



Annual Report 2022



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“The greater the sacrifices we are made to undergo the purer and more chastened shall we emerge like gold from fire. So my message to you all is of hope, courage and confidence. Let us mobilize all our resources in a systematic and organized way and tackle the grave issues that confront us with grim determination and discipline worthy of a great nation.”

– Quaid-e-Azam, Muhammad Ali Jinnah
*Message to the nation on the occasion of Eid-ul-Azha,
October 24, 1947*

Vision

To be the premier financial sector knowledge institute of international standard and repute.

Mission

To train and develop a sound human resource base for the financial sector and to work for continuous learning, adaptation and application of knowledge.

Core Values

- ◇ Customer Focus
- ◇ Respect
- ◇ Integrity
- ◇ Excellence
- ◇ Teamwork
- ◇ Ownership

Quality Policy

The Institute of Bankers Pakistan (IBP) is a premier financial sector training Institute. We, at IBP, are committed to:

- Train and develop a sound human resource base for financial sector.
- Work for continuous learning, adoption and application of knowledge.
- Train our workforce regularly to increase the efficiency of the quality management system.
- Continuously improve our quality as per IBP's Scope of Services through regular monitoring, mitigation of risks and avail opportunities for quality objectives.
- Comply with all applicable regulatory and other requirements that apply to our business operations.
- Communicate our quality policy internally as well as externally to raise the level of awareness in the organization and stakeholders.

ISO 9001:2015 Certification

IBP is ISO 9001:2015 certified and as per the Certificate, IBP applies a management system in line with the standard for the following scope, "Provision of professional education, trainings, assessment, examinations, research, publications and human capital development for the financial sector".

ABOUT IBP

The Institute of Bankers Pakistan (IBP) has been dedicated to the capacity building and development of professional bankers in Pakistan since the past 71 years. IBP is a not-for-profit, ISO 9001:2015 certified organization, managing to meet its objectives in the best possible way. Initiated in 1951, in collaboration with the Institute of Bankers, UK, IBP has been instrumental in shaping illustrious bankers, who, in turn, have successfully contributed towards the growth and development of the country's banking industry.

Fully in accordance with its vision and mission, IBP is imparting knowledge to enhance technical competency of human resources in the banks. This is achieved using a two-pronged approach:

i) bankers are equipped with the relevant skill-sets in accordance with Pakistan's dynamic economic landscape and concurrently, ii) helping the management of the banks to recruit the most suitable resources capable of adopting and leading the ongoing change process at induction and middle level.

IBP renders wholesome support to further the initiatives of State Bank of Pakistan (SBP), through launching of certificate courses, regular and customized trainings in relevant fields.

In addition to offering its flagship professional qualification program, the IBP Superior Qualification (ISQ) twice a year, customized version of ISQ, the ISQ Fast Track Program has also been introduced from this year. The ISQ program is a unique product offering that enables the bankers to stand out as leaders in the financial sector.

The breadth of training, education and professional development programs at the Institute cover all major banking disciplines including: operations, branch banking, customer services, credit, risk, compliance, corporate governance, Islamic banking, SME, microfinance, international trade finance, anti-money laundering, combating financing of terrorism and role of FATF etc. The IBP Microfinance Diploma (IMFD) program and Professional Bankers (PB) program are other exclusive ventures of the Institute.

IBP's scope of activities has significantly been broadened over the years by including the following services:

- Testing, Assessment & Recruitment
- Online Training Sessions
- e-learning programs through its eILM (IBP's Online Learning Management) platform
- Research and Publications
- Webinars

During the FY 2021-22, MOU with Chartered Banker Institute UK (CBI, UK) was revised and renewed, whereby JAIBP-Qualified Candidates of IBP are now eligible to apply for Associate Chartered Banker status from Chartered Banker Institute, UK and Professional Banker certified candidates



are eligible to apply for certified status with the Chartered Banker Institute, UK. Furthermore, to facilitate the JAIBP Qualified Candidates, who have attained Associate Chartered Banker status from CBI, UK, another MOU was signed whereby the candidates who wish to obtain Chartered Banker status from CBI, UK can enroll themselves with CBI, UK through the Institute of Bankers Pakistan, whereby the candidates will be required to pass the Professionalism and Ethics module, along with Personal and Private Banking module or Commercial Lending modules to attain the Chartered Banker status from CBI, UK.

IBP takes pride in being associated with internationally acclaimed institutes from the banking and finance sector, which include Chartered Banker Institute (CBI), UK; Bangor Business School (UK); McKinsey Academy (USA); Omega Performance, now acquired by Moody's Analytics (Singapore); Business Continuity Institute (UK); and Finance Accreditation Agency - FAA, (Malaysia) to deliver best practices for the banking community in Pakistan.

During FY 2021-22, an MOU for Joint Marketing, promotion, and delivery of the following programs was signed with Chartered Banker Institute, UK:

- Certificate in Green and Sustainable Finance
- Climate Risk Certificate

IBP supports to the banking industry not only through its capacity building measures, but also by recognition and acknowledgement of its achievements. The Pakistan Banking Awards are the hallmark of IBP; prestigious awards presented annually since 2016, in collaboration with the DAWN Media Group and knowledge partners A.F. Ferguson & Co (a member firm of the PwC network), to honor the success of banks, and recently non-banks supporting the industry, setting the benchmarks and inculcating a spirit of healthy competition.

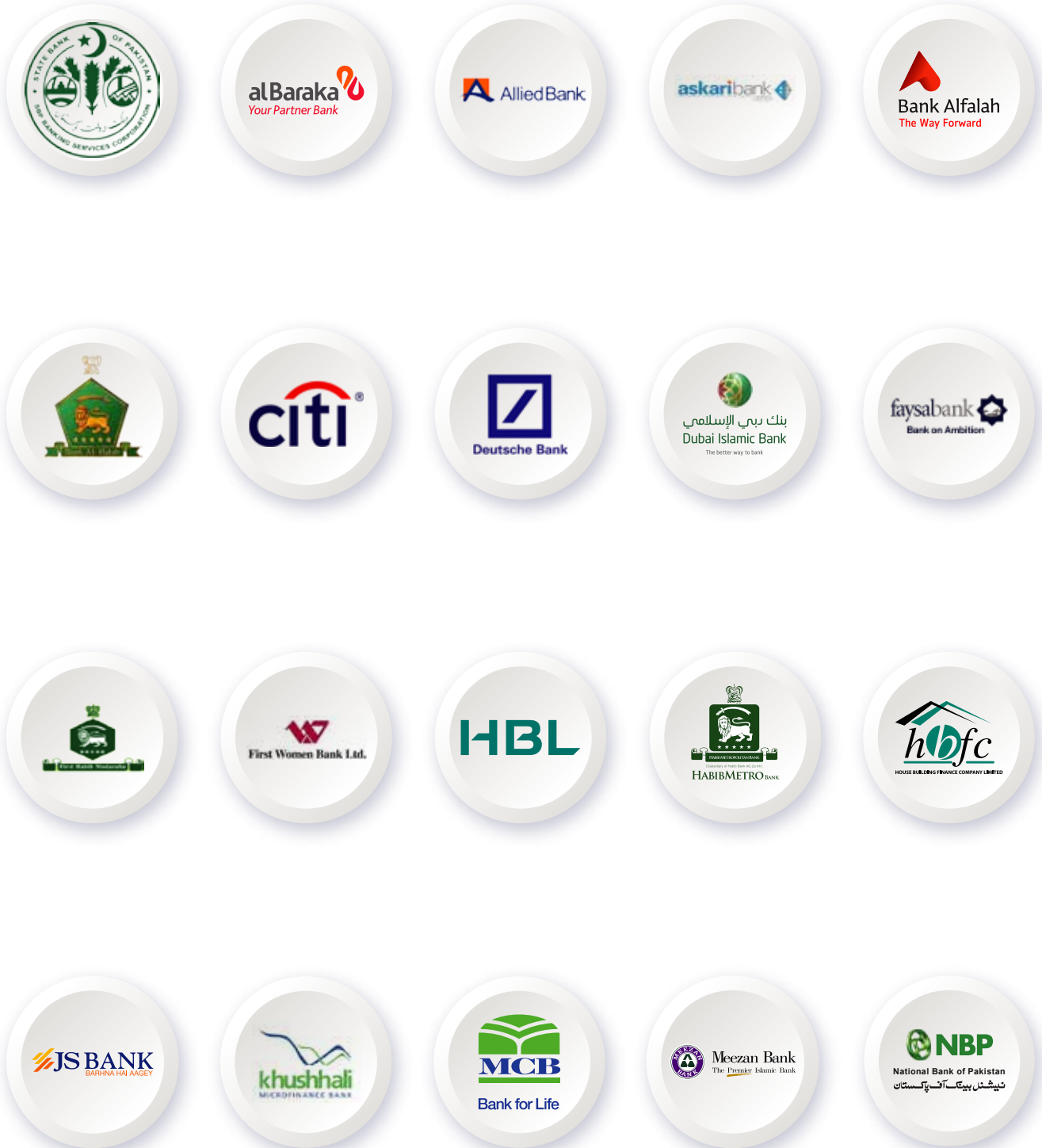
During its eventful journey of 71 years, IBP has continuously evolved through its dedicated and sustained efforts to adapt and cope with the challenges amidst the dynamic banking landscape. It remains committed to further growth and enhancement of its services to support the development of professional bankers and sustainable banking in Pakistan.



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Institutional Members





Council Members



Mr Jameel Ahmad,
Governor SBP, President IBP &
Chairman of the Council



Dr Inayat Hussain
Deputy Governor - SBP
(Banking + FMRM)



Mr Muhammad Aurangzeb
President & CEO
Habib Bank Limited



Mr Shazad G. Dada
President & CEO
United Bank Limited



Mr Mansoor Ali Khan
Chief Executive
Bank AL Habib Limited



Mr Irfan Siddiqui
President & CEO
Meezan Bank Limited



Mr Atif Bajwa
President & CEO
Bank Alfalah Limited



Mr Yousaf Hussain
President & CEO
Faysal Bank Limited



Mr Rehan Shaikh
CEO & ED - Standard Chartered
Bank (Pakistan) Ltd



Mr Junaid Ahmed
Chief Executive Officer
Dubai Islamic Bank Pakistan Ltd



Mr Mohsin Ali Nathani
President & Chief Executive
Habib Metropolitan Bank Ltd



Mr Basir Shamsie
President & CEO - JS Bank Ltd

Committee Members

Academic & Editorial Committee

Dr Inayat Hussain – Chairman	(Deputy Governor, State Bank of Pakistan)
Mr Khalid Zaman Khan, Member	(SEVP & Group Head HR, L&D, Meezan Bank Ltd)
Ms Saira Shahid Hussain, Member	(Chief Human Resources, Allied Bank Ltd)
Mr Jamal Nasir, Member	(Chief Human Resources Officer, Habib Bank Ltd)
Mr Hasan A. Bilgrami, Member	(Chief Executive Officer, BioMasdar (Pakistan) Ltd)

Audit Committee

Mr Shazad G. Dada – Chairman	(President & CEO, United Bank Ltd)
Mr Riaz Nazarali Chunara, Member	(Managing Director, NIBAF)
Mr Aameer Karachiwalla, Member	(Chief Financial Officer, United Bank Ltd)
Syed Ejaz Alam, Member	(CFO, Standard Chartered Bank Pakistan Ltd)

Finance & Investment Committee

Mr Mansoor Ali Khan – Chairman	(Chief Executive, Bank AL Habib Ltd)
Mr Junaid Ahmed, Member	(Chief Executive Officer, Dubai Islamic Bank Pakistan Ltd)
Mr Ashar Husain, Member	(Chief Financial Officer, Bank AL Habib Ltd)

Human Resources Committee

Mr Irfan Siddiqui – Chairman	(President & CEO, Meezan Bank Ltd)
Mr Qasim Nawaz, Member	(Executive Director – HRD, State Bank of Pakistan)
Mr Khalid Zaman Khan, Member	(SEVP & Group Head HR, L&D, Meezan Bank Ltd)
Mr A. Saeed Siddiqui, Member	(Head of Strategy & Special Projects, Bank AL Habib Ltd)

President's Message



The importance of competent human resources in the success of an organization cannot be overemphasized. This is particularly true for the financial sector, being a highly knowledge-intensive and skill-based industry, which is marked by constant innovation and technological transformations. The customers' preference for more convenience, variety, and efficiency in services, also demands innovation from financial institutions. Lately, with the entry of fin-tech players in the industry, the competition spectrum has become more challenging even for the well-entrenched market players. The changing landscape also offers new opportunities for the financial industry to grow and make their businesses more efficient. To deal with this highly dynamic and challenging environment and to capitalize on associated new opportunities, capacity building of the human resource through their continuous training and development is essential.

The Institute of Bankers Pakistan (IBP) has been playing a pivotal role in bridging the skills gap through its rigorous recruitment, training, and assessment services for the financial sector. The Institute continuously strives to improve and make its curriculum consistent with the rapidly evolving needs of the financial industry. Besides meeting the conventional training needs, IBP also designs and imparts customized trainings on the emerging issues, as reflected in its training modules on cyber and information security, AML/CFT, regulatory compliance, mortgage finance, and gender sensitization at workplace. The quality of training and education is also being augmented through IBP's collaboration with international players such as Chartered Banker Institute UK, McKinsey Academy, USA and Omega Performance Singapore, further facilitating the capacity building of the sector.

It is encouraging to note that the Institute has been embracing the use of modern technologies and innovation to enhance outreach as well as effectiveness of its training programs. The e-ILM online program, which offers distance learning resources in a structured manner, provides accessibility and convenience in the training and capacity development initiatives of financial institutions. This facility has attracted interest both from bankers and finance professionals, as evident from 175,000 enrollments in the trainings offered during the fiscal year 2022.

As a part of its drive to support continuous professional development and research, IBP publishes a weekly Economic Letter and Quarterly Journal covering current issues pertaining to economics, banking and finance.

Another appreciable aspect of IBP's roles is the 'Pakistan Banking Awards (PBA)' which have been held every year since 2016. This flagship annual PBA event recognizes and rewards the innovative efforts being made by the Banking sector, thus promoting healthy competition and urge for innovation among the financial institutions.

To cater to the emerging trends and issues, I would emphasize on the Institute to broaden the scope of its capacity building programs in the areas of environmental, social and governance (ESG) and increasing customer frauds in this digital age, and enhance the coverage and frequency of trainings/ courses on digital finance, cyber security, and financial inclusion. Focus



on these important areas will be crucial for enhancing capacity of the financial sector with respect to the evolving challenges faced by the banking/financial industry.

I hope IBP will continue to identify the evolving capacity building needs of financial industry in close collaboration with relevant stakeholders for professional development, thus playing a pivotal role in growth of the financial industry and helping them effectively contribute to the economic development of Pakistan.

Jameel Ahmad

Governor, State Bank of Pakistan
President & Chairman, The Institute of Bankers Pakistan

From the Desk of CE

The welcoming attitude towards instilling the changes continuously taking place in the banking practices has been the core insight to the success of the Institute of Bankers Pakistan (IBP) in enabling the bankers to meet the ongoing as well as future challenges during the past 71 years. The Institute has been vigilant and worked tirelessly to impart contemporary knowledge on banking and finance through offering a variety of qualifications to the bankers with a view to keep the banking industry in Pakistan at par with the international standards.



The presently growing digital diversity in banking services particularly the retail and bulk payments coupled with the central banks' initiatives to promote financial inclusion, green banking, gender equality and addressing the financing need for micro and small enterprises, opened new vistas for acquiring technical knowledge on these interventions. The instant settlement of transactions through e-banking and their widening acceptability as popular modes for payments, made it extremely challenging for the bankers to maintain authenticity of the transactions at the matching speed apart from ensuring compliance on the Enterprise Technology Governance & Risk Management Framework and the globally anchored concerns on annulling the AML/ CFT & CPF incidences.

The bankers have to be more proactive in managing the new policy interventions surfacing either on account of directive of the central bank or as an outcome of their drive to capture a sizeable share in the emerging markets. In any case, the senior management in the banks are required to get their team ready to navigate through all such challenges effectively and this could only be possible when the relevant officials are properly trained.

The IBP apart from its regular curriculum, offers a variety of trainings and capacity building programs meeting the newly surfaced training needs for the bankers. The more prominent courses offered during 2021-22 include i) Certified Cyber Security Professional Program, ii) Project Management Basics & Concepts, iii) Training for Trade Staff and iv) Gender Sensitization at Workplace. Apart from this, during the report year, an MOU for Joint marketing, promotion, and delivery of the i) Certificate in Green and Sustainable Finance and ii) Climate Risk Certificate was signed with Chartered Banker Institute, UK. The Institute proudly boasts of its ISQ qualification: the JAIBP is the only banking qualification in Pakistan accredited by the Chartered Banker Institute, UK.

Carrying forward the online training intervention in post COVID-19 scenario, 71 online training programs were held with 1,574 participants during the year ended June 30, 2022. The average participation in the training worked out at 22 trainees, participating from different part of the country. In addition to this, the eLearning training programs were conducted through the eILM platform (IBP's Online Learning Management System) during 2021-22 catering to around 19,575 users and 175,000 training enrollments from various leading banks.

Continuing upon our efforts to recognize the banking and non-bank entities making meaningful contribution to the nation's financial wellbeing by emerging as the leader in providing the respective services, the 6th Pakistan Banking Awards were successfully held last year. The winning banks and non-bank financial institutions were given awards in 9 categories on showing excellent and out-of-the-box performance.



I foresee a very bright future for the Institute; it has endeavored in its journey for over more than 70 years to fulfill the demands of the banking industry by its navigation through uncertain waters. With apt and solution-based adaptation to changing winds of socio-economic pressures, its services/product offerings, it has withstood the challenges of the pandemic, and helped to create an effective compliance regime meeting the Regulators' expectations.

As famously said, "If the highest aim of a captain were to preserve his ship, he would keep it in port forever." The efforts of my team at IBP are truly commendable, and it is indeed an honor and a privilege to be at the helm of safe navigation of this ship. The senior management of the banks deserve equal commendation for their realizing the importance of training and nominating their staff for taking advantage of IBP's training and development interventions. I believe that they will continue to keep sponsoring the training and development of their staff in all cadres.

Mansur-Ur-Rehman Khan

Chief Executive, The Institute of Bankers Pakistan

The Management



Mr Mansur-Ur-Rehman Khan
Chief Executive, IBP

Mr Mansur-Ur-Rehman Khan assumed the charge of office as the Chief Executive, The Institute of Bankers Pakistan on March 15, 2019. Mr Khan is a seasoned central banker, with more than four decades of central banking experience. He brings with him a rich diversified expertise of having served in the State Bank of Pakistan as a Deputy Governor overseeing a string of strategic departments, which included Corporate Services & Research Clusters of the Bank, comprising of Human Resources, Business Support Services, Information Systems & Technology, Finance, Payment Systems, Training & Development, Treasury Operations, Museum & Art Gallery Departments and Economic Advisor's Office.

Prior to his being entrusted with the responsibility of Deputy Governor, he was Executive Director (Banking) and oversaw the working of Banking Policy, Banking Inspection and Banking Supervision Departments. Besides, he has also served as a Director on the Boards of House Building Finance Corporation, Small Business Finance Corporation, Pak-Kuwait Investment Company, as a Member on the Policy Board of Securities & Exchange Commission of Pakistan, Board of Pakistan Security Printing Corporation and on the Board of Trade Development Authority of Pakistan (TDAP). Mr Khan enjoys an unparalleled experience of associating change management process, an initiative of the then Governor State Bank of Pakistan, which has been highly instrumental in: i) shifting performance curve of the organization to the next level; ii) strengthening the IT infrastructure; and iii) fuller automation of core central banking operations.

Mr Khan holds a Masters Degree in Mathematics as well as a Degree in Law and Professional Qualification of DAIBP. He was also a Committee Member of the Islamic Financial Services Board (IFSB) as well as Chairman/Deputy Chairman of different working groups and was instrumental in preparation of Islamic Financial standards. Mr Khan is a qualified director under Code of Corporate Governance 2012 of SECP.



Mr Arsalan Aftab

Director Academics & Examinations

Mr Arsalan Aftab is a Fellow member of The Institute of Chartered Accountants of Pakistan (ICAP), with articleship completed from KPMG Taseer Hadi & Company, Chartered Accountants. He is responsible for Academics, Examinations, Training and e-Learning functions of the Institute. He carries extensive experience of Examinations with the Institute of Chartered Accountants of Pakistan, where he worked for 6 years in the Examinations department. Apart from this, his expertise also includes Audit, Corporate and Secretarial practices, Compliance and Finance. In his 22 years of diversified experience, he has remained associated with the Institute of Chartered Accountants of Pakistan (ICAP), Sindh Government (World Bank funded project) and Pakistan Stock Exchange in multiple capacities.



Ms Khawlah Usman

Director Marketing & Sales

Ms Khawlah Usman is a passionate marketer and zealous brand strategist with over 20 years of profound experience in Integrated Marketing & Sales. A Marketing and Communication strategist with demonstrated history of transforming and building brands, she has an enriched experience spanning all communication disciplines – corporate narrative, brand advocacy to marketing strategy, research and activation. She is recognized for utilizing innovative strategic approaches to drive brand and business results. Ms Usman has turned around businesses and brands in stagnant markets and challenging environments. Her proven leadership skills have helped consistently build brands, businesses and people. She brings with her 4 years of advertising experience having worked at Publicis Pakistan & Manhattan Leo Burnett. She also had the privilege to

work in leading local and international banks in Pakistan for over 11 years including MCB Bank, Prime Commercial Bank, ABN Amro, Royal Bank of Scotland Limited and Silkbank Limited.

Her current position as Director Marketing and Sales enables her to contribute to the growth of financial sector, banking in particular, by helping the industry in hiring competent HR, and acquiring need based trainings. She has been instrumental in conducting Training Need Assessment (TNA) and Institutional Need Assessment (INA) for the banking industry, both in commercial and microfinance banks. She also took the initiatives of establishing minimum job standards for assorted job functions in both commercial and microfinance banks.

Ms Usman has been instrumental in digitization of the service delivery at IBP. She is amongst the core contributors behind promoting and continuing the pride of IBP, the Pakistan Banking Awards (PBA), since their inception in 2016. She is the Chairperson of three Committees (Procurement, Harassment & Disciplinary) at the Institute. She is also the Chairperson of the Corporate Advisory Board at SZABIST. Ms Usman is a Certified Trainer from International Finance Corporation (IFC), Finance Accreditation Agency-FAA, Malaysia and IMS Knowledge, Pakistan.



Mr Faisal Hussain

Director Research & Development

Mr Faisal Hussain has been with the Institute since 2012. He has over 20 years of experience in the areas of Academics, Business Strategy, Operations & Technology and Human Resources Management. His prior experiences have been working with banking and financial sector, FMCG and educational institutions. He entered the Academic field in 2001 as a Visiting Faculty Member and facilitator for courses at universities and professional levels. Mr Hussain holds a Masters Degree and Train the Trainer, Instructional Design, Training Need Analysis & Course Customization and Training of Assessors from IFC (International Finance Cooperation) – A World Bank Group; Certified Training Professional from FAA (Finance & Accreditation Agency) – Malaysia; and Instructional Designing from CAMI (Carlton Advanced Management Institute). He has also attended leadership

courses from Mckinsey Academy. He holds PRINCE2® Practitioner Project Management Certification along with various learning & technology based certifications. Besides his keen focus on Research & Development, he has been the driving force in the launching various initiatives at IBP, which include: IBP's Online Learning eILM (IBP's Learning Management System), Online Assessments and Role Based Certifications, Customer Response Center and Awareness Seminars & Webinars for the development of the banking industry's human capital, on various current financial industry based topics.



Mr Kamran Ahmed Hashmi

Chief Financial Officer & Company Secretary

Joining IBP as CFO & Company Secretary in 2017, Mr Hashmi has over 15 years of experience in leading positions in the areas of Strategic Planning, Financial and Management Reporting, Investments, Taxation and Audit. He worked in different capacities including CFO, Company Secretary, General Manager and Head of Finance in well-known organizations of Financial and Healthcare sectors. To his credit goes launching of the online trading platform at Vector Capital (Pvt.) Limited and IGI Finex Securities Limited during his tenure as CFO & Head of Finance.

To recognize his achievements and contribution in the field of Management Accountancy ICMA Pakistan has included him in 'Top 100 Corporate Leaders 2020 of ICMA Pakistan'. He is Member

of the Joint Evaluation Committee of ICAP and ICMA Pakistan on Best Corporate and Sustainability Report (BCSR) Awards for the last 4 years and also a member of the Technical Committee of ICMA Pakistan. He is a Fellow Member of Institute of Cost & Management Accountants of Pakistan (FCMA) and Associate Member of Institute of Financial Markets of Pakistan (CMFD). He holds a Masters degree in Economics from the University of Karachi.



Ms Rozina Muzammil

Chief Human Resource Officer

Ms Rozina Muzammil possesses more than 20 years diversified experience at executive level in Human Resource Management, Corporate Governance, Teaching & Training, Auditing, Finance, Costing and Budgeting. She has served as General Manager Finance in FMCG Industry and as Executive Director at Pakistan Institute of Public Finance Accountants (PIPFA). Presently, she is holding the position of Chief Human Resource Officer, The Institute of Bankers Pakistan since December 2015.

She is Certified Labour Laws Practitioner & Industrial Relations Analyst and Certified Director under Code of Corporate Governance 2012 of Securities Exchange Commission of Pakistan.

She is Fellow Member of two prestigious accounting bodies of

Pakistan namely: The Institute of Cost and Management Accountants of Pakistan (ICMAP) and Pakistan Institute of Public Finance Accountants (PIPFA). She is also Professional Member of the Institute of Management Accountant (IMA) USA. She has done Master of Business Administration (MBA) and has completed many HR leadership programs. She is also a certified CQI | IRCA | Quality Management Systems Lead Auditor from TUV Austria Romania.

She is a PhD Scholar (pursuing specialization in HRM) from Asia e University, Malaysia and authored a book on Accounting, titled "Fundamentals of Accounting", published by an HEC recognized University in 2014. She has contributed five (05) articles during 2020 to 2021 in Pakistan's leading Journals which include Quarterly Journal of IBP, ICMA International and Pakistan Institute of Public Finance Accountants (PIPFA).

Ms Muzammil is the Founder Member and was Convener of CMA Women's Forum and Member ICMA International Karachi Branch Council from 2015 to February 2019. She has been an HR Expert for recruitment of Management Training Officers (MTO) Batches at House Building Finance Company Limited (HBFCCL) since March 2018. Presently, she is serving as honorary Vice President Professional Education at the Board of Institute of Management Accountants (IMA) USA-Pakistan Chapter.



Ms Mahjabeen Farooqui

Head of Administration

Ms Mahjabeen Farooqui is a Masters in Mathematics from Karachi University, and is also a business graduate. She successfully completed MBA from SZABIST, Karachi, with a major in Human Resources Management. She started her career with the Institute of Chartered Accountants Pakistan (ICAP) and served there for seven years. She joined The Institute of Bankers Pakistan in 2005. At IBP, she held important portfolios in Recruitment, Examination and Finance, before being posted as the Head of Administration in 2017. In addition to her overall duties, she is also overseeing Graphic Designer Unit, Facilitation Unit, IBP Library and allied domains.



Notice of the Meeting

Notice is hereby given that the 72nd Annual General Meeting of The Institute of Bankers Pakistan (IBP) will be held on Tuesday, October 25, 2022, at 11:00 a.m. at the premises of The Institute of Bankers Pakistan, IBP Building, M.T. Khan Road, Karachi, to transact the following business:

1. To confirm the Minutes of the 71st Annual General Meeting held on Thursday, December 02, 2021.
2. To consider and adopt the Council's Report and Audited Financial Statements of IBP for the year ended June 30, 2022.
3. To appoint Auditors for the financial year 2022-23 and to fix their remuneration.
4. To transact any other ordinary business with the permission of the Chair.

By order of the Council

Dated: October 04, 2022

sd/-

Kamran Ahmed Hashmi
Company Secretary



Council's Report to the Members

On behalf of the Council, we are pleased to present the Annual Report of The Institute of Bankers Pakistan (IBP) for the year ended June 30, 2022.

PROLOGUE

Dedicated to the capacity building and development of professional bankers in Pakistan since its inception in 1951, The Institute of Bankers Pakistan is a not-for-profit, ISO 9001:2015 certified organization. The Institute offers qualifications ranging from short-term training programs to certification and diploma courses, and also provides assessment and technical training services.

IBP has been instrumental in developing illustrious bankers, who, in turn, successfully contributed to the growth and development of the country's banking industry. IBP is imparting knowledge to enhance the technical competency of human resources in the Banks. This is achieved using a two-pronged approach:

- a) bankers are equipped with the relevant skill-sets to enable them to deal with the dynamic economic landscape; and
- b) help the Management of the Banks in recruiting suitable resources at the induction and middle level.

In its long journey, IBP has managed to successfully maintain its reputation for the quality of its services and activities offered to the banking and financial sector of the country, be it the most sought ISQ (JAIBP) qualification accredited by Chartered Banker Institute, UK, various training and development programs, or the hallmark Pakistan Banking Awards held every year to promote competitive environment among the leading banks.

FINANCIAL PERFORMANCE REVIEW

IBP has demonstrated impressive financial performance for the year ended June 30, 2022. The Institute continued its growth momentum in FY 2021-22, it generated the highest revenue of Rs. 390.15 million and posted the highest surplus of Rs. 138.51 million during the last 10 years.

The operating revenue to total revenue ratio is improving year on year basis - a healthy and positive sign showing that our dependence on financial income is decreasing. The Surplus for FY 2021-22 is 186% (Rs. 138.51 million) higher than the surplus for FY 2020-21 of Rs. 48.43 million. Operating Income increased by 30%. (2022: Rs. 242.59 million, 2021: Rs. 186.20 million) and the financial income stood at Rs. 147.55 million which is 42% higher than the previous year (Rs. 103.92 million).

IBP SUPERIOR QUALIFICATION (ISQ)

The IBP Superior Qualification (ISQ) is the flagship product of the Institute. ISQ is a globally recognized professional banking program designed to provide candidates with a competitive edge in their banking career. It is a self-study program comprising two levels: Junior Associateship of IBP (JAIBP) and Associateship of IBP (AIBP). Being the Honorary Qualification, the Fellowship of IBP (FIBP) is awarded to senior bankers in recognition of their rendered services. The ISQ examinations are held twice a year. In FY 2021-22, these were conducted during January 2022 and June 2022.

During the FY 2021-22, MOU with Chartered Banker Institute UK (CBI, UK) was revised and renewed, whereby Chartered Banker Institute renewed accreditation to the IBP Superior Qualifications i.e., Junior Associateship of The Institute of Bankers Pakistan and Professional Banker Certification. In pursuance of the MOU signed, the JAIBP-Qualified Candidates of IBP are now eligible to apply for **Associate Chartered Banker** status from **Chartered Banker Institute, UK** and **Professional Banker-Certified** candidates are eligible to apply for certified status with the **Chartered Banker Institute, UK**.

To facilitate the JAIBP Qualified Candidates, who have attained **Associate Chartered Banker** status from CBI, UK, another MOU was signed whereby the candidates who wish to obtain **Chartered Banker** status from CBI, UK can enroll themselves with CBI, UK through the Institute of Bankers Pakistan, whereby the candidates will be required to pass the **Professionalism and Ethics** module, along with **Personal and Private Banking** module or **Commercial Lending** modules to attain the **Chartered Banker** status from CBI, UK.

INTERNATIONAL COLLABORATIONS

The Institute partners with various internationally recognized organizations in launching internationally accredited training programs. Such partnerships enable IBP to bring global knowledge to the Pakistani market. Some of the international partners are:

- Chartered Banker Institute – UK;
- Bangor Business School – UK;
- Omega Performance – Singapore (Now the same has been acquired by Moody's Analytics);
- Business Continuity Institute – UK;
- McKinsey Academy – USA;
- Finance Accreditation Agency (FAA) – Malaysia.

TRAINING & DEVELOPMENT

The trainings conducted during FY 2021-22 remained primarily focused on the areas in which SBP has taken initiatives. This includes the launching of certificate courses and regular & customized trainings in the relevant fields.

The highlights of key training programs conducted during FY 2021-22 are as follows:

Regular Trainings

During the year ended 30 June 2022, 72 regular trainings were held with 1,593 participants. The average participation in the training is 22 participants. Particularly, 25 & 29 training sessions were held on 'Compliance and Regulations' and 'Operations and General Management', respectively.

Customized Trainings

During the FY 2021-22, 44 Customized trainings were held for different Financial Institutions, with 3,635 participants. This includes 12 customized trainings sessions on 'Gender Sensitization at Work Place' for different banks with about 400 participants.

Highlights of Customized Trainings

Some key new training programs are listed below:

- **Branch Manager Certification Program for BOP:** (392 participants were trained and certified after assessment in multiple batches in different cities)
- **Branch Manager Certification Program for Bank AL Habib:** (51 participants were trained and certified after assessment)
- **Certified Cyber Security Professional – Collaboration with PSDF:** (81 participants were trained, the project consists of curriculum development and training)
- **Project Management Basics & Concepts – Customized Training for BOP:** (60 participants were trained in 2 batches)
- **Training for Trade Staff - Customized Training for BOP:** (107 participants were trained)
- **Gender Sensitization at Workplace – Customized Training for Telenor Microfinance:** (226 participants were trained in 4 sessions.)
- **Gender Sensitization at Workplace – Customized Training for different banks:** (167 participants from 8 different banks were trained)
- **International Course – Moody's:** As the exclusive partner of Moody's for imparting global certifications in Risk / Credit, IBP facilitated nominees from Meezan Bank Limited and Askari Bank Limited.

Certification Programs

During FY 2021-22, an MOU for Joint Marketing, promotion, and delivery of the following programs was signed with **Chartered Banker Institute, UK:**

- Certificate in Green and Sustainable Finance
- Climate Risk Certificate

The following 9 certificate courses were conducted in FY 2021-22:

- **Certified Cyber Security Professional (CCSP) – Collaboration with PSDF:** (81 participants were trained, and the project consists of curriculum development and training)
- **Certification Course in AML/CFT Compliance:** (Two batches were conducted in which 40 participants were trained).
- **Certification Course on The Human Firewall:** (16 participants were part of this certification)
- **Certification in Trade-Based Money Laundering:** (08 participants were trained and certified)
- **Certification Course in Housing Finance Legal Framework, Mortgage, Monitoring & Documentation:** (17 participants were trained and certified)
- **Certified Information Systems Auditors (CISA) Review Classes – Collaboration with ISACA Karachi Chapter** (12 participants attended these classes)
- **Certified Information Security Manager (Review Classes) – Collaboration with ISACA Karachi Chapter** (21 participants were part of this program).
- **Certified Sanction Specialist Professional (CSSP)** (34 participants were trained and certified under this program).

eLearning Program (eILM)

The eLearning training programs were conducted through the eILM (IBP's Learning Management System) platform during FY 2021-22, catering to around 19,575 users and 175,000 training enrollments from various leading banks in the country.

The following banks are availing the eLearning offerings of the Institute:

- Al Baraka Bank (Pakistan) Limited;
- Mobilink Microfinance Bank;
- SME Bank Limited;
- The Bank of Khyber Limited;
- The Bank of Punjab Limited;
- FINCA Microfinance Bank Limited;
- United Bank Limited;
- Khushhali Microfinance Bank Limited;
- ASA Pakistan Limited;
- U Microfinance Bank Limited.

The eLearning modules included training on AML/CFT, KYC/CDD, Fair Treatment to Customers, Information Security, Leadership Effectiveness for Managers, Presentation Skills, Communicating Effectively, etc.

INSTITUTIONAL NEED ANALYSIS (INA) ACTIVITY

Institutional Need Analysis Activity of the banks was successfully conducted in Karachi, Lahore, and Islamabad by the Marketing & Sales Department, where Learning and HR heads of various banks were invited in person to improve the Institute's product offering and finalize the way forward, enabling it to better serve the banking industry. Subsequently, IBP reviewed the trainings imparted from July- December 2021 and the participation level of the banks. The actual details were shared with banks for better comprehension and assessment of their expectation, areas that require emphasis, factors affecting the number of nominations, etc. An online survey was conducted and original data/reports were submitted to all concerned for necessary action.

CUSTOMIZED TRAININGS BREAKTHROUGH

New revenue-generating opportunities were identified during FY 2021-22, including ISQ Fast Track Program and BMDP for the Microfinance Banks. The details are as below:

ISQ Fast Track

This customized program is included as part of the MTO program of Commercial & Microfinance Banks, whereby trainees are imparted with trainings of courses included in JAIBP Stage-I, after which assessments are conducted and successful candidates are granted completion certificate and they become eligible to continue and complete JAIBP Qualification.

In this respect, agreements with the following banks were executed during FY 2021-22:



- **Bank Alfalah ISQ Fast Track:** IBP launched the product offering with Bank Alfalah. In Batch-I, 38 participants were registered and trained. Batch-II was conducted in August 2022 in which 27 participants appeared.
- **Mobilink Microfinance Bank – ISQ Fast Track:** A batch of 1,308 employees of Mobilink Microfinance Bank has been registered in this program. Assessments will be conducted by IBP based on the Curriculum of IBP Superior Qualification Stage 1 over a period of 1.5 years. Successful candidates will receive a completion certificate and can enroll in the regular ISQ stream.
- **Mobilink Microfinance Bank – IMFD Fast Track:** IBP will train more than 192 employees of Mobilink Microfinance Bank to appear for the assessment during the period of 1.5 years. The successful candidates will receive the IBP's Microfinance Diploma (IMFD) through the Fast-Track route. (These candidates will appear in the regular sessions of ISQ)

Branch Management Development Program (BMDP)

IBP launched BMDP for the Microfinance Sector as well as for Commercial Banks. IBP has signed the MOUs with Mobilink Microfinance Bank and U Microfinance Bank Limited during FY 2021-22.

RECRUITMENT/ASSESSMENT/PROMOTION SERVICES

Classroom Testing

Apart from IBP Superior Qualification, 6 Assessments were conducted for Promotion & Certification Programs for the different Banks and Financial Institutions with more than 15,000 candidates across the country.

Remotely Monitored Assessments

16 Online Remotely Monitored Assessments were conducted for Certification Programs and Promotion & Recruitment Testing for different Commercial Banks with more than 9,695 participants.

Online Classroom Assessments

During FY 2021-22, 4 Online Classroom Assessments under Certification Programs were conducted for around 200 Bankers.

6TH PAKISTAN BANKING AWARDS

Considered the Banking Industry's definitive benchmark for excellence in banking, the Pakistan Banking Awards (PBA) – the first of their kind – were launched in 2016. These prestigious and widely celebrated national awards create healthy and rewarding competition among banks and financial institutions to establish their lead in conventional and contemporary areas of operations through bringing innovations and adopting out-of-the-box approaches with smart use of IT interventions.

The 6th Pakistan Banking Awards were held on October 29, 2021. There were 9 categories of awards to be distributed among 7 banks and 2 Non-Bank Financial Institutions. A total of 33 institutions took part in the competition representing Commercial Banks, Microfinance Banks, Islamic Banks, and Non-Banking Entities. For 2021, 7 Awards were given to various banks and financial institutions for their best performance in different categories. Awards could not be given for the categories of Best Emerging Bank and Most Innovative Business as the competing financial institutions could not meet the basic threshold level determined by the Jury for these awards.

The winners were judged by a distinguished jury consisting of five experts from the banking, financial and corporate sectors. As always, they adopted a neutral, transparent, and impartial evaluation process to determine the best performers for these awards.

IBP PUBLICATIONS

A significant aspect of the IBP's knowledge-sharing initiatives includes its regular publications which are available both in print and online formats on the Institute's website.

The popular quarterly Journal of The Institute of Bankers Pakistan features articles on contemporary issues, written by national and international writers, including leading bankers, and research analysts. It offers commentary and presents facts to the readers in both a qualitative and quantitative fashion, offering them an opportunity to draw informed inferences and analyses.

The Weekly Economic Letter (WEL) is being published by the Institute for well over a decade. It has been revamped both in content and design to resonate with the changes on the economic and financial fronts. The newsletter covers the current developments both in the local and global markets in the economic and banking spheres and offers a meaningful graphical analysis of market trends in a reader-friendly format. The WEL is available free of cost to subscribers in digital format in an aesthetically pleasing layout. Readership ranges from banking & finance professionals to academics and students.

IBP FUTURE INITIATIVES

The following areas are being explored for the coming year:

Development of Certificate courses in:

- Leadership in Digital Banking;
- Digital Banking Operations;
- Verification Officer for Microfinance Bank Branches;
- Operations Manager for Microfinance Bank Branches.

Other Initiatives:

- Online Examinations for IBP Superior Qualifications;
- Collaborations with Local and International Professional Training Institutes;
- Collaborations with Local and International Universities for reciprocal accreditation.

MEMBERS OF THE COUNCIL OF THE INSTITUTE OF BANKERS PAKISTAN DURING FY 2021-22

The following are the persons who, at any time during the FY 2021-22, were Members of the Council of The Institute of Bankers Pakistan:

President & Chairman of IBP

Dr Reza Baqir, then Governor, State Bank of Pakistan (till May 4, 2022)

Member of the Council

- Dr Inayat Hussain, Deputy Governor, State Bank of Pakistan;
- Mr Muhammad Aurangzeb, President & CEO, Habib Bank Limited;
- Mr Shazad G. Dada, President & CEO, United Bank Limited;

- Mr Mansoor Ali Khan, Chief Executive, Bank AL Habib Limited;
- Mr Irfan Siddiqui, President & CEO, Meezan Bank Limited;
- Mr Atif Bajwa, President & CEO, Bank Alfalah Limited;
- Mr Yousaf Hussain, President & CEO, Faysal Bank Limited;
- Mr Rehan Shaikh, CEO & Executive Director, Standard Chartered Bank (Pakistan) Limited;
- Mr Junaid Ahmed, Chief Executive Officer, Dubai Islamic Bank Pakistan Limited;
- Mr Mohsin Ali Nathani, President & Chief Executive, Habib Metropolitan Bank Limited.
- Mr Basir Shamsie, President & CEO, JS Bank Limited.

CHANGE OF MEMBER OF THE COUNCIL

Dr Reza Baqir, Governor, State Bank of Pakistan (SBP) as President of the Institute and Chairman of the Council served the Institute from May 4, 2019, to May 4, 2022. On the conclusion of his term as Governor, SBP, the Council wishes to place on record its deep appreciation for his contribution to the Institute.

As per the Articles of Association of the Institute, the Governor of the State Bank of Pakistan shall be the President of the Institute and the Chairman of the Council. Mr Jameel Ahmad assumed the charge of Governor, SBP on August 26, 2022, and has become the President of the Institute and the Chairman of the Council.

The Council welcomes Mr Jameel Ahmad and looks forward to his valuable contribution to the progress of the Institute.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

IBP is committed to maintaining high standards of statutory compliance without any exceptions. The Council Members are pleased to state that the Company is compliant with the related provisions of the Companies Act, 2017.

Financial Statements for the FY 2021-22 have been prepared following the accounting and reporting standards as applicable in Pakistan.

EXTERNAL AUDITORS

The retiring Auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants being eligible for the next term have offered themselves for re-appointment. Therefore, upon recommendation of the Audit Committee, the Council intends to recommend the appointment of M/s Grant Thornton Anjum Rahman, Chartered Accountants, as the statutory auditors of The Institute of Bankers Pakistan for FY 2022-23 in the forthcoming Annual General Meeting.

Auditors' Report

The Auditors' Report for FY 2021-22 does not contain any qualifications, reservations, or adverse remarks.



CONCLUSION

The Institute continues to support, promote, facilitate and perform well as it remains committed to its vision and mission of nurturing banking professionals of Pakistan through its knowledge-sharing services. Its sustained efforts in this direction are praiseworthy and commendable.

We are certain that the team at the Institute is fully capable of successfully taking on any challenges which the future may present. We wish the IBP team all the best in their future endeavors.

APPRECIATION AND ACKNOWLEDGEMENTS

The Council of The Institute of Bankers Pakistan would like to thank the State Bank of Pakistan, Institutional Members and Fellows for their continued support, all customers of the Institute for their trust, and our employees for their continuous dedication and commitment.

We continue to pray to Allah for the success of the Institute and the benefits of all stakeholders.

For and on behalf of the Council of
The Institute of Bankers Pakistan

sd/-

Chief Executive

sd/-

Chairman

Dated: October 03, 2022

Key Highlights of ISQ 2021–22

New Candidates Registered **1,033**

Candidates Enrolled for Examination **4,885**

Enrollment for papers **14,638**

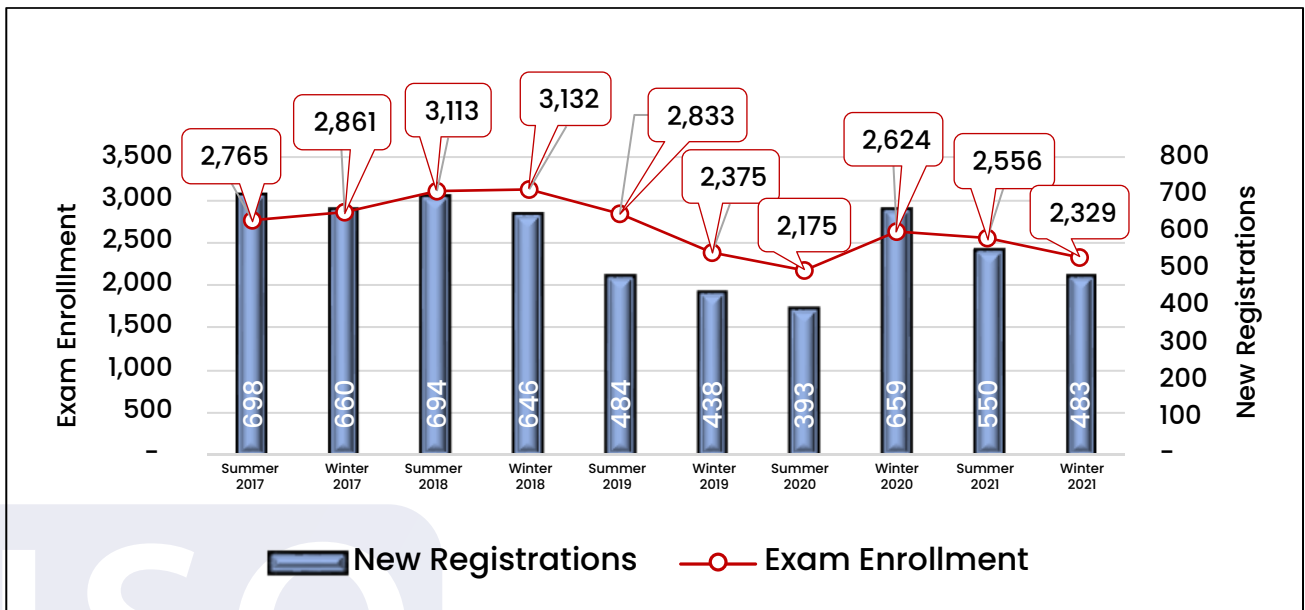
Candidates Passed **2,506**



IBP Superior
Qualification



Trends in ISQ Registration & Exam Enrollment

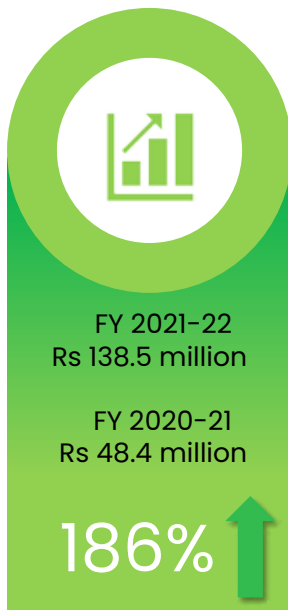


IBP Superior Qualification

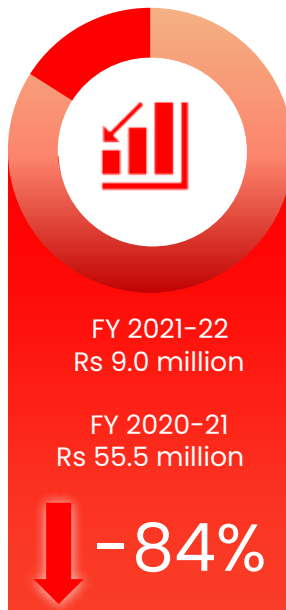


Financial Performance 2021-22 Highlights

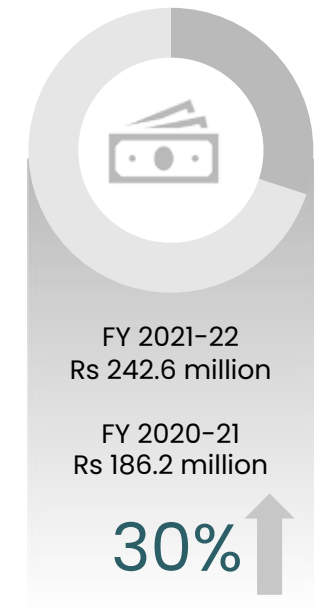
NET SURPLUS



OPERATING DEFICIT



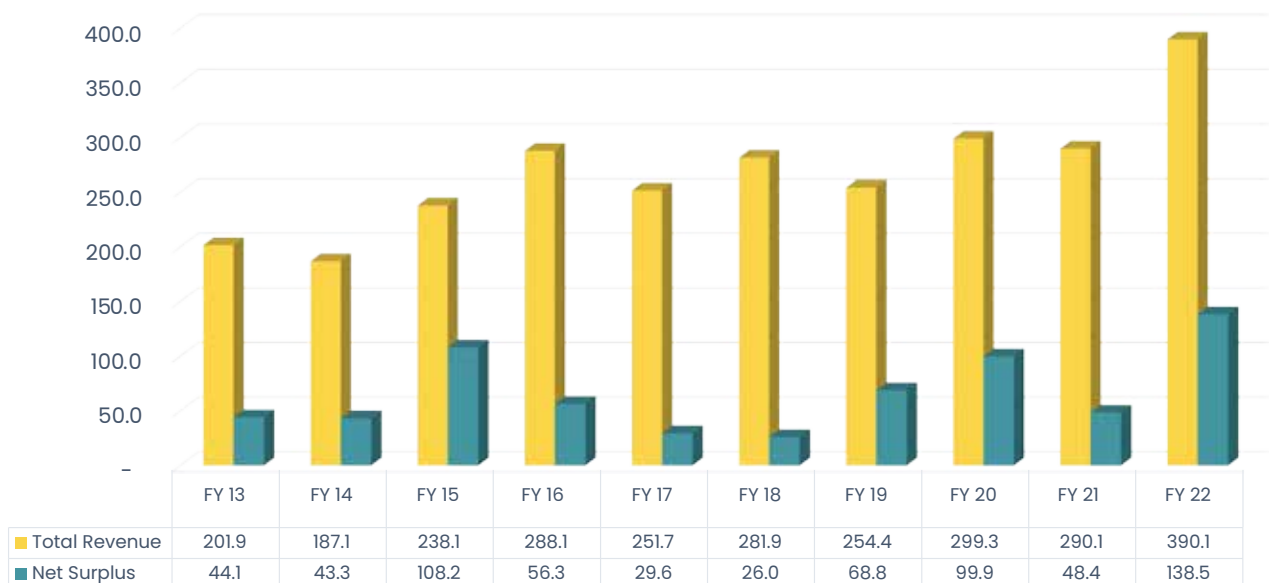
OPERATING REVENUE



Financial Performance for 10-years

Total Revenue vs Net Surplus

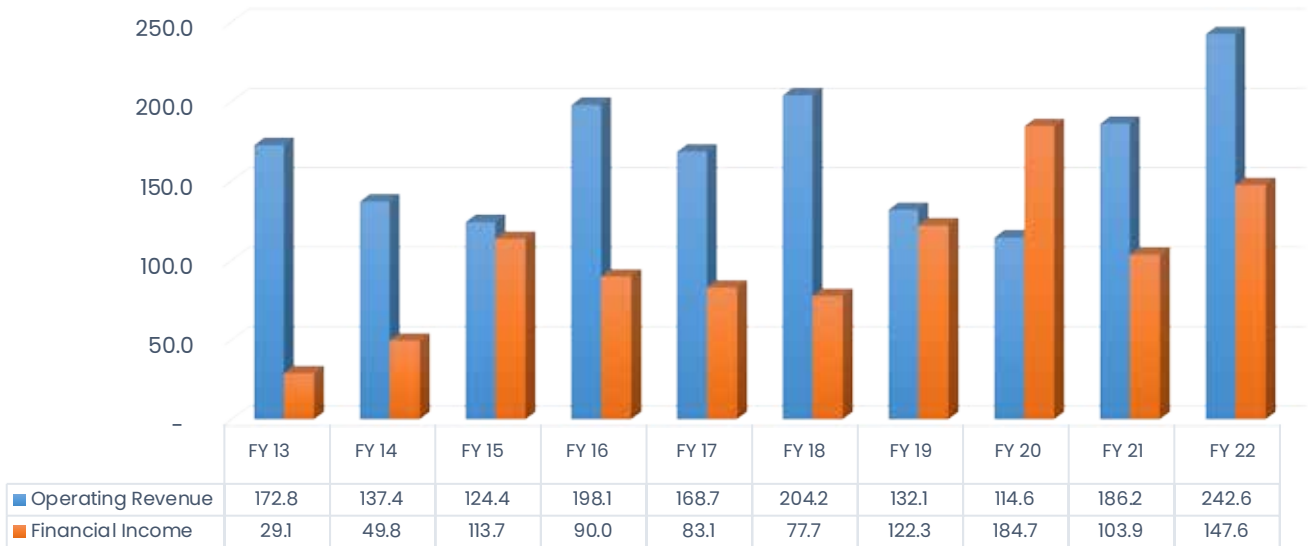
(Rupees in Million)



Financial Performance for 10-years

Operating Revenue vs Financial Income

(Rupees in Million)



Analysis Balance Sheet-2022 Vs 2021

(Rupees in Million)





6TH PAKISTAN BANKING AWARDS 2021



PBA 2021

6th Pakistan Banking Awards

The Pakistan Banking Awards (PBA) 2021 Ceremony, jointly organized by The Institute of Bankers Pakistan (IBP), the DAWN Media Group and A.F. Ferguson & Co. (a member firm of the PwC Network), was held on October 29, 2021 at Pearl Continental Hotel, Karachi.

A highly celebrated annual event among the banking and finance fraternity, since their inception in 2016, these were the 6th Pakistan Banking Awards. Governor State Bank of Pakistan Dr Reza Baqir graced the occasion as the Chief Guest.

These prestigious national awards are recognized as symbol of excellence for banks across Pakistan. The awards create healthy and rewarding competition among banks and financial institutions to establish their lead in conventional and contemporary areas of operations through bringing innovations and adopting out-of-the-box approaches with smart use of IT interventions. Moreover, the winning banks, in a bid to maintain their competitive edge in future as well, offer more customer-centric services to their account holders which consequently help to raise the overall service standards due to the demonstration effect.

For PBA 2021, there were 9 categories of awards to be distributed among 7 banks and 2 Non-Bank Financial Institutions. A total 33 institutions took part in the competition representing commercial banks, microfinance banks, Islamic banks and non-banking entities. 7 Awards for 2021 were given to various banks and financial institutions for their best performance in different categories. Awards could not be given for the categories of Best Emerging Bank and Most Innovative Business as the competing financial institutions could not meet the basic threshold level for these awards.

The winners were selected by a distinguished jury consisting of five experts from the banking, financial and corporate sectors. As always, they adopted a neutral, transparent and impartial evaluation process to determine the best performers for these awards.

The eminent jury comprised of former SBP Governor Mr Salim Raza (Chairman of the Jury); former President/ CEO Faysal Bank Limited Mr Naved A. Khan; former Banking Mohtasib Pakistan and former Country Head SCB Pakistan, Mr Azhar Hamid; former Regional Head of Citibank Middle East and Pakistan Mr Shehzad Naqvi; and MD & CEO English Biscuit Manufacturers (Pvt.) Ltd. Dr Zeelaf Muneer.



PAKISTAN BANKING AWARDS

THE INSTITUTE OF BANKERS PAKISTAN

DAWN

A·F·FERGUSON&Co.

A member firm of
the PwC network



PAKISTAN BANKING AWARDS
THE INSTITUTE OF BANKERS PAKISTAN
DAWN | A.F. FERGUSON & CO. |

PAKISTAN BANKING AWARDS 2021

The Institute of Bankers Pakistan, Dawn Media Group and A.F. Ferguson & Co. Express their Heartiest Congratulations to all the Winning Banks



BEST MICROFINANCE BANK



BEST BANK



BEST DIGITAL BANKING



BEST BANK FOR SMALL & MEDIUM BUSINESSES



Bank Alfalah

BEST CUSTOMER FRANCHISE



National Bank of Pakistan
نیشنل بینک آف پاکستان

BEST BANK FOR AGRICULTURE



PMIC
Pakistan Microfinance Investment Company Limited

BEST CONTRIBUTION BY A NON-BANK ENTITY



PBA 21



Acknowledgment

The Council acknowledges with thanks the ongoing guidance provided by the different committees, whose valuable support complements the Council's role in effective oversight over the Institute's affairs. We would also like to thank all our trainers, facilitators, examiners, item writers, content specialists and bankers who spared their precious time for imparting knowledge and extended their support to the Institute. The hard work and team spirit of all employees who have vigilantly contributed with sincere efforts in enhancing the reputation of the Institute is also worth appreciation.

For and on behalf of IBP Council

sd/-

Chief Executive - IBP

Karachi

Dated: October 03, 2022



Annual Accounts



Independent Auditors' Report

To the members of The Institute of Bankers Pakistan

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the annexed financial statements of The Institute of Bankers Pakistan (the Institute), which comprise the statement of financial position as at 30 June 2022, and the statement of income and expenditure, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows 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 Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Institute's affairs as at 30 June 2022 and of the surplus, the changes in funds and its cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute 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.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the Annual report for the year ended 30 June 2022, but does not include the financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF MANAGEMENT AND COUNCIL MEMBERS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Council members are responsible for overseeing the Institute's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council members 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 Council members 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Institute as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of income and expenditure, the statement of other comprehensive income, the statement of changes in funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with 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 for the purpose of the Institute's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

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

sd/-

Statement of Financial Position

As at June 30, 2022

ASSETS	Note	2022	2021
		-----	-----
		Rupees	
NON-CURRENT ASSETS			
Property and equipment	4	100,788,596	110,820,790
Intangible assets	5	658,232	2,234,345
Long-term loans and advances	6	10,554,110	9,458,965
Long-term deposits		854,606	744,806
		<u>112,855,544</u>	<u>123,258,906</u>
CURRENT ASSETS			
Short-term investments	7	1,642,339,566	1,507,544,435
Stock of publications and stationery	8	1,974,898	4,878,033
Current maturity of long-term loans and advances	6	3,675,375	3,390,457
Trade debts	9	23,398,495	22,769,157
Advances and prepayments	10	3,503,516	5,406,311
Advance tax	11	48,411,879	40,031,437
Bank balances	12	16,415,739	20,131,451
		<u>1,739,719,468</u>	<u>1,604,151,281</u>
TOTAL ASSETS		<u><u>1,852,575,012</u></u>	<u><u>1,727,410,187</u></u>
FUNDS AND LIABILITIES			
FUNDS			
General fund		850,257,034	779,033,679
Specific funds	13	965,239,717	898,568,312
		<u>1,815,496,751</u>	<u>1,677,601,991</u>
NON- CURRENT LIABILITIES			
Employee benefits - Gratuity	14	8,229,165	5,729,165
CURRENT LIABILITIES			
Accrued expenses and other liabilities	15	28,849,096	44,079,031
TOTAL FUNDS AND LIABILITIES		<u><u>1,852,575,012</u></u>	<u><u>1,727,410,187</u></u>
Contingencies and commitment	16		

The annexed notes from 1 to 27 form an integral part of these financial statements.

sd/-
Chief Financial Officer

sd/-
Chief Executive Officer

sd/-
Chairman



Statement of Income and Expenditure

For the year ended June 30, 2022

	Note	2022	2021
		----- Rupees -----	
INCOME	17	390,147,686	290,117,278
EXPENDITURE			
Cost of operating activities	18	219,197,912	209,895,334
Other expenses	19	32,440,910	31,791,148
		(251,638,822)	(241,686,482)
Surplus - before taxation		138,508,864	48,430,796
Taxation	20	-	-
Surplus - after taxation		138,508,864	48,430,796

The annexed notes from 1 to 27 form an integral part of these financial statements.

sd/-

Chief Financial Officer

sd/-

Chief Executive Officer

sd/-

Chairman



Statement of Comprehensive Income

For the year ended June 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
SURPLUS - AFTER TAXATION		138,508,864	48,430,796
OTHER COMPREHENSIVE INCOME			
<i>Items not to be reclassified to statement of income and expenditure in subsequent periods</i>			
Remeasurement loss of defined benefit liability	15.2.8	(1,089,604)	(2,868,608)
TOTAL COMPREHENSIVE INCOME		<u>137,419,260</u>	<u>45,562,188</u>
ATTRIBUTABLE TO:			
General fund		63,562,534	(10,118,076)
Specific funds:			
- Permanent fund		71,512,737	52,475,694
- Study fund		<u>2,343,989</u>	<u>3,204,570</u>
		<u>137,419,260</u>	<u>45,562,188</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

sd/-
Chief Financial Officer

sd/-
Chief Executive Officer

sd/-
Chairman

Statement of Cash Flows

For the year ended June 30, 2022

	2022	2021
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus - before taxation	138,508,864	48,430,796
Adjustments for		
Depreciation	13,840,609	14,130,467
Amortisation	1,216,033	2,732,496
Gain on disposal of operating fixed assets	(1,165,890)	(1,062,310)
Capital work in progress	360,080	-
Provision for gratuity	7,586,542	8,439,819
Provision for compensated absences	410,245	442,567
Gain on sale of investments	(6,080,050)	(13,015,176)
Unrealised (gain) / loss on re-measurement of investments at fair value through profit or loss - net	(214,239)	38,312
Provision / (reversal) for doubtful debts	653,192	(5,015,847)
Return on investments	(139,067,824)	(89,741,592)
	<u>16,047,562</u>	<u>(34,620,468)</u>
 (Increase) / decrease in current assets:		
Stock of publications and stationery	2,903,135	1,734,729
Trade debts	(1,282,530)	(4,742,562)
Advances and prepayments	1,902,795	(459,418)
	<u>3,523,400</u>	<u>(3,467,251)</u>
 Decrease in current liabilities:		
Accrued expenses and other liabilities	(13,007,899)	(6,542,117)
	<u>6,563,063</u>	<u>(44,629,836)</u>
 Long-term loans given	(1,380,063)	(590,893)
Long-term deposits paid	(109,800)	-
Gratuity paid	(8,808,427)	(5,760,290)
Tax paid	(8,380,442)	(5,235,201)
Net cash used in operating activities	<u>(12,115,669)</u>	<u>(56,216,220)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(6,676,071)	(30,566,359)
Purchase of intangible assets	-	(1,562,698)
Sale proceeds from disposal of operating fixed assets	4,033,543	1,997,610
Purchase of investments	(13,812,054,312)	(9,964,522,590)
Sale proceeds from disposal of investments	13,823,096,797	10,062,892,911
Net cash generated from investing activities	<u>8,399,957</u>	<u>68,238,874</u>
 Net (decrease) / increase in cash and cash equivalents	<u>(3,715,712)</u>	<u>12,022,654</u>
 Cash and cash equivalents at beginning of the year	<u>20,131,451</u>	<u>8,108,797</u>
Cash and cash equivalents at end of the year	<u>16,415,739</u>	<u>20,131,451</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

sd/-
Chief Financial Officer

sd/-
Chief Executive Officer

sd/-
Chairman

Statement of Changes in Funds

For the year ended June 30, 2022

	Specific funds					Total
	General Fund	Permanent Fund	Prize Fund	Study Fund	Building Fund	
Balance as at July 01, 2020	757,138,338	831,313,432	-	24,939,359	18,648,674	1,632,039,803
Surplus / (deficit) for the year ended June 30, 2021	(7,249,468)	52,475,694	-	3,204,570	-	48,430,796
Other comprehensive loss for the year ended June 30, 2021	(2,868,608)	-	-	-	-	(2,868,608)
Transfers during the year	32,013,417	(32,013,417)	-	-	-	-
Balance as at June 30, 2021	779,033,679	851,775,709	-	28,143,929	18,648,674	1,677,601,991
Surplus for the year ended June 30, 2022	64,652,138	71,512,737	-	2,343,989	-	138,508,864
Other comprehensive loss for the year ended June 30, 2022	(1,089,604)	-	-	-	-	(1,089,604)
Funds received during the year	-	-	475,500	-	-	475,500
Transfers during the year	7,660,821	(7,185,321)	(475,500)	-	-	-
Balance as at June 30, 2022	850,257,034	916,103,125	-	30,487,918	18,648,674	1,815,496,751

The annexed notes from 1 to 27 form an integral part of these financial statements.

sd/-
Chief Financial Officer

sd/-
Chief Executive Officer

sd/-
Chairman



Notes to the Financial Statements

For the year ended June 30, 2022

1. LEGAL STATUS AND OPERATIONS

The Institute of Bankers Pakistan (hereinafter referred to as 'the Institute') was established in 1951 as a limited company for encouragement of banking education in Pakistan and the protection and promotion of banking profession. The Government of Pakistan has granted a license to the Institute in pursuance of section 42 of the Companies Act, 2017, as income of the Institute is being applied solely towards the promotion of its objects and not distributed by way of dividends to members. The management of the affairs of the Institute is in the hands of a Council of members representing local and foreign banks. The registered office of the Institute is situated at IBP Building, M. T. Khan Road, Karachi, in the province of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not for Profit Organizations (Accounting Standard for NPOs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Institute's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest of Rupee, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Institute's accounting policies. Significant accounting estimates and judgements are disclosed in relevant notes.

2.5 Accounting standards effective for the year

There are certain other new standards and amendments that are mandatory for the Institute's accounting period beginning on July 1, 2021, but are considered either to be not relevant or to not have any significant effect on the Institute's operations and are, therefore, not detailed in these financial statements.

2.6 Accounting standards not yet effective

There are certain new standards and amendments that will be mandatory for the Institute's accounting periods beginning on / after 1 July 2022. However, the Institute expects that these standards will not have any material impact on the future financial statements of the Institute.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Institute for the year ended June 30, 2021.

3.1 Property and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment losses, if any, except for leasehold land which is stated at cost since the lease is renewable at the option of the lessee. Cost includes expenditure directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Depreciation is charged to statement of income and expenditure under the diminishing balance method at the rates specified in note 4.1. Proportionate depreciation is charged for addition and disposal of assets during the year.

Repairs and maintenance are charged to statement of income and expenditure. Renewals and improvements are capitalised only when it is probable that the future economic benefits associated with the item will flow to the Institute and its cost can be measured reliably. Disposal of assets is recognised when significant risk and rewards incidental to the ownership have been transferred.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate at each reporting date.

Gain or loss on disposal of an asset is charged to statement of income and expenditure.

Capital work in progress

Capital work in progress is stated at cost. These costs are transferred to property and equipment as and when are available for use.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

ERP and licenses are amortised on straight line basis over the period of five years. All other software are amortised on straight line basis over the period of three years.

Costs that are directly associated with identifiable software products and have probable economic benefit beyond one year are recognised as intangible assets.

3.3 Financial instruments

Financial assets and financial liabilities are recognised in the Institute's statement of financial position when the Institute becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of income and expenditure.

3.3.1 Financial assets

Financial assets are measured subsequently at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI) with any mark to market gain/loss on such instruments being recognised in other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL) with any mark to market gain/loss on such instruments being recognised in statement of income and expenditure.

The Institute derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Institute neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institute retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institute continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

3.3.2 Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses, if any, are recognized in the statement of income and expenditure and other comprehensive income.

The Institute derecognizes financial liabilities when, and only when, the Institute's obligations are extinguished, discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of income and expenditure.

3.3.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.4 Impairment of assets

3.4.1 Financial assets

The Institute recognizes a loss allowance based on the financial asset's lifetime Expected Credit Loss (ECL). Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The Institute measures expected credit losses based on the ageing of the receivable, Institute's historical experience and informed credit assessment. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

3.4.2 Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of income and expenditure, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits accounts and saving accounts maintained with banks.

3.6 Employee benefits

Defined benefit plan

The Institute operates a funded gratuity scheme for all of its employees who have completed permanent service for a minimum period of five years. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out under the projected unit credit method. All remeasurement gains / losses arising during the year are charged to other comprehensive income.

The Chief Executive of the Institute is entitled to gratuity payment at the end of his term for the number of years worked at last drawn salary. Provision is made on the basis of salary drawn at the reporting date.

Defined contribution plan

The Institute operates a provident fund scheme in respect of its permanent employees. Equal contributions are made both by the Institute and the employee at the rate of 6% of monetized pay. Obligation for contribution to the fund are recognised as an expense in the statement of income and expenditure when they are due.

3.7 Revenue recognition

Income from seminars and courses, testing services, institutional members contribution, sale of publications, lectures, journal income, Pakistan banking award and other income are recorded on accrual basis.

Income from subscription fee and examination fee are recorded on receipt basis.

Income on debt securities and bank balances is recognised on a time proportion basis.

3.8 Taxation

The Institute being an approved non profit organization existing solely for educational purposes is subject to complete tax credit of the tax liability in any tax year as per section 100(c) of the Income Tax Ordinance, 2001 including the minimum tax.

3.9 Provisions

A provision is recognised in the statement of financial position when the Institute has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.10 Reclassification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

3.11 Foreign currency transactions and translation

Foreign currency transactions are translated into Pakistani Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Pakistani Rupees at the rates of exchange prevailing on the reporting date. Exchange differences, if any, are included in statement of income and expenditure.

	Note	2022 ----- Rupees -----	2021
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	76,769,232	86,801,426
Capital work-in-progress	4.2	<u>24,019,364</u>	<u>24,019,364</u>
		<u>100,788,596</u>	<u>110,820,790</u>

Operating fixed assets

	Leasehold land	Building on leasehold land	Furniture, fixture and equipment	Computer lab	Library Books		Vehicles	Total
					Circulating	General		
----- Rupees -----								
At July 01, 2020								
Cost	1,537,682	41,406,690	45,924,878	23,645,749	594,534	2,795,793	31,189,250	147,094,576
Accumulated depreciation	-	(22,910,269)	(25,645,407)	(19,182,377)	(593,709)	(2,666,706)	(5,291,232)	(76,289,700)
Net book value	1,537,682	18,496,421	20,279,471	4,463,372	825	129,087	25,898,018	70,804,876
During the year:								
Additions	-	3,104,672	1,963,264	15,146,255	5,089	14,617	10,828,420	31,062,317
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	46,500	-	-	-	2,457,960	2,504,460
Accumulated depreciation	-	-	(31,318)	-	-	-	(1,537,842)	(1,569,160)
Depreciation charge for the year	-	(1,001,406)	(3,228,042)	(3,430,177)	(556)	(19,290)	(6,450,996)	(14,130,467)
Closing net book value	1,537,682	20,599,687	18,999,511	16,179,450	5,358	124,414	29,355,324	86,801,426
At July 01, 2021								
Cost	1,537,682	44,511,362	47,841,642	38,792,004	599,623	2,810,410	39,559,710	175,652,433
Accumulated depreciation	-	(23,911,675)	(28,842,131)	(22,612,554)	(594,265)	(2,685,996)	(10,204,386)	(88,851,007)
Net book value	1,537,682	20,599,687	18,999,511	16,179,450	5,358	124,414	29,355,324	86,801,426
During the year:								
Additions	-	3,326,906	337,610	652,455	-	-	2,359,100	6,676,071
Disposals	-	-	-	-	-	-	-	-
Cost	-	-	50,000	146,170	2,015	4,002,470	4,200,655	4,200,655
Accumulated depreciation	-	-	(41,629)	(109,639)	(1,978)	(1,179,753)	(1,332,999)	(1,332,999)
Depreciation charge for the year	-	(1,157,740)	(2,882,732)	(4,064,708)	(754)	(17,135)	(5,717,540)	(13,840,609)
Closing net book value	1,537,682	22,768,853	16,446,018	12,730,666	4,604	107,242	23,174,167	76,769,232
At June 30, 2022								
Cost	1,537,682	47,838,268	48,129,252	39,298,289	599,623	2,808,395	37,916,340	178,127,849
Accumulated depreciation	-	(25,069,415)	(31,683,234)	(26,567,623)	(595,019)	(2,701,153)	(14,742,173)	(101,358,617)
Net book value	1,537,682	22,768,853	16,446,018	12,730,666	4,604	107,242	23,174,167	76,769,232
Depreciation rates	-	5%	15%	25%	20%	20%	20%	20%

4.2 Capital work-in-progress	Note	2022	2021
		----- Rupees -----	
Land (Lahore plot)	4.2.1	22,425,824	22,425,824
Construction at Lahore plot	4.2.1	1,593,540	1,593,540
		<u>24,019,364</u>	<u>24,019,364</u>

4.2.1 Represent land situated at Mouza Niaz Beg, Tehsil and District Lahore and expenses incurred thereon. The Institute plans to construct a building at the concerned site, however, Lahore Development Authority (LDA) had not given approval for it. The Institute filed a petition against LDA in the Honourable High Court, Lahore which was dismissed on the ground that the High Court had earlier given decree in favour of previous owners who sold the land to the Institute. Subsequently, LDA filed an appeal which was dismissed by Learned District Judge Lahore on September 11, 2014. However, LDA has right to file revised appeal before proceeding to grant approval for the site plan of the above mentioned building.

5. INTANGIBLE ASSETS	Note	2022	2021
		----- Rupees -----	
Software and licenses	5.1	658,232	1,365,015
Capital work-in-progress		-	869,330
		<u>658,232</u>	<u>2,234,345</u>

5.1 Software and licenses	ERP software	Other software	License	Total
	----- Rupees -----			
At July 01, 2020				
Cost	11,146,309	6,344,652	13,532,749	31,023,710
Accumulated ammortization	(11,146,309)	(4,383,828)	(12,347,162)	(27,877,299)
Net book value	-	1,960,824	1,185,587	3,146,411
During the year:				
Additions	-	951,100	-	951,100
Ammortization charge for the year	-	(1,546,909)	(1,185,587)	(2,732,496)
Closing net book value	-	1,365,015	-	1,365,015
At July 01, 2021				
Cost	11,146,309	7,295,752	13,532,749	31,974,810
Accumulated ammortization	(11,146,309)	(5,930,737)	(13,532,749)	(30,609,795)
Net book value	-	1,365,015	-	1,365,015
During the year:				
Additions	-	509,250	-	509,250
Ammortization charge for the year	-	(1,216,033)	-	(1,216,033)
Closing net book value	-	658,232	-	658,232
At June 30, 2022				
Cost	11,146,309	7,805,002	13,532,749	32,484,060
Accumulated ammortization	(11,146,309)	(7,146,770)	(13,532,749)	(31,825,828)
Net book value	-	658,232	-	658,232
Ammortization rates	-	33%	-	

6. LONG-TERM LOANS AND ADVANCES

Considered good - secured

Due from employees

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
House loan	6.1 & 6.3	6,885,557	7,298,451
Computer loan - interest free	6.3	327,480	215,214
Others	6.2 & 6.3	7,016,448	5,335,757
Less: current maturity		(3,675,375)	(3,390,457)
		<u>10,554,110</u>	<u>9,458,965</u>

6.1 Represent house loan given to an employee at mark-up of 4% per annum for a period of 19 years, repayable in equal monthly installments.

6.2 Represent loans and advances given to employees as per the Institute's approved HR policy. The mark-up is charged at range from 5% to 10% per annum. These are recoverable in equal monthly installments ranging from 36 months to 60 months.

6.3 The above loans and advances are secured against provident fund of the respective employees including, where applicable, the assets for which the loan has been given.

7. SHORT-TERM INVESTMENTS

At FVTPL

Government securities

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
Permanent fund		896,488,573	834,080,733
Study fund		29,579,959	25,876,994
General fund		716,056,795	647,625,019
		1,642,125,327	1,507,582,747
Unrealised gain / (loss) on re-measurement		214,239	(38,312)
	7.1	<u>1,642,339,566</u>	<u>1,507,544,435</u>

7.1 Government securities

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
Market treasury bills	7.1.1	1,642,339,566	1,007,913,116
Pakistan investments bonds		-	499,631,319
		<u>1,642,339,566</u>	<u>1,507,544,435</u>

7.1.1 These carry interest ranging from 11.81% to 15.11% (2021 : 6.31% to 7.44%) per annum. These will mature within 3 to 6 months.

8. STOCK OF PUBLICATIONS AND STATIONERY

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
Publications		564,559	3,467,694
Stock of consumables and stationery		1,410,339	1,410,339
		<u>1,974,898</u>	<u>4,878,033</u>

9. TRADE DEBTS

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
Trade debts		25,147,423	23,864,893
Provision against impairment of receivables	9.1	(1,748,928)	(1,095,736)
		<u>23,398,495</u>	<u>22,769,157</u>



9.1 Provision against impairment of receivables	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
Opening balance		1,095,736	6,111,583
Charge / (Reversal) during the year		653,192	(5,015,847)
Closing balance		<u>1,748,928</u>	<u>1,095,736</u>
10. ADVANCES AND PREPAYMENTS			
Advance against expenses		2,350,109	3,095,334
Prepayments			
Insurance		618,822	1,315,236
Others		534,585	995,741
		<u>1,153,407</u>	<u>2,310,977</u>
		3,503,516	5,406,311
11. ADVANCE TAX			
Advance tax		<u>48,411,879</u>	<u>40,031,437</u>
11.1 The returns of income have been filed up to tax year 2021 which are deemed to be an assessment under Section 120 of the Income Tax Ordinance, 2001 (ITO). However, the returns may be selected for audit or amendment within six years from the end of the respective tax year and within five years from the end of the financial year in which assessment order is issued or treated to have been issued for that tax year respectively.			
12. BANK BALANCES			
Cash at banks		4,687,173	1,072,614
Current accounts	12.1	<u>11,728,566</u>	<u>19,058,837</u>
Saving accounts		<u>16,415,739</u>	<u>20,131,451</u>
12.1 These carry markup at 5.50% to 12.25% (2021: 5.50%) per annum and include a foreign currency bank account (denominated in US Dollar) balance of \$13.03 translated to Rs.2,660 at closing exchange rate of Rs.204.16.			
13. SPECIFIC FUNDS			
Permanent fund	13.1	916,103,125	851,775,709
Study fund	13.2	30,487,918	28,143,929
Building fund	13.3	18,648,674	18,648,674
Prize fund	13.4	-	-
		<u>965,239,717</u>	<u>898,568,312</u>

13.1 Permanent fund

This fund was established to cater various requirements such as capital budget requirements, man power requirements, maintenance of building, expansion of the activities of the Institute and operating cost, etc.

13.2 Study fund

This fund was established for the purpose of providing financial support to eligible members for obtaining higher studies in banking and allied subjects within Pakistan and abroad.

13.3 Building fund

This fund was established on the recommendation of the Finance Committee for the construction of a building in Lahore.

13.4 Prize fund

This fund was established to meet expenditures relating to the distribution of cash prizes and gold medals to qualifying candidates who secure positions in different subjects in the ISQ examinations.

14. EMPLOYEE BENEFITS - GRATUITY	Note	2022 ----- Rupees -----	2021 -----
Opening balance		5,729,165	3,229,165
Provision during the year	14.1	<u>2,500,000</u>	<u>2,500,000</u>
Closing balance		<u>8,229,165</u>	<u>5,729,165</u>

14.1 Represents gratuity payable to Chief Executive as per terms of his appointment.

15. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for bonus		546,694	14,247,255
Provision for compensated absences	15.1	4,289,177	4,389,232
Gratuity fund	15.2	6,176,146	8,808,427
Unearned income		26,767	52,903
Security deposits		704,768	704,768
Retention money		51,827	51,827
Payable to suppliers		765,319	1,831,341
Payable to provident fund		384,911	331,114
Accrued expenses		<u>15,903,488</u>	<u>13,662,164</u>
		<u>28,849,096</u>	<u>44,079,031</u>

15.1 During the year ended June 30, 2011, the Institute discontinued the policy for compensated absences and the accrual recognised to date will be paid to employees on earlier of their retirement or termination from employment of the Institute.

15.2 Gratuity fund		6,176,146	8,808,427
--------------------	--	-----------	-----------

15.2.1 Present value of defined benefit obligations	15.2.4	39,848,954	35,457,897
Fair value of plan assets	15.2.5	<u>(33,672,808)</u>	<u>(26,649,470)</u>
Net liability		<u>6,176,146</u>	<u>8,808,427</u>

15.2.2 Number of employees under the scheme

The number of employees covered under the scheme are:

	2022	2021
	<u>69</u>	<u>70</u>

15.2.3 Principal actuarial assumptions

The latest actuarial valuation of the gratuity scheme was carried out as at June 30, 2022 under the Projected Unit Credit Method. Principal actuarial assumptions used in the valuation of the scheme are as follows:

	2022 ----- Percentage -----	2021 -----
Financial assumptions		
Valuation discount rate	13.25	10.00
Salary increase rate	12.25	9.00
Demographic assumptions		
Mortality rate	SLIC (2001- 2005) Setback 1 Year	SLIC (2001- 2005) Setback 1 Year
Employee turnover rate	Moderate	Moderate
Withdrawal rates	Age Based	Age Based
Retirement age	Age 60	Age 60
Average expected remaining working life time of employees	7.7 years	7.5 years

15.2.4 Movement in present value of defined benefit obligation

	2022	2021
Note	-----	-----
	Rupees	
Balance as at 1 July	35,457,897	27,228,542
Current service cost	4,646,120	3,828,536
Past service cost	-	1,866,471
Interest cost	3,438,922	2,280,971
Benefits paid	(2,137,358)	(787,176)
Benefits due but not paid (payables)	-	-
Actuarial losses from changes in financial assumptions	303,013	125,645
Experience adjustments	(1,859,640)	914,908
Balance as at 30 June	<u>39,848,954</u>	<u>35,457,897</u>

15.2.5 Movement in fair value of plan assets

Balance as at 1 July	26,649,470	21,468,252
Contribution to the fund	8,808,427	5,760,290
Interest income	2,998,500	2,036,159
Benefits paid	(2,137,358)	(787,176)
Benefits due but not paid	-	-
Remeasurement loss chargeable in other comprehensive income	(2,646,231)	(1,828,055)
Balance as at 30 June	<u>33,672,808</u>	<u>26,649,470</u>

15.2.6 Movement in net liability in the statement of financial statement

Opening liability		8,808,427	5,760,290
Expense charged to income and expenditure statement	15.2.7	5,086,542	5,939,819
Remeasurement loss chargeable in other comprehensive income	15.2.8	1,089,604	2,868,608
Contribution paid		(8,808,427)	(5,760,290)
Closing liability		<u>6,176,146</u>	<u>8,808,427</u>

15.2.7 Amount recognised in statement of income and expenditure

The following amounts have been charged in statement of income and expenditure:

Current service cost	4,646,120	3,828,536
Past service cost	-	1,866,471
Interest cost on defined benefit obligation	3,438,922	2,280,971
Expected return on plan assets	(2,998,500)	(2,036,159)
	<u>5,086,542</u>	<u>5,939,819</u>

15.2.8 Remeasurements recognised in other comprehensive income

Remeasurement loss / (gain) on plan obligation due to:

- changes in financial assumptions	303,013	125,645
- experience adjustment	(1,859,640)	914,908
	<u>(1,556,627)</u>	<u>1,040,553</u>
- return on plan assets excluding interest income	2,646,231	1,828,055
Net remeasurement loss recognised in other comprehensive income	<u>1,089,604</u>	<u>2,868,608</u>



15.2.9 Composition of fair value of plan assets

	2022	2021
	----- Rupees -----	
Special savings certificates	15,242,340	15,242,340
Cash at bank	18,430,468	11,407,130
Benefits due but not paid	-	-
	<u>33,672,808</u>	<u>26,649,470</u>

15.2.10 Expected contribution for the next one year

As per the actuarial valuation as at June 30, 2022, total amount chargeable to income and expenditure statement for the next financial year is expected to be Rs. 5,749,297.

15.2.11 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of defined benefit obligation. The increase / decrease in the present value of defined benefit obligation as a result of change in each assumption is summarised below:

	Change in assumption	Increase / (decrease) in defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1%	36,728,929	(43,401,704)
Salary growth rate	1%	43,467,238	(36,616,825)

15.2.12 Maturity profile

	2022	2021
The weighted average duration of the obligation (in years)	<u>8</u>	<u>9</u>

16. CONTINGENCIES AND COMMITMENTS

Contingencies

16.1 During the year ended June 30, 2012, the Commissioner Inland Revenue issued show cause notices under Section 4 of the Workers Welfare Fund Ordinance 1971 (the Ordinance), in respect of tax year 2008 and 2011, requiring the Institute to pay Rs. 853,957 and Rs. 1,169,514 respectively as the amount chargeable under the Ordinance. Two constitution petitions were filed by the Institute before Honourable High Court of Sindh against imposition of the levy. Notices were served on the respondents and stay was granted by the Court. Additionally, the Honourable Supreme Court has declared the amendments made in respect of WWF Ordinance, 1971 vide Finance Act, 2006 & 2008 as null and void. Accordingly, the Institute has not made provision for WWF.

16.2 Commitments

	2022	2021
	----- Rupees -----	
Outstanding letter of guarantee	<u>708,765</u>	<u>599,000</u>

17. INCOME

Operating income	Note	2022 ----- Rupees -----	2021
Seminars and courses		82,761,680	72,365,757
Testing services		26,520,821	6,368,228
Examination fees		34,033,368	34,365,537
Institutional members contribution		64,600,000	36,200,000
Subscription income		15,525,000	15,774,954
Sale of publications	17.1	8,043,930	6,847,533
Journal income		1,559,200	1,123,800
Pakistan banking awards		5,026,000	5,069,000
		<u>238,069,999</u>	<u>178,114,809</u>

Income from financial assets

Return on investments	139,067,824	89,741,592
Profit on bank accounts	2,191,510	1,196,764
Gain on sale of investments	6,080,050	13,015,176
Un-realised gain / (loss) on remeasurement of investments	214,239	(38,312)
Other Income	147,553,623	103,915,220

Reversal of provision against doubtful debts	-	5,015,847
Gain on disposal of operating fixed assets	1,165,890	1,062,310
Others	3,358,174	2,009,092
	<u>4,524,064</u>	<u>8,087,249</u>
	<u>390,147,686</u>	<u>290,117,278</u>

17.1 Sale of publications

Sale of diaries	3,997,000	3,127,925
Sale of books and forms	1,571,930	1,686,450
Advertisement income	2,475,000	2,033,158
	<u>8,043,930</u>	<u>6,847,533</u>

18. COST OF OPERATING ACTIVITIES

Honorarium, salaries and other charges	162,004,299	152,190,920
Communication, utilities and postage charges	10,071,480	7,771,794
Maintenance	7,107,935	6,859,721
Printing and stationary	8,091,345	4,729,512
Venue and refreshment	17,127,273	6,188,863
Training	-	13,412,091
Depreciation and amortization	11,773,533	13,646,282
Provision for impairment of receivables	653,192	-
Others	2,368,856	5,096,150
	<u>219,197,912</u>	<u>209,895,334</u>

18.1 The above expenses are allocated as follows:

Seminar and courses	99,879,303	92,954,173
Testing services	32,697,921	28,837,702
Examination	63,424,916	69,006,792
Expenses on publications	18,969,305	15,611,470
Journal	721,800	402,075
Pakistan banking awards	3,504,667	3,083,122
	<u>219,197,912</u>	<u>209,895,334</u>



19. OTHER EXPENSES

	Note	2022 ----- Rupees -----	2021
Salaries and other allowances		16,778,227	16,298,856
Gratuity		769,151	893,996
Provident Fund Contribution		734,825	692,572
Compensated absences		410,245	442,567
Employee welfare		571,849	746,658
Communication and utilities		2,871,493	2,492,635
Repair and maintenance		676,001	1,214,344
Legal and professional		878,925	1,053,250
Depreciation and amortization		3,283,108	3,215,092
Insurance		1,975,583	1,692,503
Printing and stationary		102,960	765,294
Audit fee	19.1	605,000	550,000
Others		2,783,542	1,733,381
		<u>32,440,910</u>	<u>31,791,148</u>

19.1 Auditors' remuneration

Audit fee	550,000	500,000
Out of pocket expenses	55,000	50,000
	<u>605,000</u>	<u>550,000</u>

20. TAXATION

The income of the Institute is subject to complete tax credit under section 100(c) of the ITO. Further, the Institute being a non profit organization is not liable to pay minimum tax under the said section. The Institute has been granted approval of non profit organization under section 2 (36)(c) by the Commissioner Inland Revenue vide its letter dated June 10, 2022. The Institute has met all the requirements set out in aforementioned section of ITO.

21. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2022			2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- Rupees -----					
Managerial remuneration	30,000,000	19,505,050	56,971,326	30,000,000	17,414,352	48,118,142
Bonus	-	3,366,336	11,464,963	-	3,007,392	10,711,552
Retirement Benefits & Allowances						
-Provident Fund	-	1,206,613	3,169,583	-	1,082,783	2,768,874
-Gratuity	2,500,000	1,093,433	3,147,769	2,500,000	430,524	3,486,657
-Allowances	1,365,833	1,816,137	4,290,758	1,080,042	1,502,934	3,087,757
Total	<u>33,865,833</u>	<u>26,987,570</u>	<u>79,044,399</u>	<u>33,580,042</u>	<u>23,437,985</u>	<u>68,172,982</u>
No. of Person(s)	<u>1</u>	<u>3</u>	<u>42</u>	<u>1</u>	<u>3</u>	<u>36</u>

The Council members have not drawn any remuneration from the Institute.

22. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Council members, entities associated with Council members, key management personnel and employee retirement funds.

22.1 Details of transactions with related parties during the year:

Related party	Transactions	2022	2021
		----- Rupees -----	
Bank Al Habib Limited	Profit on bank balances	<u>1,663,850</u>	<u>792,332</u>
	Institutional membership contribution	<u>2,000,000</u>	<u>2,000,000</u>
	Service rendered	<u>12,133,487</u>	<u>16,059,616</u>
United Bank Limited	Profit on bank balances	<u>612</u>	<u>-</u>
	Institutional membership contribution	<u>2,000,000</u>	<u>2,000,000</u>
	Service rendered	<u>17,145,590</u>	<u>12,811,379</u>
Habib Bank Limited	Profit on bank balances	<u>227,487</u>	<u>110,809</u>
	Institutional membership contribution	<u>2,000,000</u>	<u>2,000,000</u>
	Service rendered	<u>2,149,450</u>	<u>4,860,528</u>
Meezan Bank Limited	Profit on bank balances	<u>219,889</u>	<u>159,877</u>
	Institutional membership contribution	<u>2,000,000</u>	<u>2,000,000</u>
	Service rendered	<u>1,767,400</u>	<u>2,969,583</u>
Bank Alfalah Limited	Institutional membership contribution	<u>2,000,000</u>	<u>2,000,000</u>
	Service rendered	<u>12,399,750</u>	<u>3,520,992</u>
Faysal Bank Limited	Institutional membership contribution	<u>2,000,000</u>	<u>2,000,000</u>
	Service rendered	<u>593,288</u>	<u>2,632,920</u>
JS Bank Limited	Institutional membership contribution	<u>1,000,000</u>	<u>1,000,000</u>
	Service rendered	<u>205,850</u>	<u>709,907</u>
Habib Metropolitan Bank	Institutional membership contribution	<u>1,000,000</u>	<u>1,000,000</u>
	Service rendered	<u>668,225</u>	<u>1,189,859</u>
Dubai Islamic Bank Pakistan Limited	Institutional membership contribution	<u>750,000</u>	<u>750,000</u>
	Service rendered	<u>836,925</u>	<u>1,563,427</u>
Standard Chartered Bank (Pakistan) Limited	Institutional membership contribution	<u>750,000</u>	<u>750,000</u>
	Service rendered	<u>149,501</u>	<u>1,064,128</u>
Employees gratuity fund	Contribution	<u>8,808,427</u>	<u>5,760,290</u>
Employees provident fund	Contribution	<u>5,153,856</u>	<u>4,622,220</u>
Key management personnel	Remuneration	<u>121,307,675</u>	<u>109,251,438</u>

Remuneration of key management personnel are appearing in note 21.

22.2 Details of balances with related parties as at June 30, 2022:

Related party	Trade debts		Bank balances	
	2022	2021	2022	2021
	----- Rupees -----		----- Rupees -----	
Bank Al-Habib Limited	<u>708,055</u>	<u>302,875</u>	<u>9,577,468</u>	<u>13,021,485</u>
United Bank Limited	<u>3,772,615</u>	<u>1,701,900</u>	<u>282,964</u>	<u>270,977</u>
Habib Bank Limited	<u>167,475</u>	<u>1,029,000</u>	<u>1,133,077</u>	<u>132,790</u>
Meezan Bank Limited	<u>134,400</u>	<u>173,200</u>	<u>1,335,185</u>	<u>4,913,755</u>
Standard Chartered Bank (Pakistan) Limited	<u>-</u>	<u>169,050</u>	<u>3,377,452</u>	<u>-</u>
Faysal Bank Limited	<u>65,000</u>	<u>532,250</u>		
Bank Alfalah Limited	<u>2,355,725</u>	<u>109,200</u>		
Habib Metropolitan Bank	<u>8,925</u>	<u>5,250</u>		
Dubai Islamic Bank Pakistan Limited	<u>274,050</u>	<u>93,450</u>		

23. FINANCIAL RISK MANAGEMENT

23.1 Financial instruments by category

Financial assets

At amortised cost

	2022	2021
	----- Rupees -----	
Loans and advances	14,229,485	12,849,422
Deposits	854,606	744,806
Trade debts	23,398,495	22,769,157
Cash and bank balances	16,415,739	20,131,451
	<u>54,898,325</u>	<u>56,494,836</u>

At FVTPL

Short-term investments	1,642,339,566	1,507,544,435
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Total financial assets

	<u>1,697,237,891</u>	<u>1,564,039,271</u>
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Financial liabilities - at amortised cost

	<u>22,646,184</u>	<u>35,217,701</u>
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23.2 The Institute has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Council has overall responsibility for the establishment and oversight of Institute's risk management framework. The Council is also responsible for developing and monitoring the Institute's risk management policies.

23.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. As of June 30, 2022, the institute is mainly exposed to credit risk in respect of the following:

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
Loans and advances	(i)	14,229,485	12,849,422
Deposits	(ii)	854,606	744,806
Trade debts	(iii)	23,398,495	22,769,157
Bank balances	(iv)	16,415,739	20,131,451
		<u>54,898,325</u>	<u>56,494,836</u>

(i) Loans and advances

The Institute does not expect any loss as such loans and advances are collateralised against the retirement benefit accrued to the respective employees.

(ii) Deposits

The Institute has deposited various amounts as security to suppliers against provisioning of different services. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective suppliers.

(iii) Trade debts

The management does not expect to incur loss on such receivables as counter parties are reputable financial institutions.

The ageing of trade debts at the reporting date is as follows:

	2022		2021	
	Gross	Impairment	Gross	Impairment
	----- Rupees -----		----- Rupees -----	
Past due 1 - 30 days	16,241,885	-	5,163,399	-
Past due 31 days - 90 days	2,383,930	-	10,349,443	-
Past due 91 days - 180 days	2,816,615	784,275	2,379,944	288,127
Past due 181 days - 1 year	1,367,725	777,385	1,812,732	448,235
More than one year	2,337,268	187,268	4,159,375	359,374
Total	<u>25,147,423</u>	<u>1,748,928</u>	<u>23,864,893</u>	<u>1,095,736</u>

(iv) Bank balances

The Institute kept surplus liquidity with banks having credit rating of A1+.

23.2.2 Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Institute. Liquidity risk also arises because of the possibility that the Institute could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Institute's reputation. As of June 30, 2021, all financial liabilities of the Institute have maturity period of less than one year.

23.2.3 Market risk

Market risk is the risk that changes in market price, such as interest rates, foreign exchange rates and equity prices will affect the Institute's income or the value of its holdings of financial instruments.

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in prevailing level of interest rate will affect future cash flows or the fair value of financial instruments.

At the reporting date the interest rate profile of the Institute's significant interest bearing financial instruments is as follows:

	2022	2021
	Carrying amount	
	----- Rupees -----	
Fixed rate instruments		
Government securities	1,642,339,566	1,507,544,435
Loans and advances	<u>14,229,485</u>	<u>12,849,422</u>
Variable rate instruments		
Saving accounts	<u>11,728,566</u>	<u>19,058,837</u>

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in profit rates at the year end would have increased / (decreased) the fund balances and the surplus by Rs. 116,646 (2021: Rs. 190,588), assuming all other variables held constant.

Sensitivity analysis for fixed rate instruments

An increase / decrease in 100 basis points in profit rates at year end would have increased / decreased the fund balances and the surplus by Rs.16,423,396. The analysis assumes all other variables remaining constant.

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). As the Institute has classified its investment at FVTPL category, the Institute is not exposed to any other price risk.

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Institute is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Institute to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** quoted prices in active markets for identical assets or liabilities;
- **Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

25. PROVIDENT FUND RELATED DISCLOSURE

As at June 30, 2022, the investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

The fair value of financial instruments in accordance with the above fair value hierarchy is as follow:

Investments	June 30, 2022			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Government securities	-	1,642,339,566	-	1,642,339,566

Investments	June 30, 2021			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Government securities	-	1,507,544,435	-	1,507,544,435



26. **NUMBER OF EMPLOYEES**

The average number of employees for the year ended June 30, 2022 were 74 (June 30, 2021: 73) and number of employees as at June 30, 2022 were 72 (June 30, 2021: 75).

27. **DATE OF AUTHORISATION**

These financial statements were authorised for issue in the meeting of the Council members held on **October 03, 2022**.

sd/-

Chief Financial Officer

sd/-

Chief Executive Officer

sd/-

Chairman



The Institute of Bankers Pakistan

A Company Set Up Under Section 42 of the Companies Act, 2017

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