

DIRECTORS' REPORT

Performance review for the Year 2022:

I am pleased to present annual director's report of Zarai Taraqiati Bank Limited, outlining our financial performance and highlighting key achievement during the year 2022. ZTBL have grown to become trusted and respected institution in the community. With a team of dedicated and professional staff, we are committed to providing high-quality banking services and products that meet the diverse needs of our customers. It has been another successful year for ZTBL with strong financial performance and progress on a number of key initiatives. I would like to take this opportunity to highlight some of the major achievements as well as overview of the key initiatives and activities that have contributed to our success during financial year 2022. ZTBL has earned substantial profit before tax, despite challenging conditions and has posted profit before tax Rs. 7,458 million and after tax Rs. 5,123 million depicting a promising situation for future. This is due to multiple factors, one of which is the implementation of a multi-channel strategy for debt recovery which has proven to be quite effective during current financial year. During the financial year 2022, ZTBL recovered Rs. 79,750 million out of total recoverable amount Rs. 96,731 million, resulting in a recovery rate 82% of total recoverable amount. The Bank disbursed Rs. 69,631 million during the same financial year.

One of the standout areas is SAM recovery that has been recorded Rs. 7,469 million in financial year 2022 as compared to Rs. 6,361 million last year with rise of 17%. Despite the political & economic uncertainty, we are continuing serving our valuable customers and Bank has remained resilient during these challenges. ZTBL made significant investments in technology and digital capabilities to facilitate our customers in more effective manner while staying competitive in the market.

Various digital and automation improvements have been made for accepting cheque book application through system, deposit certificate for Islamic banking and locker management module that has been implemented through CDMS in order to automate the process and for better locker management. This functionality will help in locker allocation as well as recovery of associated charges in more efficient manner. Additionally, NIFT IBCS phase 2 has been implemented for clearing Hub Branch Local instruments. The IBFT-Module, Islamic window in conventional branches, and Islamic banking integration with CBAS has also been put in place to facilitate sharia compliance. An Operational Risk Management System has been developed and deployed, including tools such as Risk Control & Self-Assessment and Key Risk indicators to manage operational risk across the Bank and help the stakeholders to understand and address risk effectively.

The managed network infrastructure has been expanded to over 450 sites and a Network Operations Center has been established to monitor IT-network equipment and services. New facial attendance devices have been installed in the head office while for branches delivery has been completed with installation completed in 46 sites. SBP has initiated an integrated online digital payment system namely "RAAST- Pakistan's Instant Payment". Bank has successfully completed the Phase-1 for Raast i.e. Micro Payment Gateway. HaloITSM, an integrated helpdesk solution, has been implemented to provide smooth and efficient services to internal customers. All callers' complaints are now logged centrally with escalation process in line with the advanced enterprise standards in this field.

A CRM solution, extensively tested and widely implemented in banking industry, has been procured and deployment is in progress. This will bring the Bank at par with 14 other major banks that have the same solution in place. Data scrubbing services have been acquired for the Bank's portfolio of borrowers, depositors and employees. The data includes not only customers with loan from the Bank, but also those with multiple loans from other major lending institutions and microfinance sectors of Pakistan. ZTBL is a leader in utilizing liveliness detection for digital onboarding in the industry. Additionally, it has established its own advanced network operation center (NOC) to monitor and facilitate digital transactions. The Bank has also adopted a best-in-class CRM for complaint management to better serve its digital customers. Furthermore, ITIL-complaint IT-service management software for complaint management has been implemented for internal customers.

ZTBL has revised Green Banking policy in accordance with the Green Banking guidelines of State Bank of Pakistan as approved by BOD. In support of the Government's one billion tree plantation campaign; the Green Banking unit of ZTBL took initiative to plant 137,199 trees through ZTBL farms, Zones and its Branches in various locations across the country. Memorandum of Understanding (MoU) has been signed with PMAS ARID Agriculture University Rawalpindi and University of Agriculture Faisalabad during the year 2022. As part of MoU collaboration, Training workshops on Value addition of fruits & Vegetables and Mushroom Farming has also been conducted in collaboration with PMAS Arid Agriculture University, Rawalpindi. Kiwi Orchard has also been established in collaboration with PMAS Arid Agriculture University, Rawalpindi as adoptability trial in Islamabad.

Additionally, ZTBL has organized 17 training sessions to develop the capacity of its employees, both at Head Office and field offices, and has provided training to 800 employees at Head Office and field functionaries.

During the year 2022, deposits base increased to Rs. 47,333 million which is 9% higher than previous year and as a part of continuous effort to improve our customer's base, Bank has opened 19,164 New to Bank CASA accounts (NTBs) with fresh deposit of Rs. 1,140 million. During the year, the Treasury efficiently performed its core function of liquidity management and in doing so significantly contributed to the profitability of the Bank. As per the investment strategy, treasury kept low investment portfolio duration by mainly investing in short maturity and floating rate instruments, and thus minimizing portfolio sensitivity to interest rate changes to a minimum. Going forward, there is fear of high inflation getting entrenched and as a result high interest rates regime to continue longer than previously anticipated. Keeping that in view, Treasury will keep low portfolio duration till clear indications of lower inflation and reversal of interest rates emerge.

National Financial Literacy Program (NFLP) is an initiative by SBP to create awareness of basic financial education for the general public. Objective of the program is to financially literate the masses all across the country. For this purpose, State Bank of Pakistan allocates district-wise target to Banks/DFIs. Accordingly, SBP had allocated targets to ZTBL for the FY-2021-22 (July-2021 to June-2022) to conduct/arrange 437 classroom sessions on NFLP in different areas of the country. In the year FY-2021-22 ZTBL has successfully arranged/managed 452 NFLP sessions against target 437 set by SBP.

In order to optimize the use of available personnel to improve the Bank's operations, as per the management's vision, material development & shift in Bank's policies that include rates for various grants increased from Employee Trust Fund, including marriage grant for children, death grant for dependent family members, cash award to children of serving/deceased employees securing top 3 positions in matric, board & university exams. Additionally, due to the significant financial challenges being faced, cost-saving measures have been taken to lower the budget deficit. As a result, all purchases of vehicles, overseas medical treatment on Bank's expense, office furniture and equipment, overseas official trips, and official meals and events have been prohibited. In order to provide monetary relief in high inflationary era, Board of Directors has approved Cost of Living Allowance (COLA) @ 25% and 20% of basic pay to staff members and officers/ executives under SSR, 1961 and 10% of monetized salary for employees governed under SR-2005 effective from 1st January 2023 with minimum amount of COLA to be paid at Rs. 7,000/- per month for all employees.

During 2022, a restructuring and re-organization of different offices, departments, and units were carried out to bring operational efficiency while eliminating duplicacy of work and curtailing operational expenses. Additionally, to reduce the gender gap in financial inclusion, a Woman's Financial Services Unit under the Operations Division was established. To promote the rights of working women and ensure a safe and healthy work environment in the Bank, all controlling officers were advised to celebrate December 22, 2022 as the National Day for Rights of Working Women while arranging online or in-person events as an acknowledgement of women's participation in the Bank's business, as well as highlighting issues and challenges that hinder the progress of female employees. Furthermore, to facilitate the business owner departments involving multiplicity of functions, different Management Committees of the Bank were reviewed in line with SBP guidelines as well as business requirement of the Bank. Also, Key Performance Indicators (KPIs) of various field functionaries of the Bank were reviewed and published.

During the current financial year, the Performance Management Department (PMD) took various initiatives to effectively improve the working capacity of human resources across the board. These initiatives include reviewing and updating Key Performance Indicators (KPIs) for Field functionaries such as Zonal Chiefs, Branch Managers,

and MCOs, monitoring the performance of Zonal Chiefs, Branch Managers, and MCOs who have not achieved 50% of the total recovery targets (Regular NPL & SAM Loans), and issuing performance alerts for improvement to comply with the directions of the management. Additionally, PMD launched the first-ever "ONLINE" ERP-EBS Performance Evaluation of Executives, Officers, and Clerical Staff across ZTBL for the year 2022.

ZTBL has implemented a variety of initiatives to provide sustainable financial services to small farmers and low-income households in rural areas, including the introduction of new schemes and the development of innovative products. These schemes include financing products on horticulture – production of flowers (potted & ornamental flowers), financing products for packing and small godowns facility to the farmers, gold/misri chicken poultry farming (egg & meat production), black Australorp chicken farming (egg & meat production), biofloc fish farming. Moreover, efforts have been made to streamline the lending process, including the validation of e-stamp paper and the implementation of a digital land record system. Furthermore, financing products for agri-machinery also introduced i.e. rice/wheat straw baling machine, mini rotavator (walking tractor) & rice transplanter. In order to cater the genuine financing requirements of farming community, Bank has revised the maximum per CNIC/per borrower/party credit limit has been revised from the existing limit of Rs. 1.500 million to Rs. 5.000 million.

Prior to the floods, Pakistan was already facing a severe economic crisis; it was struggling with maintaining a healthy balance of payments and an ever-increasing current account deficit. The country was barely recovering from the aftershocks of the pandemic and the impact of global supply chain disruptions. Economic losses in agriculture are much beyond the estimated direct losses to crop production and livestock. The country is now facing an unprecedented food security crisis. Flood catastrophe has substantial impact on agricultural sector's growth directly affecting the Bank's core business. The capacity of ZTBL borrowers to repay their obligations would come under added strain as aftermath and cannot be unexpected may result in increase in NPLs.

Economy Review:

The deficit in current account decreased by approximately 60% to reach US\$3.7 billion in the first half of the fiscal year 2023 (July-Dec 2022). This substantial reduction was due to a sharp contraction in imports, reflecting the impact of policy tightening and administrative measures. The contraction in import was broad-based, with all major groups, except food and petroleum groups, recording declines. National CPI inflation remained at elevated levels despite some moderation in recent months. Compared to 26.6 percent in October, the headline inflation slightly eased to 23.8 percent in November and 24.5 percent in December 2022. Increase in food inflation remains the major contributor to this persistence in inflation. The core inflation also rose due to increasing core good prices, especially durable. Downward adjustment in fuel prices and reduction in fuel cost charges slightly muted the energy inflation in recent months.

Agriculture sector review:

For Rabi season 2022-23, wheat crop has been sown on an area of 20.77 million acres. The input situation is expected to remain favourable due to incentives announced in Kissan Package 2022 that will boost agriculture productivity. The better input situation is expected to increase crops production in Rabi season. Standing water due to recent floods may create problem in achieving the assigned wheat sowing target, however, the Federal & Provincial Governments are working hard and committed to enhance wheat productivity. In addition to timely increase in minimum support price, the Government of Pakistan has taken measures/initiatives like awareness campaigns, extension services, subsidized and quality provision of inputs (seed and fertilizers) etc. with focus to enhance wheat productivity.

Banking sector review:

Banking sector's balance sheet expanded by 16.0 percent during the first half of 2022 (and 23.7 percent on YoY basis), Investments and public-sector commodity finance mainly drove-up assets' expansion, while private sector advances also grew with a decent pace as economic conditions augmented the demand for advances. Besides noteworthy mobilization of deposits, Banks raised substantial level of borrowings to finance expansion in balance sheet. However, baseline profitability indicators moderated despite strong growth in incomes mainly due to the

impact of sharp increase in tax charges. On the back of challenging macro-economic conditions (such as rising current account deficit and inflation) and political developments, domestic financial markets, specifically FX and equity markets, witnessed increased volatility during H1CY22. Further, amid rising policy rate, the inter Bank overnight repo rate (ONR) also exhibited higher volatility in H1CY22.

ZTBL Islamic Banking performance:

In an effort to expand the branch network in the year 2022, ZTBL approved a policy for opening Islamic Banking Windows. This policy will enable the expansion of IB Windows in different conventional branches under the Hub & Spoke model, allowing for a more comprehensive reach to customers. Additionally, the Bank has implemented the development of online connectivity between Islamic and Conventional branches, which will allow for seamless integration of Islamic Banking into the overall Banking network of around 500 branches of ZTBL. This integration will provide customers with increased access to a wider range of Banking services and products. In order to enhance the financial inclusion of agriculture community especially females, low and middle income people etc. Shariah Compliant investment product Zarai Amadani Certificate has been launched to provide investment opportunity for a period of 3 to 5 years at competitive rates of profit. One of the salient features of this product is that Customers will have different options of profit payment either monthly, quarterly or profit payment at maturity.

On the financing side, Islamic Tractor Financing is launched. The facility will provide customers the financing support for the period of ten years (maximum) with six monthly repayment options. The product has been launched under the Islamic Tractor/Farm Transport Machinery Musharakah Financing Product on the principles of Diminishing Musharakah. The transaction starts with the formation of a partnership, between the Bank and the Customer, which enables customer to purchase an asset jointly with the Bank. Furthermore, customer will purchase the bank share (units) gradually and on the outstanding share of the bank, customer will pay the rent as per agreed terms.

Six Years at a Glance:

Particulars	(Rupees in millions)					
	2017	2018	2019	2020	2021	2022
Total Assets	256,341	202,476	199,899	210,686	254,808	491,092
Advances – net	140,878	135,653	109,688	102,656	91,822	90,452
Cash and Bank Balance	23,054	10,695	32,557	22,107	31,842	15,196
Operating Fixed Assets	2,180	2,356	2,752	2,813	2,514	2,474
Share Capital	52,678	52,678	52,678	52,678	52,678	52,678
Deposits	70,548	40,406	46,002	49,186	43,599	47,333
Profit/ (Loss) before Taxation	(6,149)	(3,364)	(26,349)	(3,225)	1,783	7,458
Taxation	262	(2,696)	(8,755)	(757)	3,518	2,335
Profit/ (Loss) after Taxation	(6,411)	(667)	(17,594)	(2,467)	(1,735)	5,123
Un-appropriated Profit / (Loss) brought forward	21,035	13,953	12,661	(3,437)	(3,969)	(6,037)
Profit / (Loss) available for Appropriation	14,623	13,286	(4,933)	(5,904)	(5,704)	(914)
Other comprehensive Income / (Loss)	(670)	(624)	1,496	1,935	(333)	735

Transferred to Statutory Reserve (20% of after tax profit)	-	-	-	-	-	(1,025)
Un-appropriated Profit / (Loss) Carried forward	13,953	12,661	(3,437)	(3,969)	(6,037)	(1,204)
Earnings Per Share	(1.40)	(0.13)	(3.34)	(0.47)	(0.33)	0.97

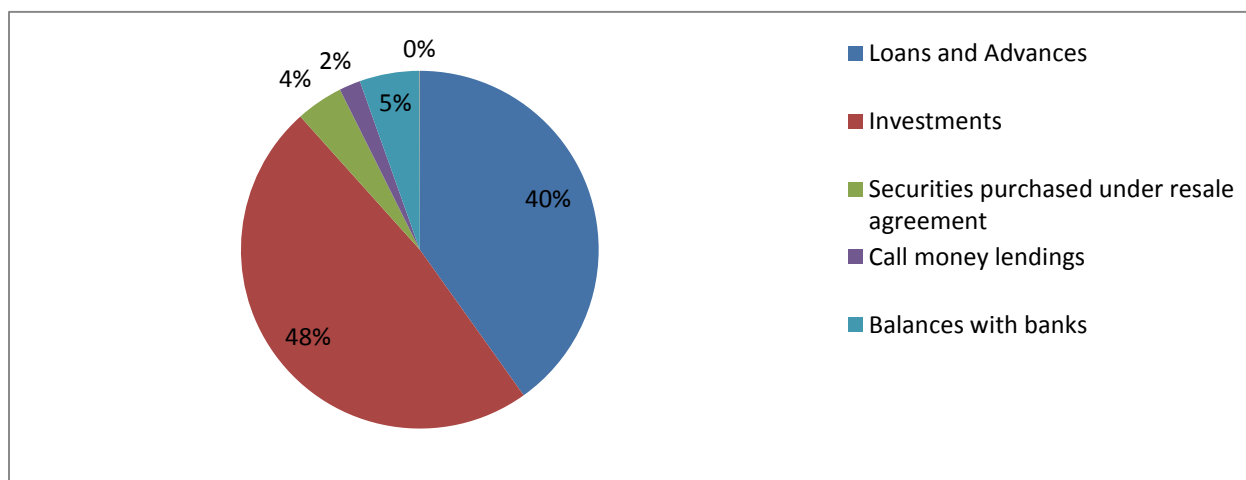
ZTBL's Financial Health:

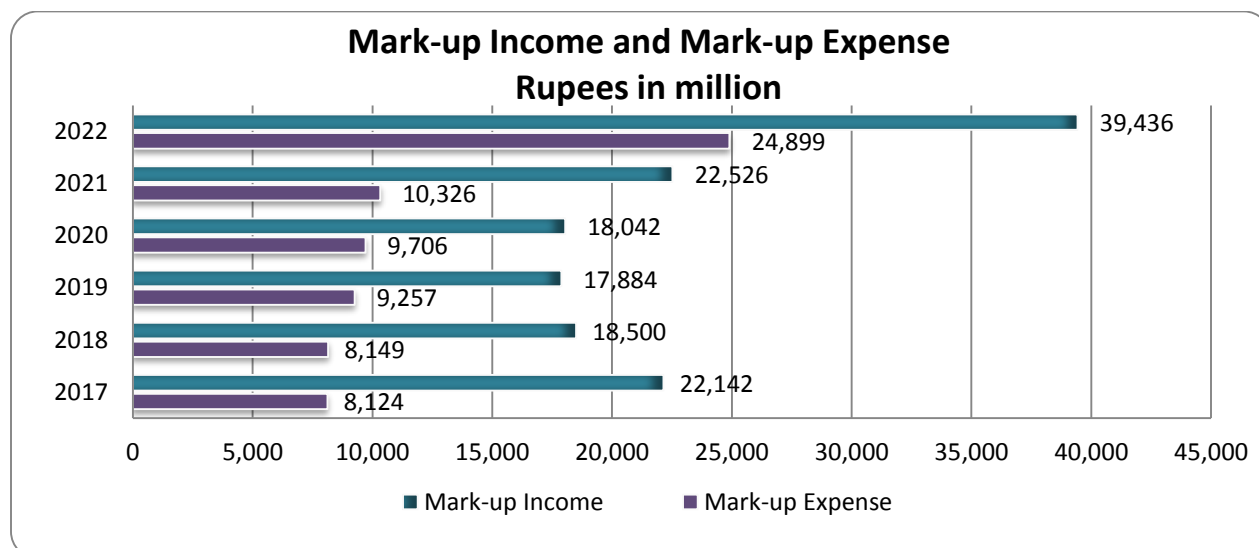
- Profit before tax recorded at Rs.7,458 million (2021: Profit of PKR 1,783 million).
- After tax profit reached to Rs.5, 123 million (2021: Loss of Rs.1,735 million).
- Operating expenses increased by 11% to Rs 12,153 million (2021: Rs. 10,910 million).
- Basic earnings per share is reported at Rs. 0.97 as compared to LPS (2021: Rs. (0.33).
- Liabilities in terms of deposits increased to Rs. 47,333 million (2021: Rs. 43,599 million).
- Gross advances have reduced by 7% to Rs107,623 million (2021: PKR 115,256).
- NPLs have decreased by 17% to Rs. 33,682 million (2021: Rs. 40,747 million).
- Investments (net) increased to Rs. 306,849 million (2021: Rs. 82,407 million).
- Total assets increased to Rs. 491,092 million (2021: Rs. 254,841 million).

Financial performance review 2022

▪ Mark-up / Interest Income:

During the year 2022, loans of Rs. 69,631 million were disbursed. The markup earned against advances amounted to Rs. 15,828 million as compared to Rs. 15,561 million earned during 2021. The markup income against loans and advances represents 40% of total markup interest income.



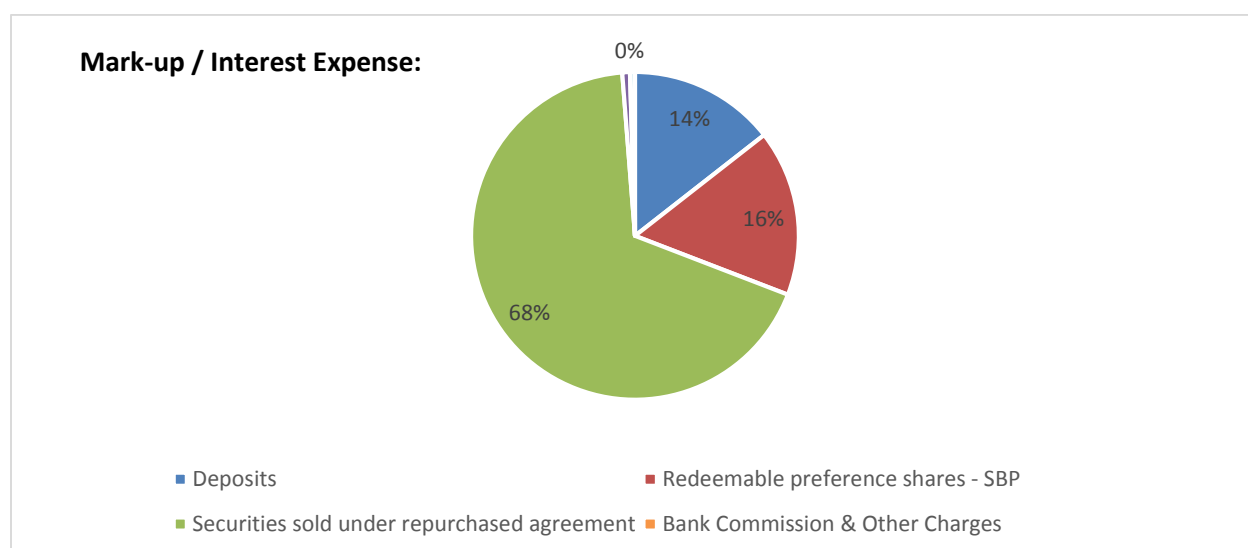


▪ **Markup income on investment:**

In 2022, ZTBL diversified its investment portfolio worth Rs. 306,849 million into Banks, government securities, listed companies' shares, and other sources of markup income like Investments in govt. securities, Securities purchased under resale agreement, Islamic mode of investments/placements, call money lending, and balances with other Banks, resulting in a markup earned of Rs. 23,608 million, compared to Rs. 6,965 million the previous year.

▪ **Mark-up / Interest Expense:**

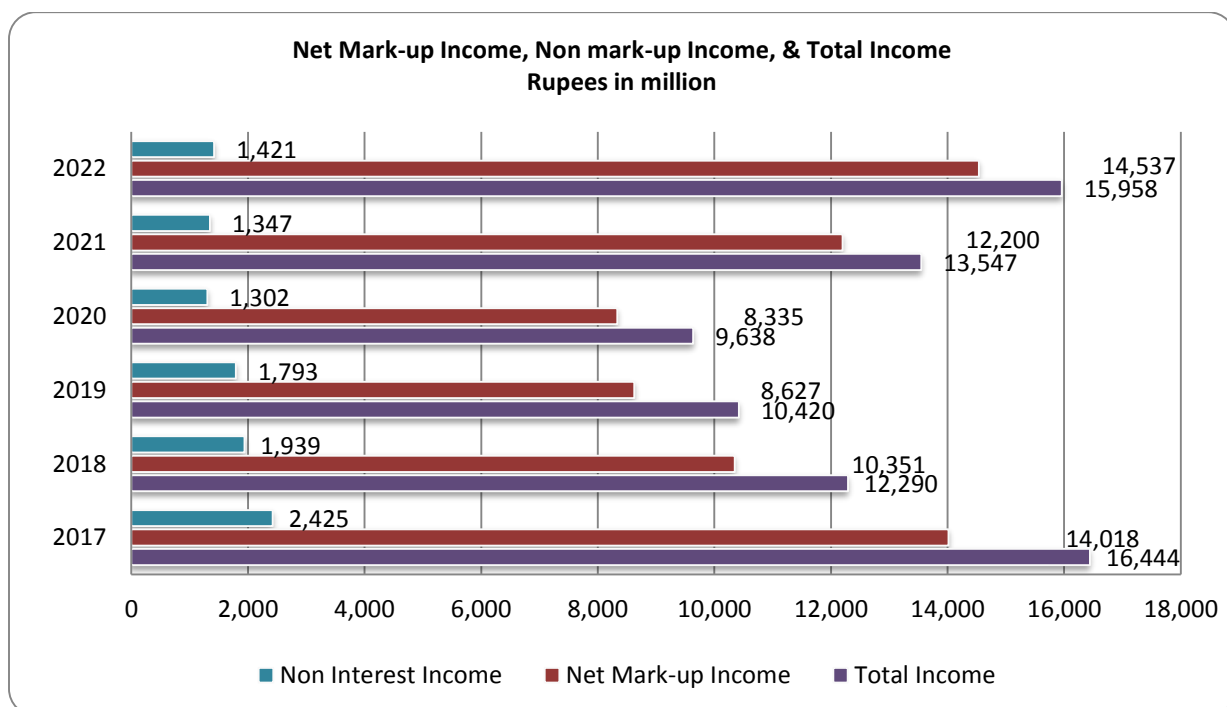
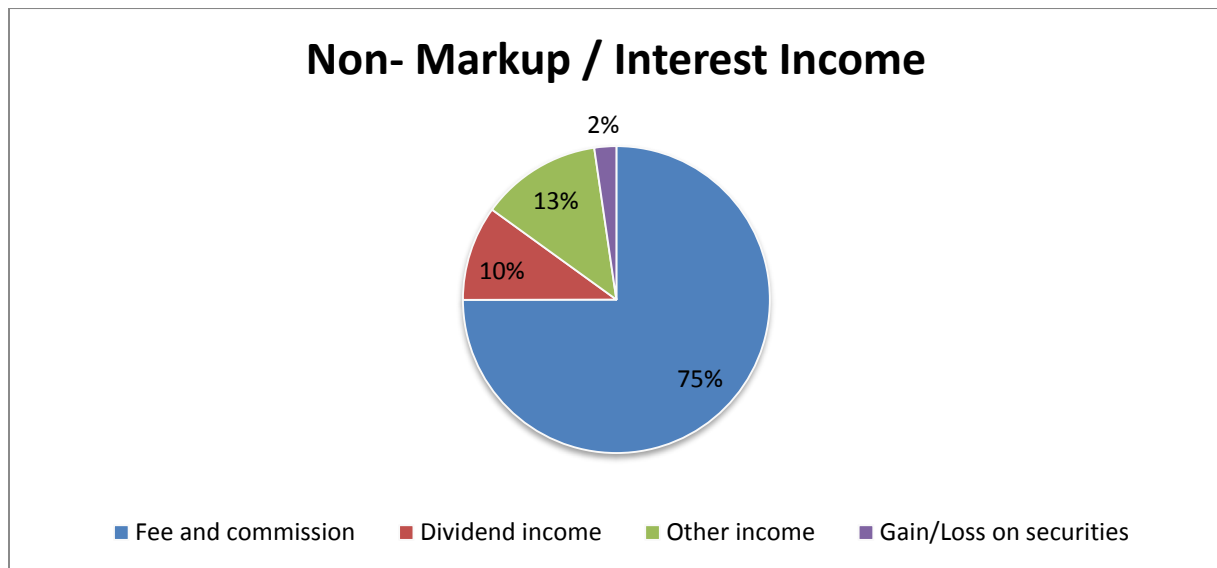
The total markup/interest expense for repo borrowing remained at Rs. 16,907 million. This was followed by preference share finance cost of Rs. 4,085 million (at 7.5% on SBP Redeemable Preference shares), deposit cost of Rs. 3,597 million, and other costs of Rs. 310 million, which include call borrowing, lease liability for the right to use assets, and Bank commission charges.



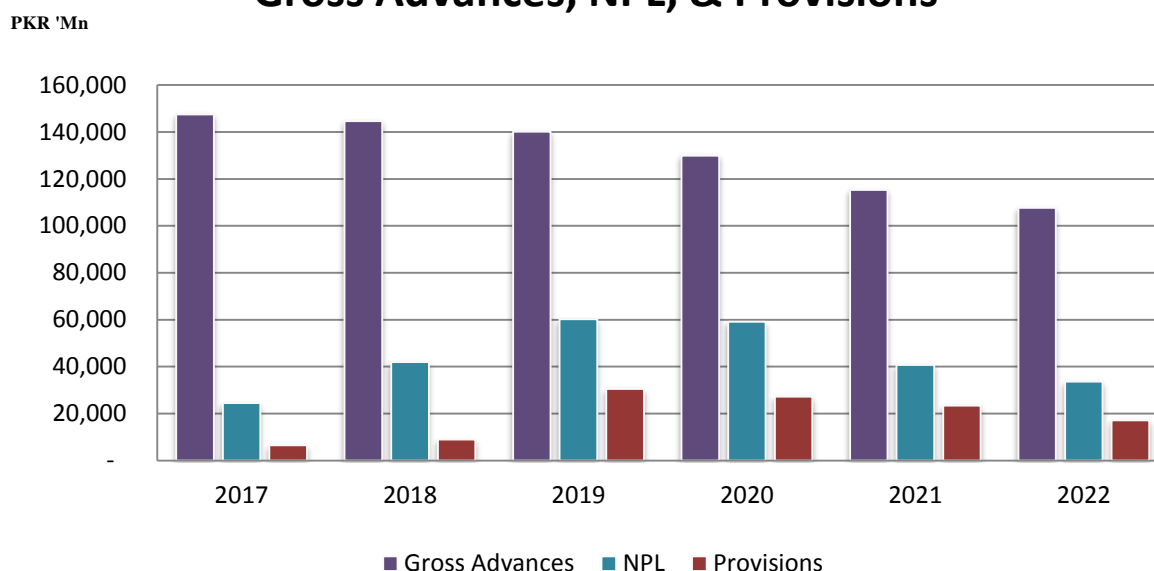
▪ Non Mark-up / Interest Income

Non-markup interest income comprises of dividend income on shares of listed company, fee and commission, Gain on Securities and other income, which constitutes 10%, 75%, 2% and 13% respectively of total non-mark-up income in the year 2022.

The total non-markup income recorded in 2022 was Rs. 1,421 million as compared to Rs. 1,347 million in the corresponding year 2021, showing an increase of 6%.



Gross Advances, NPL, & Provisions

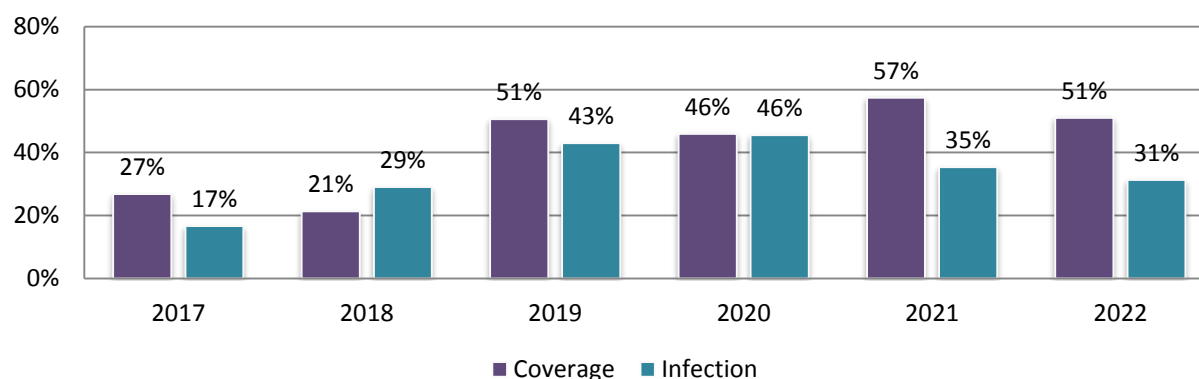


Provisions and NPL:

ZTBL made specific provisions of Rs.14,171 million against advances include staff advances and general provisions of Rs. 3,000 million in the year under review. Therefore, cumulative provision adds up to Rs. 17,171 million including staff advances as compared to the cumulative provision of Rs. 23,434 million in 2021. Non- performing loans experienced a decline of 7,064 million i.e. from Rs. 40,747 million to Rs. 33,682 million in 2022.

The asset quality indicators showed improvement during the year 2022 as the gross infection ratio decreased to 31% (2021: 35%); total provision coverage is 51% during current financial year (2021: 58%) and specific provision coverage 42% (2021: 50%).

Asset Quality



Operating expenses

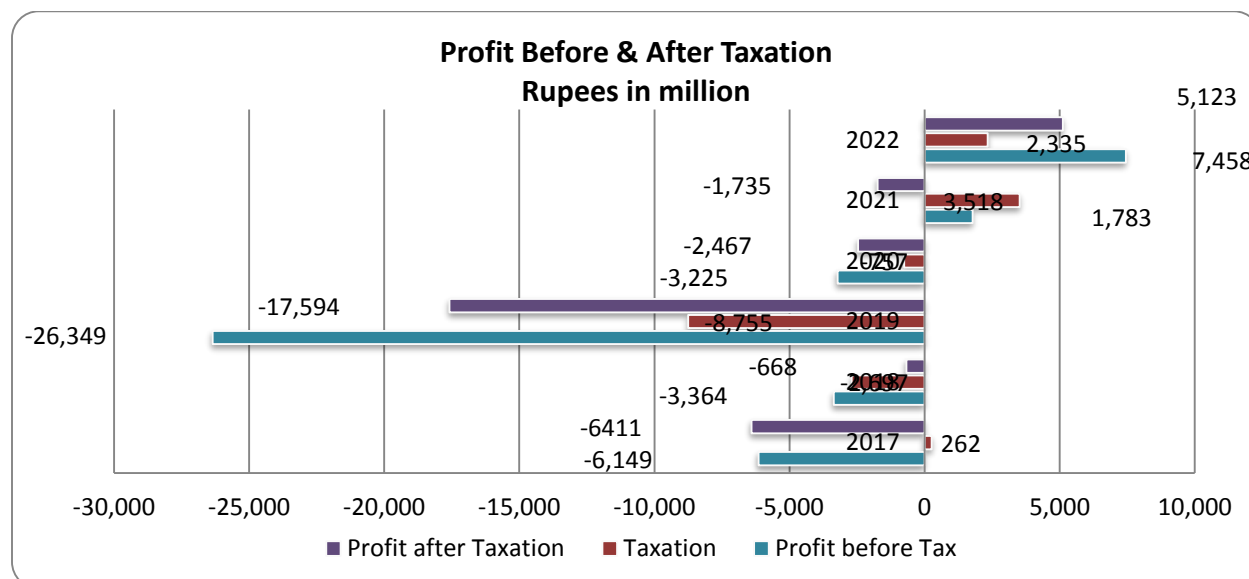
The operating expenses slightly increased by 11% due to inflationary impact amounted to Rs. 12,153 million during the year 2022 (2021: 10,910 million).

▪ **Taxes:**

In FY 2022, a tax amount of Rs. 2,335 million was recorded, with a profit before taxation of Rs. 7,458 million and a profit after taxation of Rs. 5,123 million.

▪ **Net profit/(Loss):**

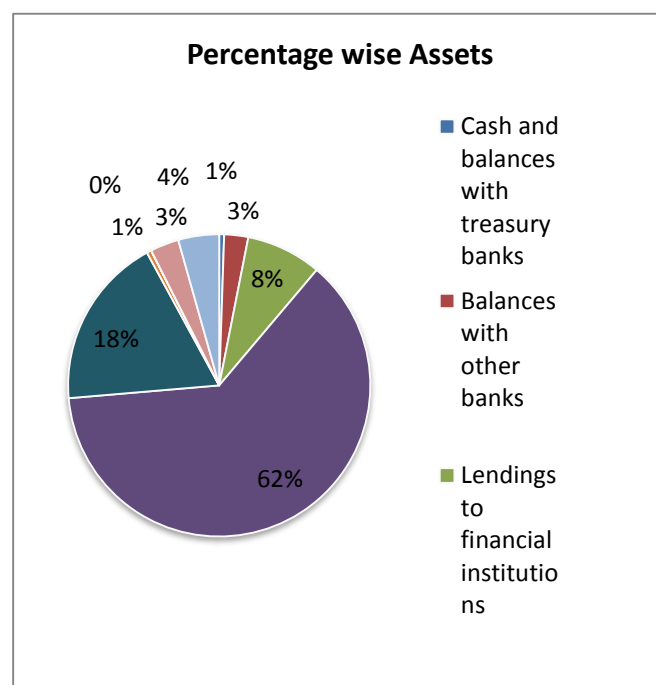
In the year under review, ZTBL reported a profit after taxation of Rs. 5,123 million as compared to corresponding period (2021: Net Loss Rs. (1,735) million).

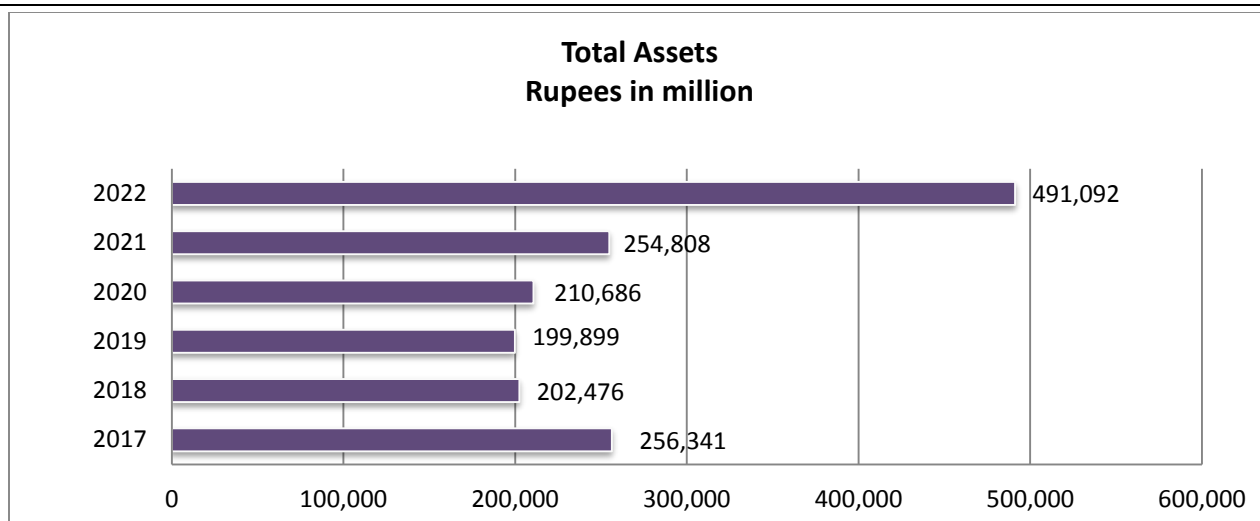


Financial Position Review 2022

▪ **Total assets:**

Total assets of ZTBL represent 18% advances (net) and 62% of investment (net). The asset base of the Bank has increased by 93% to Rs. 491,092 million in the year 2022 (2021: Rs. 254,808 million) which include the major increase in investment (net). During 2022, the net advances amounted to Rs. 90,452 million as compared to Rs. 91,822 million in the previous year, which represents decrease of 1.50%.



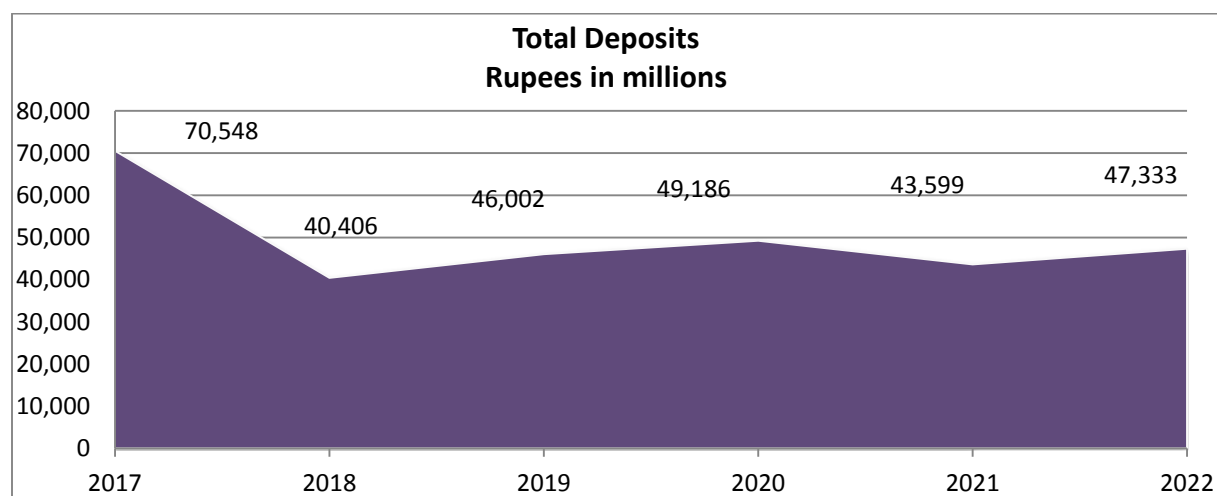


Total Deposits:

Total deposits of the Bank have increased by 9% to Rs. 47,333 million in 2022 (2021: Rs. 43,599 million).

During the year under review, share of current and saving deposits constitutes of 13% and 19% while share of term deposits remained 69%.

Moreover, as part of our continuous efforts to improve our deposit base and increase our customer's base, we opened 19,164 New to Bank CASA Accounts (NTBs) with fresh deposit of PKR 1,140 million during the year 2022.



Capital Strength & Adequacy:

ZTBL is keen to maintain its strong capital base in order to meet the regulatory requirements and maintain its shareholders, creditors and investor's confidence on sustainable business growth of the Bank. Adequacy of the Bank's capital is monitored using the rules and ratios established by the SBP and Basel framework. Tier-1 capital of the bank increased from PKR 44,965 million in FY 2021 to PKR 49,562 million in FY 2022 mainly due to increase in unappropriated profit. Total Risk weighted assets also increased by PKR 7,836 million in FY 2022. The bank's total capital to RWA's was 33.69% in 2022 (FY 2021: 32.37%), which is well above the central bank's minimum requirement of 11.50%.

CET-1 capital ratio was also strong at 32.09% in 2022 (FY 2021: 30.67%) against required 6%. The Leverage ratio decreased to 10.09% in 2022 (FY 2021: 13.55%).

The latest Internal Capital Adequacy and Assessment Process (ICAAP) shows that ZTBL has adequate (33.69% CAR) to cover the entire risk profile created by its business and operational activities. The audited CAR under BASEL-III statement as on DEC 31, 2022 stands at 33.69%.

Corporate Social Responsibility:

ZTBL plays a key role for the welfare of the society like playing its role in shaping the economy and have a direct impact on the well-being of individuals, businesses, communities and farmers. CSR (Corporate Social Responsibility) is an important aspect of Banking; therefore ZTBL demonstrated commitments to CSR through various initiatives such as rehabilitation of flood affectees in the country, support for construction of villagers houses of flood affectees, warm clothes & food items for flood affectees of Balochistan. It also organized four day workshop on “ENVISION-22” held in Karachi, arrangement of mass marriage of deserving couples of Hindu Community and supported production & airing of Pakistan’s 1st ever disability inclusive national anthem on the eve of 75th anniversary of Pakistan. With regard to corporate social responsibility, ZTBL made a substantial contribution of Rs. 86.4 million to aid those affected by floods in the country. This included the construction of homes, provision of warm clothing and food items and rehabilitation of flood effectees in the country.

Credit rating (2021)

VIS Credit Rating Company Limited (VIS) has reaffirmed entity rating of ZTBL at ‘AAA/A-1+’ (Triple A/A-One Plus). Outlook on the assigned ratings is Stable.

Kissan Support Services Limited (KSSL)

Kissan Support Services (Private) Limited (‘the Company’) was incorporated as a Private Limited Company on September 19, 2005 under the Companies Ordinance, 1984 (repealed and replaced by Companies Act, 2017). It is a subsidiary of Zarai Taraqiati Bank Limited (ZTBL) which holds 100% shares with an Authorized Capital of Rs 100 million fully subscribed and paid. The registered office of the Company is situated at Zarai Taraqiati Bank Limited Head Office – 1 Faisal Avenue, Zero Point Islamabad.

The Company's principal business is to provide consultancy, advisory (except investment advisory) and support services (including all kinds of support staff and ancillary services) to ZTBL which includes provision of staff and security services.

KSSL took various employees welfare measures during the year 2022 to support its employees during financial difficulties that included providing Compensation Allowance ranging from Rs 3,000 to Rs 5,000 per month, effective January 1, 2022. In compliance with the Government of Pakistan's policy, the Minimum Wage for employees was set at Rs 25,000 per month, effective April 1, 2022. Additionally, KSSL revised its TA/DA Policy of 2015 to ensure employees were adequately compensated for official travel, and increased the Life Insurance limit for employees by 100% to provide sufficient compensation for their families. KSSL also paid AMIs for the years 2019, 2020, and 2021 with arrears in June 2022. The Overtime Allowance for Clerical/Non-Clerical Staff was increased to Rs 150/- per hour, effective July 1, 2022, and the Special Conveyance Allowance was increased from Rs 1,000/- to Rs 3,000/- per month, also effective July 1, 2022.

S.No.	Particulars	2021	2022
1.	Profit/(Loss) after taxation (Rs. in millions)	(64.916)	54.442
2.	Earnings/(Loss) per share (Rs.)	(6.49)	5.44

Risk Management Framework and Policy:

In today's banking environment, risk is deemed as a capability across the institution and not a function with narrowly designed and exclusive responsibility of Risk Management Group. Financial industry in particular, has been continuously struggling with the challenge of integrating a view and practice of Risk Management into a coherent hole that can reliably contribute at enterprise level decisions.

ZTBL has formulated its risk management policy in accordance with SBP guidelines on risk management. These guidelines combines core policies, procedures and process design with board oversight and is supported by risk monitoring across the Bank. The Bank is in continuous process of strengthening its risk management structure.

Risk Management framework of ZTBL involves Board Risk Management Committee (BRMC) and Internal Risk Management Committee (IRMC) that defines Bank's risk exposure, formulates strategies, develops policies, established optimal systems and controls to mitigate risks at strategic, macro and micro level. Risk Management ensures that risk taking decisions are in-line with the corporate goals; mission and the Bank-wide strategy set by the Board and allow the Bank to undertake more productive risk-taking activities or restrict high risk/low return activities.

ZTBL's strategic approach to risk involves organizational and cultural considerations through ensuring compliance to regulatory requirements and with best industry practices, while limiting potential losses, and creating appropriate transparency on risk (credit, market, liquidity, operational, Strategic risks, risk modeling, data/systems, reporting/MIS, stress testing, cyber risks) , to improve profitability of the bank. Enterprise Risk Management Function of the bank, at minimum, addresses Credit risk, Market risk, Liquidity risk, Operational risk, Information Security Risk and other risks that individually or in combination with other risks have a material impact on bank's operations and its long term viability. The policy defines risk capacity of the Bank through MCR, establishes its risk appetite, ensure maintenance of minimum capital requirement, conduct independent risk review, and efficient implementation of Basel Accord.

Statement of Internal Controls

In 2004, State Bank of Pakistan issued Internal Control Guidelines requiring the banks to maintain an effective system of internal controls and described key components integral to the effective Internal Control System. In order to ensure consistency in the process of attaining compliance with this requirement, SBP prescribed a structured roadmap in 2009 which identified 8 activities/stages involved in the Internal Control Program. In order to comply with the aforesaid guidelines, the Bank conducted an exercise to document processes and controls with the help of consultant firm M/s EY Ford Rhodes and successfully completed all stages and submitted its report to SBP. Afterwards, Internal Controls Testing on periodic basis is being carried out by the Bank itself and the management considers that the Bank's existing System of Internal Control is reasonable in design and is being affectively implemented and monitored. Change Management is also documented with respect to changes occurring in controls due to automation and changes in organizational structure of the bank on Quarterly, Half-Yearly & Yearly basis.

Based on the work performed under Internal Control over Financial Reporting (ICFR), the management has identified various areas for process improvements as well as additional controls required to be put in place and areas

requiring strengthening of existing controls. After conducting review of Bank's Internal Control on annual basis, External Auditors' have been issuing Long Form Report (LFR) on ICFR since 2012 for submission to SBP. The Bank submitted LFR for the year 2020 to SBP as per requirement. After that submission was discontinued vide BSD Circular No.1 of 2021 dated July 06, 2021. The control weaknesses, pointed out by the auditors, are addressed by the relevant process owners.

Furthermore, the bank has hired consultant M/S KPMG Taseer Hadi & Co. to perform review of banks internal control system and update it accordingly; as the controls currently in place are rendered obsolete due to them being developed more than a decade ago and due to the progressive changes that occurred in bank's organizational structure, business processes & technological capacity over the years. Bank is continuously making efforts to ensure that an effective and efficient Internal Control System remains active and implemented through consistent and continuous monitoring that helps in improving reliability of financial reporting and the overall control environment.

The Board of Directors of the Bank is satisfied with the Internal Control System of the Bank and endorses the above evaluation.

Regulatory Compliance:

A brief overview of the Compliance division's performance for the year is provided below, including the accomplishments the division has achieved, In 2022, the bank deployed a revised e-KYC system and performed ODD (Ongoing Due Diligence) exercise for all active accounts. The bank accomplished this task for 97% of the accounts. The Bank also developed AML /CFT /CPF policy, which was approved by the Board Risk Management Committee (BRMC). In accordance with R-1 of SBP's AML/CFT/CPF Regulations, the bank has also Updated Internal ML/TF Risk Assessment Report of the bank. Furthermore, the report has been approved by the Board Risk Management Committee (BRMC) which demonstrates a substantial enhancement in the bank's risk profile. The bank has also developed BRDs (Business Requirement Documents) of several AML (Anti-Money Laundering) systems, which is a step towards the implementation of Reg Tech (Regulatory Technology). SBP as a risk-based supervision has identified the AML/CFT as high-risk area of inspection. However, due to improvement in bank's AML/CFT regime and efforts of Compliance function to arrange the timely replies/contests, number of annexures/observations as compared to previous inspection report is remarkably reduced. The Bank has also deployed a Knowledge Management System (KMS) that allows users to access training materials and take assessments. The system is a mini LMS (Learning Management System) and serves as a valuable tool for enhancing the skills and capabilities of employees.

Appointment of Auditors

M/s BDO Ebrahim & Company, Chartered Accountants, Islamabad was appointed as statutory auditors of the Bank for the year 2022.

Disclosure on Governance and Remuneration

Process of Appointment and Nomination of Directors

Banks (Nationalization) Act, 1974 states that the Chairman, the President and other members of the Board representing the Federal Government's direct and indirect shareholding shall be appointed by the Federal Government in consultation with the State Bank, for a term of three years, on such terms and conditions as may be fixed by the Annual General Meeting of the Bank.

Further, Public Sector Companies (Corporate Governance) Rules, 2013 provides that the Board shall set up a Nomination Committee to identify, evaluate and recommend candidates for vacant positions, including casual

vacancies, on the Board, including the candidates recommended by the Government for consideration of shareholders or in case of casual vacancy to the Board of Directors after examining their skills and characteristics that are needed in such candidates.

Profile of each Director (Qualification, Expertise & Experience) as on December 31, 2022.

S. NO.	NAME OF DIRECTOR	STATUS	QUALIFICATION	PREVIOUS EXPERIENCE	MEMBERSHIP ON THE BOARD OF OTHER COMPANIES
01	Mr.Asad Ullah Habib	President/CEO (A)	<ul style="list-style-type: none"> - E. M.B.A. - B.Com - D.A.I.B.P 	<ul style="list-style-type: none"> - SEVP/Group Head, ZTBL (Current) - EVP, Planning, Research & Technology Division, ZTBL - EVP, Recovery & SAM Division, ZTBL - EVP, Operations Division, ZTBL - SVP/RBH, The Bank of Punjab 	<ul style="list-style-type: none"> - Chairman, Kissan Support Services (Pvt.) Limited (A subsidiary of ZTBL) - Member Board, PASSCO (On behalf of ZTBL)
02	Mr.Zafar Hasan	Director	<ul style="list-style-type: none"> - M.B.A. - M.Sc. (Economics) - M.P.P. 	<ul style="list-style-type: none"> - Secretary, Ministry of National Food Security & Research, GoP (Current) - Secretary, National Heritage and Culture Division - Secretary, Ministry of Communication - Secretary, Ministry of Planning, Development & Special Initiatives, 	<ul style="list-style-type: none"> - Deputy Chairman. Saudi Pak Industrial & Agricultural Investment Company Limited - Chairman Board, PASSCO - Chairman Board, Livestock Dairy Development - Chairman Board, Fisheries Development
03	Mr.Zaigham Mahmood Rizvi	Director	<ul style="list-style-type: none"> - M.A Economics - M.Sc. Chemical Engineering - MBA 	<ul style="list-style-type: none"> - Expert Consultant Housing to World Bank/IFC. - M.D./Chairman, House Building Finance Corporation - M.D. Pak Kuwait Investment Company - M.D. Pak Libya Holding Company - SEVP, Saudi Pak Industrial & Agriculture Investment Company - Advisor, State Bank of Pakistan - Director, Meezan Bank Limited - Oman Development Bank, IDBP, Dawood Hercules, 	
04	Mr. Syed Javed	Director	<ul style="list-style-type: none"> - Masters in Economics 	<ul style="list-style-type: none"> - Group Head, Customer Services, UBL 	<ul style="list-style-type: none"> - Chairman Board, Pakistan

				<ul style="list-style-type: none"> - Group Executive, Strategic Business Planning, UBL - Group Head, Human Resource, UBL - Nominee Director of UBL at Khushhali Microfinance Bank Limited and NIFT, 	Revenue Automation Limited
05	Mr. Muhammad Aslam Ghauri	Director	<ul style="list-style-type: none"> - MBA - M.Sc. (Social Policy & Planning in Dev. Countries) - B.E. (Electronics) 	<ul style="list-style-type: none"> - Sr. Joint Secretary Finance Division, (GoP) (Current) - Secretary, Environment Climate Change and Coastal Development Department, Govt. of Sindh - Secretary, Information Department, Govt. of Sindh - Secretary, Training, Management & Research Wing, SGS & CD, Govt. of Sindh - Managing Director, Sindh Public Procurement Regulatory Authority - Special Secretary, Home Department, Govt. of Sindh 	
06	Mr. Haaris Mahmood Chaudhary	Director	M.B.A.	<ul style="list-style-type: none"> - Chief Executive Officer, Universal Service Fund, Islamabad (Current). - Chief Financial Officer & Head of Corporate Affairs, Universal Service Fund. - Board Member, Pak Datacom Limited - Ex. Vice President, Barclays Bank - Vice President, Clariden Leu Asset Management Credit Suisse, Dubai - Vice President, ABN AMRO Bank - Standard Chartered Bank, Citibank 	Chief Executive Officer, Universal Service Fund, Islamabad (USF)

Details of Membership on the Board(s) of other Companies

Disclosure on Board of Directors					
Sr. No	Name of Director	Date of leaving/ joining the Board	Status of Director (Independent, Non-Executive, Executive)*	Member of Board committees	Number of other Board memberships along with the name of company(ies)
1	Mr. Asad ullah Habib	11.12.2022	Executive Director	1. Risk Management Committee. 2. Nomination Committee. 3. IT & Agriculture Technology Committee. 4. Product Development & Marketing Committee.	<ul style="list-style-type: none"> - Chairman, Kissan Support Services (Pvt.) Limited (A subsidiary of ZTBL) - Member Board, PASSCO (On behalf of ZTBL)
2.	Mr. Zaigham Mahmood Rizvi	30.12.2020	Independent Director	1. Audit Committee 2. Human Resource Committee 3. Risk Management Committee 4. Procurement Committee 5. Nomination Committee. 6. Product Development & Marketing Committee	
3.	Mr. Syed Javed	30.12.2020	Independent Director	1. Audit Committee 2. Human Resource Committee 3. Risk Management Committee 4. Procurement Committee 5. Nomination Committee 6. IT & Agriculture Technology Committee. 7. Product Development & Marketing Committee	<ul style="list-style-type: none"> - Chairman Board, Pakistan Revenue Automation Limited.
4.	Mr. Zafar Hasan	14.06.2022	Non-Executive Director/Ex. Officio Director.	1. Nomination Committee 2. IT & Agriculture Technology Committee 3. Product Development & Marketing Committee	<ul style="list-style-type: none"> - Deputy Chairman. Saudi Pak Industrial & Agricultural Investment Company Limited - Chairman Board, PASSCO - Chairman Board, Livestock Dairy Development. - Chairman Board, Fisheries Development
5.	Mr. Muhammad Aslam Ghauri	07.10.2021	Non-Executive Director/ Ex. Officio Director.	1. Audit Committee 2. Risk Management Committee.	

6.	Mr.Haaris Mahmood Chaudhary	30.12.2020	Non-Executive Director	1. Audit Committee 2. Human Resource Committee 3. Procurement Committee 4. IT & Agriculture Technology Committee.	- Chief Executive Officer, Universal Service Fund
7	Mr.Nadeem Lodhi	11.03.2022/ 30.12.2020	Non-Executive Director	Human Resource Committee	
8	Mr.Muhammad Shahbaz Jameel	10.11.2022/ 11.11.2019	Executive Director	1. Risk Management Committee 2. Nomination Committee 3. IT & Agriculture Technology Committee 4. Product Development & Marketing Committee	
9	Mr.Abdul Ghufuran	24.05.2022/ 30.12.2020	Non-Executive Director	1. Human Resource Committee. 2. Nomination Committee 3. IT & Agriculture Technology Committee 4. Product Development & Marketing Committee	
*Mr. Nadeem Lodhi, Mr. Muhammad Shahbaz Jameel and Mr. Abdul Ghufuran left the Board as on mentioned dates against each.					

Composition & Membership of Board Committees

1. AUDIT COMMITTEE

S.No.	NAME OF MEMBER	STATUS
01	Syed Javed	Chairman
02	Mr.Zaigham Mahmood Rizvi	Member
03	Mr.Haaris Mahmood Chaudhary	Member
04	Mr.Muhammad Aslam Ghauri	Member
05	EVP/Chief Internal Auditor	Secretary

2. HUMAN RESOURCE COMMITTEE

S. No.	NAME OF MEMBER	STATUS
01	Syed Javed	Chairman
02	Mr .Zaigham Mahmood Rizvi	Member
03	Mr. Muhammad Aslam Ghauri	Member

04	Mr.Haaris Mahmood Chaudhary	Member
05	EVP/Head (Human Resource Division)	Secretary

3. RISK MANAGEMENT COMMITTEE

S.No.	NAME OF MEMBER	STATUS
01	Mr.Zaigham Mahmood Rizvi	Chairman
02	Syed Javed	Member
03	Mr.Muhammad Aslam Ghauri	Member
04	Mr.Asad Ullah Habib	Member
05	Head/Head (Enterprise Risk Management Division)	Secretary

4. PROCUREMENT COMMITTEE

S.No.	NAME OF MEMBER	STATUS
01	Mr.Haaris Mahmood Chaudhary	Chairman
02	Mr.Zaigham Mahmood Rizvi	Member
03	Syed Javed	Member
04	Mr.Muhammad Aslam Ghauri	Member
05	EVP/Group Head (Services Division)	Secretary

5. NOMINATION COMMITTEE

S. No.	NAME OF MEMBER	STATUS
01	Mr.Zafar Hasan	Chairman
02	Mr.Zaigham Mahmood Rizvi	Member
03	Syed Javed	Member
04	Mr.Asad Ullah Habib	Member
05	Company Secretary	Secretary

6. IT & AGRICULTURE TECHNOLOGY COMMITTEE

S.No.	NAME OF MEMBER	STATUS
01	Syed Javed	Chairman
02	Mr.Haaris Mahmood Chaudhary	Member

03	Mr.Zafar Hasan	Member
04	Mr.Asad Ullah Habib	Member
05	EVP/Head (Information Systems Division)	Secretary

7. PRODUCT DEVELOPMENT AND MARKETING COMMITTEE

S.No.	NAME OF MEMBER	STATUS
01	Mr.Zaigham Mahmood Rizvi	Chairman
02	Syed Javed	Member
03	Mr.Zafar Hasan	Member
04	Mr.Asad Ullah Habib	Member
05	EVP/Head (Planning, Research & Technology)	Secretary

Number of Board & Committee Meetings Held and Attendance by the Members during the Year 2022

Nine (09) meetings of the Board were held during the year 2022. Attendance of the members remained as under: -

S.No.	Name of Member	Designation	No. of meetings attended
01	Mr.Nadeem Lodhi *	Chairman	02
02	Mr.Muhammad Shahbaz Jameel **	President/CEO/ Director	07
03	Mr.Asad Ullah Habib ***	President/CEO (A)	01
03	Mr.Abdul Ghufraan #	Director	02
04	Mr.Zaigham Mahmood Rizvi	Director	09
05	Syed Javed	Director	09
06	Mr.Muhammad Aslam Ghauri	Director	09
07	Mr.Haaris Mahmood Chaudhary	Director	09
08	Mr.Zafar Hasan ##	Director	02

* Two meetings were held during his tenure.

** Eight meetings were held during his tenure

*** One meeting held during his tenure

Five meetings held during his tenure

Four meetings held during his tenure.

Directors' Participation in Board and Committee meetings

S.No.	Name of Director	Number of Board meetings attended	Number of Committee meetings attended						
			Board Audit Committee	Board Human Resource Committee	Board Risk Management Committee	Board Procurement Committee	Board Nomination Committee	Board Product Development & Marketing Committee	Board IT & Agriculture Technology Committee
1	Mr.Nadeem Lodhi	02	---	01	---	---	---	---	---
2	Mr.Muhammad Shahbaz Jameel	07	---	---	02	---	---	03	---
3	Mr.Asad Ullah Habib	01	---	---	01	---	---	01	---
4	Mr.Abdul Ghufraan	02	---	01	---	---	---	03	---
5	Mr.Zaigham Mahmood Rizvi	09	08	08	04	---	---	05	---
6	Syed Javed	09	07	07	04	---	---	05	---
7	Mr.Haaris Mahmood Chaudhary	09	08		---	---	---	---	---
8	Mr.Muhammad Aslam Ghauri	09	08	08	04	---	---	---	---
9	Mr.Zafar Hasan	02	---	---	---	---	---	0	---
	Total meetings held	09	08	08	04	0	0	05	0

Corporate and Financial Reporting Framework

The Directors are pleased to give the following statements in respect of compliance with the Corporate and Financial Reporting Framework.

- The Bank's financial statements prepared by the management of the Bank present fairly its state of affairs, the results of its operations, changes in equity, and cash flows.
- Proper books of accounts of the Bank have been maintained.
- Accounting policies have been consistently applied in preparation of these financial statements except as stated in the notes to the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable to Banking companies in Pakistan, have been followed in preparation of these financial statements.
- The current system of internal control is under constant review by the Internal Control over Financial Reporting Department and Internal Audit Department. Based upon the results through ongoing testing of financial reporting controls and internal audit carried out during the year, the management considers that the Bank's existing internal controls system is adequate and has been effectively implemented and monitored. Board endorses the statement of Internal Control attached to the Financial Statement for the year 2022.

- vi. Based on the results of December 31, 2022 the Board of Directors is satisfied with the Bank's ability to continue as a going concern.
- vii. There have been no material departures from the best practices of Corporate Governance as detailed in the Listing Regulation No.35 of the Karachi Stock Exchange (Guarantee) Limited.
- viii. Key operating data and financial data of last six years in summarized form, are included in this Annual Report.
- ix. There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of December 31, 2022 except as disclosed in these financial statements.

Disclosures Relating To Remuneration Policy

(a) There was a need to align the remuneration practices with internationally adopted best principles and standards in view of ever expanding risk portfolio and direct risk-taking behavior with remuneration but it must be within the available resources of ZTBL. Remuneration or salary or compensation is a vital part of total reward structure that encompasses all the tools available to attract, develop and retain employees. The Remuneration Policy reflects the Bank's objectives for good corporate governance as well as sustained and long-term value-creation for its employees.

Following are the key features and objectives and remuneration related governance framework:-

- (i) The Bank be able to attract, engage and retain high-performing and motivated employees in a competitive market.
- (ii) Employees are offered a competitive and market aligned remuneration package, making fixed salaries a significant component of remuneration; and
- (iii) Employees feel encouraged to create sustainable results for customers and the Bank.
- (iv) Policy also focuses on sound and effective risk management through alignment with the Bank's business strategy, values, key priorities and long-term goals, ensuring that the total bonus pool does not undermine the Bank's capital base and a stringent governance structure for setting goals and communicating these goals to employees.

(b) **Remuneration components:** - The remuneration components in ZTBL are: -

- i. Fixed remuneration (including allowances)
- ii. Performance-based remuneration (Bonus)
- iii. Pension scheme (where applicable)
- iv. Other benefits in kind.
- v. Severance payment, where applicable.

(c) (i) The salary system is composed of a salary range for each position that reflects the value of that position to ZTBL. Each salary range shows the gross salary and is set between defined minimum and maximum levels.

(ii) The ranges have an overlap to reward a high performing employee in a lower grade by paying a salary equal to or greater than the salary a relatively low performing employee may be receiving in a high grade. The system provides latitude in the administration of salaries to take account of both the value of the job and the value of the individual contribution to that job.

(iii) All ranges have defined maximum levels which are flexible. Separate salary packages have been approved by the Board of Directors for each category which are reviewed periodically with actuarial valuation of its financial impact.

(d) The Bank has identified the products and processes which may pose serious risks to the institution and identified the appropriate level of authorities and decision makers for these products and processes as Material Risk Takers (MRTs).

(e) Profit maximization is not the only benchmark for determination of salaries and bonuses or employees rather this policy also provides significant importance to the quantum of risk involved in generating profit.

(f) Responsibility levels of the key executives in major decisions

- i. Annual business plans, cash flow projections, forecasts and long term plans, budgets including capital, manpower and expenditure budgets, along with variance analyses.
- ii. Internal/commercial audit reports and observations raised by the SBP Inspection Team, including cases of fraud or major irregularities.
- iii. Management letters issued by the external auditors.
- iv. Status and implications of law suit or judicial proceedings of material nature, filed by or against the Bank.
- v. Material payments of government dues, including income tax, excise and customs duties and other statutory dues.
- vi. Any significant accidents and dangerous occurrences.
- vii. Disputes with staff and their proposed solutions, any agreement with the CBA Union on their character of demands.
- viii. Annual, quarterly, monthly or other periodical accounts are required to be approved by the Board for circulation amongst its members.
- ix. Reports on governance, risk and compliance issues;
- x. Periodical review of Human Resource Policies.

(g) Salary is admissible as per pay scales, allowances and fringe benefits in vogue in respect of employees governed under SSR, 1961 whereas monetized salary is being paid to employees governed under SR-2005. Besides salary, performance bonus is also paid with the approval of the Board. On retirement/severance and death, certain benefits are also admissible.

(h) Following are the basis for payment of bonuses and awards to CEO, senior executives and MRTs:-

- Profit before tax
 - Assessment of risk-adjusted return.
 - Cost
 - Customers satisfaction
 - Compliance with internal business procedures
 - Expected loss.
- (i) Bank has ensured and allowed separate monetized salary structure for Treasury cadre employees posted in Treasury Department being MRTs since they are performing Risk Control Functions.

REMUNERATION OF DIRECTORS

Bank adopts the remuneration policy for Board members as given in Section 78 of the Articles of Association of the Bank and Section 11 of Banks (Nationalization) Act, 1974. At present, the shareholders approved the following remuneration/fees and other benefits for the members for attending Board/Committee of the Board/General Meetings;

1.	Meeting of the BoD/shareholders	Rs.40,000/meeting
2.	Meeting of Board Committees	Rs.25,000/-meeting
3.	Traveling	Return Air Ticket (Business Class) 18/Km if travelled by own Car.
4.	5 Star Hotel accommodation	At actual

Future Outlook:

The Bank has also undertaken technology-related initiatives in the software development field, which include the digitalization of pension and retirement benefits under SR-1961 & SR-2005, implementation of a Compliance Monitoring and Reporting System (CMRS), upgrading the ORR in CBAS, and integration of a CRP module in the CDMS. The development and implementation of RAAST Phase II (P to P) is ongoing. The bank is currently working on the development of Islamic ATM application, which includes: Developing an application for requesting Islamic ATM cards (CDMS IB - Front End), Integrating the Islamic ATM application with the switch and 1 Link (CDMS IB - Back End), Improving the ATM Transaction Monitoring system to display transaction logs, Implementing the Islamic ATM application with set transactions and Master Codes, Configuring and approving accounting entries for both Islamic and Conventional Systems. ZTBL is currently providing Home Remittance services through cash over counter, but after the implementation of a new Home Remittance system, ZTBL will be able to handle all types of transactions. The new system will have the capability to offer various modes of Home Remittance payments, such as freelance, B2C, and C2B payments, among others.

The bank is currently working on the RAAST G2P platform, which is scheduled to be launched in early 2023. The bank is also planning to release Internet Banking and Mobile Banking Application in current year. Additionally, the bank is planning to install special ATM facilities for disabled persons, make mobile vans with ATM facilities available to the public and launch a Farmer's portal in 2023, which is specifically designed to meet the needs of farmers. The bank is also going to implement a Multi-channel (Conventional and Digital) Fraud Detection and Prevention system to closely monitor all Debit and Credit transactions. The bank is working to integrate a CRM (Customer Relationship Management) solution with the switch and other surrounding applications to help make informed decisions about customers and track sales, marketing and other critical services. The bank is planning to establish DR Site of ZTBL Call Center, Card Production setup as per SBP Mandate, establish Digital services for Islamic Banking clients, launch POS network in ZTBL branches for card based / Card Less / QR Payment transactions, re-launch sales force monitoring and management for MCO through digital gadgets and collaborate with Fin-Tech companies, insurance companies, marketing companies and other active relevant industry players for coming up with a differentiated e-solutions for ZTBL clients.

IBD is planning to commence financing operations in the forthcoming period initiating through offering products like Zarai Islamic Tahafuz e Ajnas are in process. The purpose of Zarai Islamic Tahafuz e Ajnas is to provide financing facility for storage and protection of agriculture outputs through establishment/renovation/up gradation of required infrastructure like Godown, Warehouses, Silos etc. Several schemes to enhance the well-being of farmers and the agriculture industry as a whole are currently in development and will be launched in the near future such as Prime Minister's Youth Business & Agriculture Loan Scheme, GOP Markup Subsidy Scheme (GMSS) for Revival of Agriculture/Livestock Sectors in Flood Affected Areas, Interest Free Loans and Risk Sharing Scheme for Landless Farmers (IF&RSLF) in Flood Affected Areas, Markup Subsidy and Risk Sharing Scheme for Farm Mechanization, Kissan Rozgar Scheme (KRS)-Financing for Establishment of Dry Fruit Shop, Digital Kissan Karobar Scheme, Financing Product for Fruits & Vegetable Saver, Financing Product for Potato Grader, Financing for Establishment of High Efficiency Irrigation System, Financing for Chakki for Making Masalajat (Chilli, Dhanya, Zeera etc.).

To strengthen the compliance function of the bank, following steps are being started: automation of Field Compliance Monitoring Units, implementing a Compliance Risk Management System, procuring a Third Party System for Sanction Screenings, TMS Subscription of PEPs. The planned implementation of agriculture technology is scheduled that include Establishment of herbal garden, conversion of ZTBL farm into solar energy, liaison with agri- extension and research organization and universities for collection and dissemination of technical knowledge.

To develop skills and advance professionally, SBP has expressed the desire to utilize e-learning, mobile-based learning, webcasting, and video conferencing or virtual classroom services to enhance the capabilities of their employees and to expand the reach of training. In compliance with the directives of SBP, the T&DD department has implemented a hybrid approach in creating the Training Plan for the year 2023.

Value of Investments in Employees' Benefits Fund:

The Bank operates 10 Funds for its Employees and as per last respective un-audited financial statements their value of Investments are;

Year ended as on 31.12.2022		
S.R#	Name Of Fund	Rs. Million
1	Employees Benefit Fund	126.12
2	Benevolent Fund (Officers)	1,181.94
3	Benevolent Fund (Staff)	710.12
4	Pension Fund	11,444.73
5	Gratuity Fund	-
6	Employees Provident Fund	128.66
7	General Provident Fund (Officers)	4,528.76
8	General Provident Fund (Staff)	725.77
9	Contributory Provident Fund	803.28
10	Gratuity Fund (under SR-2005)	2,270.49
	*Unaudited Figures	21,919.86

Profit & Loss Appropriation- 2022 (Rupees in '000)

Profit Before Tax	7,457,961
Taxation:	
Current	4,852,089
Prior Year (s)	
Deferred	(2,516,975)
Profit After Tax	5,122,847
Un-appropriated (loss)/gain b/f	(6,037,016)
Other comprehensive (loss)/gain- tax	
Profit after taxation for the year	5,122,847
Transferred to statutory reserve	(1,024,569)
Unappropriated (loss) / profit as on Dec 31, 2022.	(1,203,782)

SHARE HOLDING
(As on 31.12.2022)

SR. NO.	NAME OF SHARE HOLDER	NUMBER OF SHARES
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A. ORDINARY SHARE CAPITAL

01	Government of Pakistan	1,251,189,067
02	State Bank of Pakistan	4,015,599,174
03	Government of Punjab	292,340
04	Government of Sindh	125,545
05	Government of Khyber Pakhtunkhwa	71,740
06	Government of Balochistan	37,875
07	Government of Erstwhile East Pakistan *	527,500
	Total	5,267,843,241

B. PREFERRED SHARE CAPITAL

01	State Bank of Pakistan	5,446,153,632
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* Share certificates not yet issued.

** Preference shares (Non participatory, Redeemable) were issued to State Bank of Pakistan in March 2017.

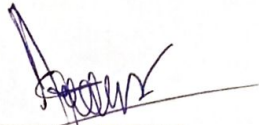
Corporate Information

(As on 31.12.2022)

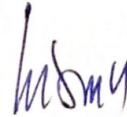
Name:	Zarai Taraqati Bank Limited	
Head Office:	Islamabad	
Legal Status:	A Public Limited Company (By shares)	
Location of Assets:	In Head Office and in Zonal and Branch offices located at various positions across the country	
Authorized Capital:	Rs.125,000,000,000/- divided into 7,000,000,000 Ordinary shares of Rs.10/- each and 5,500,000,000 Preference shares of Rs.10/- each	
Paid-up capital:	Ordinary Share Capital	Rs.52,678,432,410/-
	Preferred Share Capital	Rs.54,461,536,320/-
<i>Board of Directors:</i>	<i>Mr. Asad Ullah Habib</i>	<i>Director</i>
	<i>(Acting President/CEO)</i>	
	<i>Mr. Zaigham Mahmood Rizvi</i>	<i>Director</i>
	<i>Syed Javed</i>	<i>Director</i>
	<i>Mr. Zafar Hasan</i>	<i>Director</i>
	<i>Mr. Muhammad Aslam Ghauri</i>	<i>Director</i>
	<i>Mr. Haaris Mahmood Chaudhary</i>	<i>Director</i>
Chief Financial Officer:	Mr. Muhammad Arif	
Company Secretary:	Mr. Tariq Mahmood Talib	

Appreciation & Acknowledgement

In the end, Directors place on record their sincerest appreciation for the significant contribution made by our employees through their dedication, hard work and commitment as also for the trust reposed on us by the agriculture fraternity and farmers. We also acknowledge the support extended to us by State Bank of Pakistan and other regulators, shareholders, collaborators and customers at large. We look forward to continued support in our endeavor to accelerate access to innovative and affordable finance to agriculture.



President/CEO (A)



Independent Director