ALI	791	94		886	791	199		990	
620	TARIQ MEHMOOD CHAK NO 461 EB BUREWALA VEHARI	3660138409055	GHULAM QAMAR	1,000	24		1,024	548	63		611	
621	KHALID HUSSAIN MOHALA MIR COLONY TANDO JAM HYDERABAD	4530228745215	MUHAMMAD UMAR KHOKHAR	388	59		447	388	121		509	
622	SABIR HUSSAIN AWAN DAYWAL P/O BATAPUR LAHORE	3520148961395	BARKAT ALI	848	135		983	848	210		1,058	
623	AFTAB AFZAL NAZD SHAMS BAGH MOHALLA GILLANI UCH SHARIF TEHSIL AHMEDPUR EAST DISTRICT BAHAWALPUR	3120171915547	MUHAMMAD AFZAL	800	5		805	702	89		791	
624	JHANGEER AHMED CHOUDHRY NEAR TAKIA SARDAR SHAH H#18 S#5	3520259175249	CHOUDHRY REHMAT ALI	814	91		905	814	190		1,004	
625	SHAHID IQBAL TAR GHAR LAHORE	3520013989281	HAKIM ALI	429	-		429	429	143		572	
Consolidated				5,520,686	3,748,942	-	9,268,445	2,374,770	13,908	3,575,381	10,847	5,974,135

For the year ended December 31, 2021

The particulars of disposal of fixed assets to related parties are given below:

Description	Original cost	Accumulated depreciation	Book Value	Sale proceeds	Mode of disposal	Particulars of buyer

------(Rupees in '000)-----

Electrical, Office and

Computer Equipment 388 198 190 250 Insurance Claim Jubilee General Insurance Limited

Total	388	198	190	250		

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2021

No. of Shareholders	Shareholding's Slab		Total Shares Held
	From	To	
23042	1	100	634,488
62174	101	500	13,532,954
2487	501	1000	1,893,707
2494	1001	5000	5,457,907
475	5001	10000	3,641,865
237	10001	15000	3,072,333
141	15001	20000	2,519,391
89	20001	25000	2,058,777
74	25001	30000	2,064,988
59	30001	35000	1,945,516
48	35001	40000	1,825,032
38	40001	45000	1,617,746
48	45001	50000	2,335,377
16	50001	55000	850,349
26	55001	60000	1,526,253
15	60001	65000	926,453
14	65001	70000	944,106
15	70001	75000	1,096,793
12	75001	80000	940,391
10	80001	85000	821,016
18	85001	90000	1,586,875
11	90001	95000	1,015,133
34	95001	100000	3,388,027
6	100001	105000	619,976
3	105001	110000	325,011
5	110001	115000	563,260
5	115001	120000	587,714
8	120001	125000	991,493
6	125001	130000	761,155
4	130001	135000	528,840
5	135001	140000	693,340
6	140001	145000	859,318
9	145001	150000	1,341,739
6	150001	155000	920,153
4	155001	160000	628,752
4	160001	165000	646,939
3	165001	170000	501,178
2	170001	175000	347,480
3	175001	180000	537,500
2	180001	185000	367,833
1	185001	190000	186,500
2	190001	195000	383,000
13	195001	200000	2,587,301
5	200001	205000	1,007,239
4	205001	210000	836,618
3	210001	215000	642,692
4	215001	220000	876,279
2	220001	225000	446,380
2	225001	230000	456,216
3	235001	240000	713,032
2	240001	245000	483,429
7	245001	250000	1,750,000
1	250001	255000	255,000
2	255001	260000	513,100
3	260001	265000	786,904
1	265001	270000	265,733
2	270001	275000	545,339

No. of Shareholders	Shareholding's Slab		Total Shares Held
	From	To	
2	280001	285000	563,809
2	285001	290000	576,268
1	290001	295000	291,900
5	295001	300000	1,489,611
2	305001	310000	616,371
4	310001	315000	1,250,900
2	315001	320000	634,100
1	320001	325000	325,000
2	325001	330000	652,172
3	330001	335000	994,977
1	335001	340000	335,032
1	340001	345000	343,959
1	345001	350000	350,000
1	355001	360000	359,100
3	360001	365000	1,092,510
1	365001	370000	365,500
1	370001	375000	370,260
1	375001	380000	377,500
2	380001	385000	762,577
1	385001	390000	388,800
2	390001	395000	787,813
2	395001	400000	800,000
4	400001	405000	1,607,040
1	405001	410000	409,000
2	410001	415000	822,600
1	420001	425000	421,213
1	425001	430000	428,673
1	430001	435000	432,736
1	435001	440000	438,000
2	440001	445000	883,667
1	445001	450000	446,000
2	460001	465000	924,746
1	465001	470000	467,499
1	470001	475000	470,285
2	480001	485000	964,841
1	490001	495000	492,903
2	495001	500000	1,000,000
1	510001	515000	514,100
1	515001	520000	520,000
1	520001	525000	522,069
1	525001	530000	529,691
1	530001	535000	535,000
2	540001	545000	1,083,248
2	545001	550000	1,090,163
1	550001	555000	555,000
1	555001	560000	558,483
2	570001	575000	1,143,400
1	575001	580000	575,587
5	595001	600000	2,998,423
3	610001	615000	1,836,328
1	620001	625000	622,490
1	630001	635000	631,563
1	645001	650000	645,200
1	650001	655000	655,000
1	670001	675000	671,840
1	690001	695000	692,395
3	695001	700000	2,100,000

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2021

No. of Shareholders	Shareholding's Slab		Total Shares Held
	From	To	
1	705001	710000	709,700
1	715001	720000	716,266
1	725001	730000	727,573
2	755001	760000	1,516,153
2	805001	810000	1,613,230
1	810001	815000	811,349
2	855001	860000	1,715,499
1	865001	870000	869,303
1	895001	900000	898,000
1	930001	935000	933,351
1	940001	945000	942,577
2	945001	950000	1,899,830
1	980001	985000	980,706
1	995001	1000000	1,000,000
1	1010001	1015000	1,013,500
1	1015001	1020000	1,018,461
2	1045001	1050000	2,098,724
2	1055001	1060000	2,115,622
1	1065001	1070000	1,067,000
1	1090001	1095000	1,091,475
1	1120001	1125000	1,120,516
1	1140001	1145000	1,142,900
3	1150001	1155000	3,459,259
1	1165001	1170000	1,166,764
1	1170001	1175000	1,172,373
2	1185001	1190000	2,374,386
1	1220001	1225000	1,225,000
1	1290001	1295000	1,291,464
1	1300001	1305000	1,301,700
1	1315001	1320000	1,319,114
1	1320001	1325000	1,321,847
1	1330001	1335000	1,334,725
1	1360001	1365000	1,361,819
1	1385001	1390000	1,389,960
1	1410001	1415000	1,410,188
1	1480001	1485000	1,480,900
1	1500001	1505000	1,500,918
1	1540001	1545000	1,542,622
1	1545001	1550000	1,549,860
1	1555001	1560000	1,558,176
1	1680001	1685000	1,681,545
1	1695001	1700000	1,697,708
1	1715001	1720000	1,719,388
1	1845001	1850000	1,845,116
1	1920001	1925000	1,922,431
3	1995001	2000000	6,000,000
1	2005001	2010000	2,009,926
1	2015001	2020000	2,015,488
1	2035001	2040000	2,036,788
1	2045001	2050000	2,050,000
1	2090001	2095000	2,095,000
1	2165001	2170000	2,166,323
1	2180001	2185000	2,183,221
1	2275001	2280000	2,275,776
1	2355001	2360000	2,355,454
2	2375001	2380000	4,756,965

No. of Shareholders	Shareholding's Slab		Total Shares Held
	From	To	
1	2440001	2445000	2,441,600
1	2495001	2500000	2,500,000
1	2500001	2505000	2,502,387
1	2585001	2590000	2,585,992
1	2595001	2600000	2,600,000
1	2625001	2630000	2,628,604
1	2635001	2640000	2,639,039
1	2700001	2705000	2,704,053
1	2810001	2815000	2,813,300
1	2870001	2875000	2,873,211
1	2905001	2910000	2,908,200
1	2980001	2985000	2,982,600
1	2995001	3000000	3,000,000
1	3395001	3400000	3,400,000
1	3430001	3435000	3,432,394
1	3460001	3465000	3,461,139
1	3510001	3515000	3,514,392
1	3515001	3520000	3,518,075
1	3680001	3685000	3,681,701
1	3775001	3780000	3,777,952
1	3945001	3950000	3,950,000
1	3955001	3960000	3,956,400
1	4265001	4270000	4,270,000
1	4285001	4290000	4,288,188
1	4310001	4315000	4,314,724
1	4545001	4550000	4,545,687
1	4630001	4635000	4,635,000
1	4790001	4795000	4,792,700
1	4995001	5000000	5,000,000
1	5365001	5370000	5,369,935
1	5395001	5400000	5,395,054
1	5445001	5450000	5,448,980
1	5470001	5475000	5,474,321
1	6840001	6845000	6,844,520
1	6915001	6920000	6,918,071
1	6920001	6925000	6,920,993
1	7165001	7170000	7,167,737
1	8080001	8085000	8,082,496
1	8905001	8910000	8,908,309
2	8995001	9000000	18,000,000
1	9960001	9965000	9,964,461
1	11800001	11805000	11,801,931
1	11805001	11810000	11,806,666
1	12090001	12095000	12,094,807
1	13945001	13950000	13,949,982
1	14695001	14700000	14,700,000
1	15010001	15015000	15,010,900
1	15410001	15415000	15,412,124
1	17075001	17080000	17,075,635
1	29620001	29625000	29,623,714
1	30535001	30540000	30,537,658
1	31295001	31300000	31,300,000
1	33245001	33250000	33,246,975
1	73340001	73345000	73,342,000
1	748090001	748095000	748,094,700
91934			1,466,852,508

TRADING BY EXECUTIVES

SHARES TRADING (SALE/PURCHASE)

HBL – Executives and their dependents (Spouse and Minor Children)

Sr. No.	Name	Purchased	Sold
1	Mr. Gulrays Khan	3,164	2,836
2	Mr. Rana Fasih Ul Hasan	22,800	-
3	Mr. Kashif Umar Thanvi	-	4,514
4	Mr. Mirza Kamran Ali Baig	-	970
5	Mr. Risha Mohyeddin	-	6,700
6	Mr. Sami Aziz	-	4,802
7	Mr. Salman Ali Jafri	-	15,446
8	Syed Aun Ali Raza	-	7,575
9	Mr. Noman Sadiq Quershi	-	1,000
10	Mr. Asim Anwar Siddiqui	5,000	2,500
11	Mr. Hasan Zia Syed	-	9,256
12	Ms. Anna Hekels	577*	-
13	Ms. Mohsina Asif Meenai (Spouse of HBL Executive)	53*	53*
14	Syed Kamran Mehdi Jaffery	-	101
15	Mr. Farhan Talib	-	8,000

*Gift - in / Inheritance - in / Gift - out

For the purpose of clause 5.6.1 and 5.6.4 of the Rule Book of the Pakistan Stock Exchange (PSX), the expression “executive” means the CEO, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary by whatever name called, and other employees of the Bank whose annual basic salary equals or exceeds to **Rs. 2.0 million** for the year 2021.

HBL – Directors

Sr. No.	Name	Purchased	Sold
1	Dr. Najeeb Samie	9,000	-
2	Mr. Khaleel Ahmed	10	-

CATEGORIES OF SHAREHOLDERS

AS AT DECEMBER 31, 2021

Particulars	Shareholders	Shares Held	Percentage
Shareholders holding five percent or more voting rights			
AGA KHAN FUND FOR ECONOMIC DEVELOPMENT	1	748,094,778	51.00
CDC GROUP PLC	1	73,342,000	4.99
Directors, Chief Executive officer, and their Spouse and Minor Children			
MR. MUHAMMAD AURANGZEB	1	87,401	0.01
DR. MIAN NAJEEB SAMIE	1	25,000	0.00
MS. SABA KAMAL	2	12,410	0.00
SYED SALIM RAZA	1	600	0.00
MR. KHALEEL AHMED	1	10	0.00
Associated Companies, Undertakings and Related Parties			
JUBILEE LIFE INSURANCE COMPANY LIMITED	1	33,246,975	2.27
TRUSTEES OF HABIB BANK LTD EMPLOYEES PROVIDENT FUND	1	13,949,982	0.95
TRUSTEE- HBL EMPLOYEES PENSION FUND TRUST	1	5,474,321	0.37
TRUSTEES OF HBL DEFERRED REMUNERATION TRUST FUND	1	4,314,724	0.29
JUBILEE GENERAL INSURANCE COMPANY LIMITED	1	4,270,000	0.29
TRUSTEE HBL EMPLOYEES GRATUITY FUND TRUST	1	2,639,039	0.18
THE AGA KHAN UNIVERSITY FOUNDATION	1	1,185,496	0.08
CDC - TRUSTEE HBL EQUITY FUND	1	1,067,000	0.07
CDC - TRUSTEE PICIC GROWTH FUND	1	980,706	0.07
CDC - TRUSTEE PICIC INVESTMENT FUND	1	692,395	0.05
CDC - TRUSTEE HBL INCOME FUND - MT	1	522,069	0.04
CDC - TRUSTEE HBL - STOCK FUND	1	364,004	0.02
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	143,271	0.01
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	131,500	0.01
HBL DEFERRED REMUNERATION TRUST FUND	1	4,129	0.00
Executives	157	822,095	0.06
NIT and ICP	1	1,558,176	0.11
Banks, Development Financial Institutions and Non-Banking Financial Institutions	21	31,470,320	2.15
Insurance Companies	19	25,233,198	1.72
Modarabas and Mutual Funds			
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	90,795	0.01
CDC - TRUSTEE ABL STOCK FUND	1	3,777,952	0.26
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	182,833	0.01
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	400,800	0.03
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	1,166,764	0.08
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	257,000	0.02
CDC - TRUSTEE ALLIED FINERGY FUND	1	359,100	0.02
CDC - TRUSTEE APF-EQUITY SUB FUND	1	365,500	0.02
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	32,000	0.00
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	6,844,520	0.47
CDC - TRUSTEE AWT STOCK FUND	1	60,500	0.00
CDC - TRUSTEE FAYSAL MTS FUND - MT	1	3,514,392	0.24
CDC - TRUSTEE FAYSAL STOCK FUND	1	319	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	45,300	0.00
CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	1	13,000	0.00
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	64,000	0.00
CDC - TRUSTEE JS LARGE CAP. FUND	1	295,500	0.02
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	1	72,000	0.00
CDC - TRUSTEE LAKSON EQUITY FUND	1	1,697,708	0.12
CDC - TRUSTEE LAKSON TACTICAL FUND	1	206,818	0.01
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	631,563	0.04
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	6,920,993	0.47
CDC - TRUSTEE NBP BALANCED FUND	1	221,380	0.02
CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	1	599,081	0.04
CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	1	44,548	0.00
CDC - TRUSTEE NBP SARMAYA IZAFAT FUND	1	442,667	0.03
CDC - TRUSTEE NBP STOCK FUND	1	11,801,931	0.80
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	1	145,823	0.01

CATEGORIES OF SHAREHOLDERS

AS AT DECEMBER 31, 2021

Particulars	Shareholders	Shares Held	Percentage
CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	1	40,764	0.00
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	2,377,693	0.16
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	286,500	0.02
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	256,100	0.02
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	1	15,801	0.00
CDC - TRUSTEE UBL FINANCIAL SECTOR FUND	1	2,275,776	0.16
CDC - TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND	1	60,555	0.00
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	1,188,890	0.08
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	5,395,054	0.37
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	403,500	0.03
CDC-TRUSTEE NITPF EQUITY SUB-FUND	1	33,500	0.00
MC FSL - TRUSTEE JS GROWTH FUND	1	1,480,900	0.10
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	27,000	0.00
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	1	35,000	0.00
General Public			
a. Local	91,047	104,950,091	7.15
b. Foreign	113	623,892	0.04
Foreign Companies	92	108,506,132	7.40
Others (includes Trusts, Trading Companies / Corporations, Provident Funds, Gratuity Funds, Brokerage Houses etc.)	419	249,008,974	16.97
Total	91,934	1,466,852,508	100.00

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 80th Annual General Meeting of Habib Bank Limited will be held on Wednesday, March 30, 2022 at 10:00 a.m. at HBL Tower, Islamabad, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts (consolidated and unconsolidated) of the Bank for the year ended December 31, 2021, together with the Reports of the Directors and Auditors thereon.
2. To appoint Auditors for a term ending at the conclusion of the next Annual General Meeting at a fee of Rs. 37.086 million. In addition, any Federal or Provincial taxes and reimbursements of out of pocket expenses will be paid at actuals. The retiring Auditors, KPMG Taseer Hadi & Co. Chartered Accountants, being eligible, have offered themselves for reappointment.
3. To approve payment of a Final Cash Dividend of Rs. 2.25 per share, i.e. 22.5% for the year ended December 31, 2021, as recommended by the Board of Directors to Shareholders as at close of business on March 22, 2022, which is in addition to the 52.5% Interim Cash Dividend (i.e. Rs. 5.25/- per share) already paid.

Special Business:

4. To approve and authorize the purchase of entire shareholding of Allied Bank Limited ("ABL") in Habib Allied Holding Limited, UK ("HAHL"), subject to approval of the State Bank of Pakistan.

HAHL, UK is a subsidiary of Habib Bank Limited ("HBL"). Currently, HBL holds 90.50% of shareholding in HAHL, while the remaining 9.5% shareholding is owned by Allied Bank Limited. HBL proposes to purchase ABL's entire 9.5% shareholding in HAHL, this will result in HAHL becoming a wholly owned subsidiary of HBL. Also, HAHL is the holding company of HBL Bank UK. Subsequent to the acquisition of the proposed shareholding from ABL, HAHL will be a wholly owned subsidiary of HBL. This will enable HBL to collapse the two entities (HAHL & HBL Bank UK) as one, which would simplify the statutory compliance and enhance operational efficiency by reducing one layer.

For the aforesaid purpose to consider, and if deemed fit, to pass the following Resolution as a Special Resolution with or without modification:

"RESOLVED THAT the Habib Bank Limited ("the Bank") be and is hereby authorized to purchase 9.5% shares of Habib Allied Holding Limited ("HAHL") from Allied Bank Limited ("ABL"), subject to approval of the State Bank of Pakistan."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Bank or such person or persons as may be authorised by the Board of Directors of the Bank, be and each of them is hereby authorised to do all such acts, deeds and things and to execute and deliver for and on behalf and in the name of the Bank all such deeds, agreements, declarations and undertakings as may be necessary or required or as they or any of them may think fit for or in connection with the aforesaid investment, including without limiting the generality of the foregoing, any approval, sanction or permission required thereof or in connection therewith."

The information as required under Section 134(3) of the Companies Act, 2017 is annexed.

The Directors of the Bank have no direct or indirect interest in the above-mentioned resolutions except in their capacity as directors of the Bank.

Any Other Business:

5. To consider any other business with the permission of the Chair.

By Order of the Board

March 9, 2022
Karachi

Neelofar Hameed
Company Secretary

Notes:

1. The Register of Members and the Share Transfer Books will be closed from March 24, 2022 to March 30, 2022 (both days inclusive) for the purpose of the Annual General Meeting.

2. Only those persons whose names appear in the Register of Members of the Bank as at March 22, 2022 are entitled to attend and vote at the Annual General Meeting.
3. A Member entitled to attend and vote at the Annual General Meeting may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a Member but is duly authorised by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Annual General Meeting.
4. Members are requested to notify immediately any changes in their registered address to our Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahra-e-Faisal, Karachi - 74400.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
6. Pursuant to Section 150 of the Income Tax Ordinance, 2001 and Finance Act, 2021 withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders at 15% and 30% respectively. All shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names along with their valid CNICs/ NTN's are entered into ATL before the date of payment of cash dividend i.e., March 30, 2022; enabling the Bank to make tax deduction on the amount of cash dividend @ 15% instead of 30%.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, CDC Share Registrar Services Limited in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

A. Requirements for attending the Annual General Meeting:

- (i) In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall authenticate his/her identity by showing his/ her valid original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.
- (ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be produced at the time of the Annual General Meeting, unless it has been provided earlier.

B. Requirements for appointing Proxies:

- (iii) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- (iv) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (v) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- (vi) The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.
- (vii) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Bank along with the proxy form unless the same has been provided earlier.

C. Electronic dividend mandate:

Under the Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its shareholders through electronic mode directly in to the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Bank's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahra-e-Faisal, Karachi - 74400, in case of physical shares.

In case of shares held in CDC then Electronic Dividend Mandate Form must be directly submitted to shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Bank will be constrained to withhold payment of dividend to shareholders.

D. Submission of valid CNIC (Mandatory):

As per SECP directives the dividend of shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahra-e-Faisal, Karachi - 74400 without any further delay.

E. Unclaimed Dividend:

As per the provision of section 244 of the Act, any shares issued or dividend declared by the Bank which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued, and dividend declared by the Bank which have remained due for more than three years were sent to shareholders. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Bank in the given time, the Bank shall after giving notice in the newspaper proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

F. Circulation/Transmission of Annual Audited Financial Statements and Notice of AGM to Members in Electronic Form:

The Bank's Annual Report is also being circulated to the members through DVD in compliance of section 223(6) of the Act and as approved by the shareholders in their Extra-Ordinary General Meeting held on February 3, 2017. The same is being placed on the Bank's website: <https://www.hbl.com/investor-relations/annual-accounts> and the web-link is also e-mailed to the members whose registered e-mail addresses are available in the members' register.

Members are also requested to intimate change (if any) in their registered e-mail addresses to our Share Registrar for the above-mentioned purpose through consent form available on the Bank's website.

G. Conversion of Physical Shares into CDC Account:

The Shareholders having physical shareholding are encouraged to place their physical shares into scripless form as defined in Section 72(2) of the Act i.e.; "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act."

H. Participation in AGM through Electronic Means:

In light of the continuing threats posed due to COVID-19 pandemic and to protect wellbeing of the Shareholders, the Securities & Exchange Commission of Pakistan ("SECP") has vide its Circulars issued from time to time directed the listed companies to hold general meetings through video link, webinar, zooming etc. in addition to the requirements of holding physical meeting.

Accordingly, the AGM would be held at the venue/ via webinar and would be attended by the directors of HBL, those who are available in Pakistan, by way of video link and by shareholders including holders of proxies assembling at the HBL Tower, Islamabad. The shareholders are encouraged to consolidate their physical attendance and voting at the AGM into as few people as possible through proxies. The following arrangements have been made by the Bank to further facilitate the participation of the shareholders in the 80th AGM:

- The shareholders interested in attending the HBL's AGM through webinar are requested to get themselves registered by sending their particulars to the Company Secretary HBL, at the designated email address (general.meetings@hbl.com), mentioning their names, folio number, email address by the close of business hours on **March 22, 2022**. The webinar link would be provided to the registered shareholders. The shareholders are also encouraged to send their comments / suggestions, related to the agenda items of the AGM on the above mentioned email address by **March 25, 2022**.
- As always, HBL intends, and undertakes, to hold the meeting in compliance with all applicable laws, and requirements, including for quorums, the keeping of minutes and voting while ensuring the safety of its shareholders, employees, directors and the public at large.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017, RELATING TO THE SPECIAL BUSINESS REFERRED TO IN THE NOTICE ABOVE:

This Statement sets out the material facts pertaining to the Special Resolutions described in Item 4 of the Notice of the Annual General Meeting ("AGM"), intended to be passed at the 80th AGM of Habib Bank Limited ("Bank") scheduled to be held on March 30, 2022 at 10 am.

Special Business

Agenda Item 4 – Purchase of Allied Bank Limited's Shareholding in Habib Allied Holding Limited:

1. Habib Allied Holding Limited, UK ("HAHL") is a subsidiary of HBL.
2. Currently, HBL holds 90.50% of shareholding in HAHL, while the remaining 9.5% shareholding is owned by Allied Bank Limited ("ABL").
3. HAHL is incorporated in England and Wales and was engaged in commercial banking services until December 2014, when the entire banking business was transferred to HBL Bank UK Limited ("HBL UK"), a wholly owned subsidiary of HAHL.
4. HBL proposes to purchase ABL's entire 9.5% shareholding in HAHL, subject to the approval of the State Bank of Pakistan ("SBP").

For this purpose, the Board of Directors have recommended that the Members consider and, if thought fit, pass the Resolution with or without modification set forth at Agenda Item 4 of the Notice convening the 80th Annual General Meeting of HBL.

Information required under Section 199 (3) of the Companies Act, 2017 and regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Habib Allied Holding Limited, UK

(A) Disclosure regarding associated company					
(i)	Name of Associated Company or Associated Undertaking	Habib Allied Holding Limited, UK			
(ii)	Basis of Relationship	Habib Allied Holding Limited, UK is a subsidiary of HBL. HBL currently holds 90.50% of shareholding in HAHL			
(iii)	Earnings / (Loss) per Share for the last three years	2018: GBP (0.06) 2019: GBP (0.10) 2020: GBP (0.20)			
(iv)	Break-up value per Share, based on last audited financial statements	2018: GBP 1.10 2019: GBP 1.03 2020: GBP 0.82			
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	The financial information is shown in the table below.			
		£ in Million			
		Particulars	2018	2019	2020
		Revenues	17.03	17.49	13.68
		Operating expense	20.02	25.07	25.71
		Operating loss	(2.99)	(7.59)	(12.02)
		Provisions	(0.73)	0.36	(2.07)
		Loss Before Tax	(3.72)	(7.23)	(14.09)
		Loss After Tax	(3.59)	(5.94)	(12.20)
		Deposits	519.11	493.36	464.71
		Loans and Advances to banks and customers	308.85	345.06	357.21
		Cash, Balances and Investments	297.81	233.24	180.28
Equity	87.22	82.75	70.59		
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	Not applicable			

	I	Description of the project and its history since conceptualization	Not applicable
	II	Starting date and expected date of completion of work	Not applicable
	III	Time by which such project shall become commercially operational	Not applicable
	IV	Expected time by which the project shall start paying return on investment	Not applicable
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Not applicable

(B) General Disclosures:

(i)	Maximum amount of investment to be made	The PKR equivalent of £6.75 Mn after converting the GBP amount into PKR at the SBP published mid-rate revaluation on the transaction date.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	The proposed transaction will result in HABL becoming a wholly owned subsidiary of HBL. This would result in operational efficiencies and simplification.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Cash generated from own operations
	(I) Justification for investment through borrowings	Not Applicable
	(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds	Not Applicable
	(III) Cost of benefit analysis	Not Applicable
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Not Applicable
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	None, except as Directors of HBL.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	HBL UK strategy has been refreshed in-line with the HBL's International business strategy, and a new management team is in place. The focus is on three broad areas: a) leveraging the network to support intra-group clientele b) Wealth Management proposition for fee growth without adding to capital requirements and c) grow trade and Financial Institutions business. Significant progress has been achieved in 2021, which will become the foundation for business growth over the next 12 months, allowing revenue to be built up and returning the business to sustainable profitability.
(vii)	Any other important details necessary for the members to understand the transaction	No pre-approval is required from either the Prudential Regulatory Authority (PRA) or the Financial Conduct Authority (FCA) in accordance with UK regulations (either for HBL or ABL); no "control band" is being crossed as HBL already holds 90.5% of the shares. However, we are required to notify the PRA/FCA as soon as the transaction is likely to proceed.

(C) Additional disclosure regarding Equity Investment:

(i)	Maximum price at which securities will be acquired	GBP 1.15 per share.
(ii)	In case the purchase price is higher than fair value in case of unlisted securities, justification thereto	Not Applicable
(iii)	Maximum number of securities to be acquired	5,874,525
(iv)	Number of securities and percentage thereof held before and after the proposed investment.	HBL currently holds 90.50% (55,961,307) shares in HABL. After the proposed acquisition HBL will own 100% (61,835,832) shares of HABL
(v)	Fair value of the security	Valuation is in process.

UPDATE

Under Regulations 4 and 6 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

This Statement provides information as required under Regulations 4 and 6 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 in respect of the investments authorised by the Shareholders in the previous Annual General Meetings of the Bank.

Summary / Overview

Company name	Approvals taken in Annual General Meeting	Date of Annual General Meeting	Update for 2021
HBL Microfinance Bank Limited (formerly The First Microfinance Bank Limited)	Capital injection of up to Rs 4 billion in HBL Microfinance Bank Ltd (HBL MFB) over a period of three (3) years through subscription of rights shares of HBL MFB.	March 26, 2021.	The Bank has made an investment of Rs 2 billion, subscribing to 200 million rights shares at par on July 15, 2021. On January 24, 2022, HBL MFB has offered a second tranche of 100 million rights shares to the existing shareholders. All shareholders other than HBL have renounced the rights, which HBL has agreed to take up. The Bank has agreed to subscribe to 100,000,000 shares at par, further committing Rs 1 billion as investment, subject to SBP approval.
HBL Bank UK Limited (HBL UK)	Investment in perpetual, unsecured, subordinated, non-cumulative, contingent convertible, privately placed Additional Tier-I (AT-I) capital eligible Variable Rate Subordinated Loan Notes (Loan Notes) up to US\$ 30 million to be issued by HBL Bank UK Limited (HBL UK) over the next three (3) years. HBL seeks to invest in these Loan Notes through its Bahrain branch.	March 30, 2020	During 2021, HBL, through its Bahrain branch, has invested a further US \$3 million in Additional Tier-I instruments issued by HBL Bank UK. The cumulative investment in Additional Tier-I instrument has reached US\$ 13 Mn.

(i) HBL Microfinance Bank Limited (formerly The First Microfinance Bank Limited):

1	Total Investment approved:	Approved by the shareholders in the Annual General Meeting held on March 26, 2021, to invest up to Rs 4 billion in HBL Microfinance Bank Limited (HBL MFB) over a period of three (3) years through subscription to rights shares subject to the approval of SBP.
2	Maximum amount of investment made	The Bank has made an investment of Rs 2 billion, subscribing to 200 million rights shares at par on July 15, 2021.
3	Further investment to be made	On January 24, 2022, HBL MFB has offered a second tranche of 100 million rights shares to the existing shareholders. All shareholders other than HBL have renounced the rights, which HBL has agreed to take up. The Bank has agreed to subscribe to 100,000,000 shares at par, further committing Rs 1 billion as investment, subject to SBP approval. The Bank's investment will increase by Rs 1 billion and its shareholding will increase from 71.43% to 76.42%.
4	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	The timeframe specified for making the complete investment is March 2024.
5	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	The financial position of the company is given in the table below.

Rs in million

Financial Position	2019	2020
Revenue	5,821.7	7,539.9
Operating expense	4,267.7	5,157.5
Operating profit	1,554.0	2,382.5
Customer deposits	38,403.6	61,726.2
Customer loans and advances	30,936.3	41,628.2
Cash, Balances with Banks and Investments	10,793.7	26,266.1
Equity	6,047.4	6,688.3

(ii) HBL Bank UK Limited (HBL UK):

1	Total Investment approved	Approved by the Shareholders in the Annual General Meeting held on March 30, 2020, to invest up to US\$ 30 million in Loan Notes issued by HBL Bank UK limited (HBL UK) over the next three (3) years.
2	Amount of investment made to date	HBL has so far invested US\$ 13 Million.
3	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	The timeframe specified for making the complete investment is March 2023.
4	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	The financial position of the company is given in the table below.

GBP in millions

Financial Position	2019	2020
Revenues	17.5	13.7
Operating expense	25.1	25.7
Operating loss	7.6	12.0
Deposits	493.4	464.7
Loans and Advances to banks and customers	345.1	357.2
Cash, Balances at Central Banks and Investments	233.2	180.3
Equity	82.8	70.6

ADMISSION SLIP

The 80th Annual General Meeting of Habib Bank Limited will be held on Wednesday, March 30, 2022 at 10:00 a.m. at the HBL Tower, Islamabad.

For attending the Annual General Meeting, kindly bring this slip duly signed by you.

Company Secretary

Name _____

Folio/CDC Account No. _____ Signature _____

Note:

- i. The signature of a shareholder holding shares in physical form shall agree with the specimen signature as per the Bank's record.
- ii. A CDC account holder/proxy shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.
- iii. In case of a corporate entity, the Board of Directors' resolution/power of attorney, including the specimen signature of the nominee, shall be presented at the time of the Annual General Meeting, unless it has been provided earlier.
- iv. Shareholders are requested to hand over duly completed admission slips at the counter before entering the meeting premises.

This Admission Slip is not Transferable



FORM OF PROXY

I/We _____
of _____
being member(s) of Habib Bank Limited holding _____
Ordinary shares hereby appoint _____
of _____ vide Folio/CDC Account No. _____ or failing
him/her _____ of _____ who is also member of
Habib Bank Limited vide Folio/CDC Account No. _____ as my/our proxy in my/our absence
to attend, speak and vote for me/us and on my/our behalf at the 80th Annual General Meeting of the Bank to be held on
Wednesday, March 30, 2022 at HBL Tower, Islamabad and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2022.

Signed by the said _____

In the presence of 1. _____
2. _____

Folio/CDC Account No.

Signature on
Five Rupees
Revenue Stamp

This signature should agree with the
specimen registered with the Bank.

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank at 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, not less than 48 hours before the time of holding the Annual General Meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Bank except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities:

In addition to the above, the following requirements have to be met:

- a. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- b. Attested copies of the CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the Proxy Form.
- c. The proxy shall present his/her original CNIC or original passport at the time of the Annual General Meeting.
- d. In case of a corporate entity, the Board of Directors' resolution/power of attorney, including the specimen signature of the nominee, shall be submitted to the Bank along with the Proxy Form unless the same has been provided earlier.

AFFIX
CORRECT
POSTAGE

Habib Bank Limited
Registered Office,
9th Floor, HBL Tower,
Jinnah Avenue, Blue Area,
Islamabad, Pakistan.

میں / ہم _____
 برائے _____
 حبیب بینک لمیٹڈ کے رکن / اراکین (ممبر (ز)) ہونے کے ناطے حامل
 عمومی حصص (شیرز) بذریعہ ہذا کی تقرری
 برائے _____ وائٹ فلیو / CDC اکاؤنٹ نمبر _____ یا ان کی ناکامی
 برائے _____ جو کہ
 فلیو / CDC اکاؤنٹ نمبر _____ کے تحت حبیب بینک لمیٹڈ کے رکن (ممبر) بھی ہیں، کو بدھ، 30 مارچ 2022 کو اس کے بعد (بعد از اس)
 HBL ٹاور، اسلام آباد میں منعقد ہونے والے بینک کے 80 ویں سالانہ اجلاس عام میں میری / اپنی جانب سے میری / ہماری عدم موجودگی میں بطور پراکسی شرکت کرنے، بولنے اور ووٹ
 دینے کے لیے مقرر کرتا / کرتی ہوں۔

پانچ روپے والے
 ریونیو اسٹیپ
 پر دستخط کریں

یہ دستخط بینک کے پاس
 رجسٹرڈ شدہ نمونہ دستخط سے
 مماثل ہونے چاہیئے

بطور گواہ / بدست میرے / ہمارے دستخط و مہر ثبت، بتاریخ _____، 2022،

دستخط شدہ بدست مذکورہ

مقابل حاضرین: 1 _____

2 _____

فلیو / CDC اکاؤنٹ نمبر: _____

اہم نکات:

- 1- باضابطہ طور پر پُر شدہ اور دستخط شدہ یہ پراکسی فارم بینک کے رجسٹرڈ دفتر واقع 9th فلور، حبیب بینک ٹاور، جناح ایونیو، بلیو ایریا، اسلام آباد کے رجسٹرڈ دفتر میں سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل لازمی طور پر موصول ہو جائے۔
- 2- کوئی بھی ایسا شخص بطور پراکسی شریک نہیں ہوگا جو بذات خود بینک کا رکن نہ ہو، ماسوائے کارپوریشن کے جو کسی بھی غیر رکن کو اپنا پراکسی مقرر کر سکتی ہے۔
- 3- اگر کوئی رکن (ممبر) ایک سے زائد پراکسی کا تقرر کرتا ہے اور بینک کے پاس ایک رکن (ممبر) کی جانب سے ایک سے زائد پراکسی کے انسٹرمنٹس جمع کرائے جاتے ہیں تو ایسی صورت میں اس قسم کے پراکسی کے تمام انسٹرمنٹس کو غیر مؤثر قرار دے دیا جائے گا۔

برائے CDC اکاؤنٹ ہولڈرز / کارپوریٹ ادارے:

مندرجہ بالا کے علاوہ ذیل میں دیئے گئے معیارات پر پورا اترنا بھی ضروری ہے:

- a- پراکسی فارم پر دو اشخاص کی گواہی ہوگی، جن کے نام، پتے اور CNIC نمبرز فارم پر درج ہوں گے۔
- b- پراکسی فارم کے ساتھ فائدہ حاصل کرنے والے مالکان کے CNIC یا پاسپورٹ کی مصدقہ نقول جمع کرائی جائیں گی۔
- c- پراکسی، سالانہ اجلاس عام کے وقت اپنا اصل CNIC یا اصل پاسپورٹ فراہم کرے گا/گی۔
- d- کارپوریٹ ادارے کی صورت میں، ادارہ بینک کو پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نامزد شخص کے نمونہ دستخط فراہم کرنا ہوں گے (تاوثیقہ وہ پہلے فراہم نہ کر دیئے ہوں)۔

AFFIX
CORRECT
POSTAGE

Habib Bank Limited
Registered Office,
9th Floor, HBL Tower,
Jinnah Avenue, Blue Area,
Islamabad, Pakistan.

