



FOSTERING CONNECTIONS, EMBRACING EMPATHY:
OUR COMMITMENT TO CARING RELATIONSHIPS

QUARTERLY REPORT (UN-AUDITED)
MARCH 31, 2024

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COMPANY INFORMATION

Board of Directors

Sir Mohammed Anwar Pervez, OBE, H Pk
Chairman/Non-Executive Director

Mr. Rizwan Pervez
Non-Executive Director

Mr. Daniel Michael Howlett
Independent Director

Lord Zameer M. Choudrey, CBE, SI Pk
Non-Executive Director

Mr. Muhammad Jawaid Iqbal
President & CEO

Mr. Tariq Rashid
Independent Director

The Honourable Haider Zameer Choudrey
Non-Executive Director

Mr. Muhammad Irfan A. Sheikh
Non-Executive Director

Ms. Shazia Syed
Independent Director

COMMITTEES OF THE BOARD BOARD AUDIT COMMITTEE (BAC):

Ms. Shazia Syed	Chairperson
The Honourable Haider Zameer Choudrey	Member
Mr. Rizwan Pervez	Member
Mr. Tariq Rashid	Member
Mr. Aqeel Ahmed Nasir	Secretary

Sir Mohammed Anwar Pervez, OBE, HPk	Member
The Honourable Haider Zameer Choudrey	Member
Mr. Rizwan Pervez	Member
Mr. Muhammad Irfan A. Sheikh	Member
Mr. Tariq Rashid	Member
Ms. Shazia Syed	Member
Mr. Muhammad Jawaid Iqbal	Member
Mr. Mahboob Avais Saeed	Secretary

BOARD HUMAN RESOURCE & COMPENSATION COMMITTEE (HRCC):

Mr. Tariq Rashid	Chairman
Sir Mohammed Anwar Pervez, OBE, HPk	Member
Ms. Shazia Syed	Member
Lord Zameer M. Choudrey, CBE, SI Pk	Member
Ms. Hafsa Abbasy	Secretary

Chief Financial Officer Mr. Arif Akmal Saifia

Company Secretary & Chief Legal Counsel Mr. Aqeel Ahmed Nasir

Registered Office:

13th Floor, UBL Building, Jinnah Avenue, Blue Area, Islamabad.

BOARD RISK & COMPLIANCE COMMITTEE (BRCC):

Mr. Daniel Michael Howlett	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
Mr. Muhammad Irfan A. Sheikh	Member
Mr. Muhammad Jawaid Iqbal	Member
Mr. Imran Sarwar	Secretary

UBL Head Office

I.I. Chundrigar Road, Karachi - 74000, Pakistan.

BOARD IT COMMITTEE (BITC):

The Honourable Haider Zameer Choudrey	Chairman
Mr. Rizwan Pervez	Member
Mr. Daniel Michael Howlett	Member
Mr. Muhammad Irfan A. Sheikh	Member
Mr. Muhammad Jawaid Iqbal	Member
Mr. Sohail Aziz	Secretary

Share Registrar

THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street - 2
D.H.A. Phase VII,
Karachi - 75500.
Phone No.: 021-35310187
UAN: 021-111-000-322
Fax No.: 021-35310190
Email: sfc@thk.com.pk

BOARD NOMINATION COMMITTEE (BNC):

Sir Mohammed Anwar Pervez, OBE, HPk	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
The Honourable Haider Zameer Choudrey	Member
Mr. Aqeel Ahmed Nasir	Secretary

Auditors

M/s. EY Ford Rhodes
Chartered Accountants

BOARD INTERNATIONAL COMMITTEE (BIC):

Lord Zameer M. Choudrey, CBE, SI Pk	Chairman
Mr. Daniel Michael Howlett	Member

Legal Advisors

M/s. Mehmood Abdul Ghani & Co.
Advocates

Contacts

UAN: 111-825-111
Contact Centre: 111-825-888
Website: www.ubldigital.com
Email: customer.services@ubl.com.pk

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we are pleased to present the financial statements of United Bank Limited (UBL) for the quarter ended March 31, 2024.

Performance Overview

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 30.5 billion for the quarter ended March 31, 2024, representing a 25% year on year growth. Profit After Tax (PAT) stood at Rs. 15.6 billion for Q1'24, compared to Rs. 13.9 billion in Q1'23 with Earnings per share (EPS) of Rs. 12.73 compared to Rs. 11.36 for the corresponding period last year. UBL reported Consolidated PAT of Rs. 16.1 billion (Q1'23: Rs. 14.5 billion) with consolidated EPS of Rs. 13.05 (Q1'23: Rs. 11.62).

The Board of Directors of UBL declared an interim cash dividend of Rs. 11.0 per share in their meeting in Islamabad held on April 17, 2024, along with the results for the quarter ended March 31, 2024.

Net mark-up income stood at Rs. 26.6 billion, while non-mark-up income was recorded at Rs. 20.4 billion in Q1'24, with overall gross revenues at Rs. 47.0 billion for Q1'24, an increase of 12% over Q1'23. Fee-based revenues maintained the overall business momentum throughout the year with a 21% increase over the same period last year. Capital gains of Rs. 12.8 billion were booked on sale of government and foreign securities during the quarter. Domestic current deposits averaged Rs. 965 billion, increasing by 27% year on year, with enhanced focus on network performance.

The Bank's operating expenses recorded a 21% increase over Q1'23 to Rs. 17.6 billion, in line with high inflation levels. Staff costs stood at Rs. 7.5 billion, increasing by 26%, in line with the growth across the branches and hiring mainly within front office functions. Property related expenses were recorded at Rs. 2.4 billion, up 9%.

The Bank recorded a net provision reversal of Rs. 1.7 billion for Q1'24 versus a net provision charge of Rs. 2.6 billion in the same period last year. This included a net provision reversal of Rs. 1.6 billion on loans and advances in Q1'24 (Rs. 1.4 billion provision reversal in Q1'23). Bank level non-performing loans (NPLs) stood at Rs. 106.8 billion at Mar'24, (Dec'23: Rs. 105.5 billion), with specific coverage standing at 87.6% at Mar'24 (Dec'23: 87.5%).

Capital Ratios - Consolidated

UBL seeks to maintain strong levels of capitalization to build resilience and maintain adequate buffers over regulatory requirements. The consolidated CAR stood at 15.2% at Mar'24 (Dec'23: 14.6%), maintaining a buffer of 3.2% over the minimum regulatory requirement of 12.0%. The Common Equity Tier 1 (CET-1) ratio stood at 10.9% at Mar'24 (Dec'23: 10.5%). Total Tier 1 Capital ratio was measured at 11.5% at Mar'24 (Dec'23: 11.1%).

Credit Rating

VIS Credit Rating Company Limited (VIS) re-affirmed the entity ratings of UBL at "AAA / A-1+" (Triple A / A-One Plus) on June 27, 2023. Moreover, UBL's Additional Tier-1 (ADT-1) TFC has also been re-affirmed at 'AA+' (Double A plus). Outlook on the assigned ratings are 'Stable'.

Future Outlook

Being one of the largest financial institutions in the domestic banking space, UBL continues to build its core businesses in 2024, while committing to delivering a strong and consistent return on equity. UBL is focused on further expanding its branch network with an increased emphasis on improving its footprint in all captive markets. We are evolving our digital platforms, as we deliver innovative products and redefine customer experiences. We continue to invest in our transformation agenda with re-alignment of structures

and processes to better synergize the organization. We believe the Bank's most valuable asset is its people and the Bank's priority is to retain and acquire the best available talent for UBL to achieve its future growth aspirations.

Acknowledgements

On behalf of the Board of Directors, we would like to express our appreciation to UBL's shareholders and customers for their continued trust in the UBL brand and to the UBL staff for their commitment and dedication. We would also like to extend our gratitude to the Government of Pakistan, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory bodies for their continuous guidance and support.



Muhammad Jawaid Iqbal
President & CEO
Islamabad,
April 17, 2024



Daniel Michael Howlett
Director



where *you* come *first*

UNITED BANK LIMITED

**UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2024
(Un-audited)**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
ASSETS		
Cash and balances with treasury banks	6 301,352,655	277,330,217
Balances with other banks	7 59,826,293	30,700,751
Lendings to financial institutions	8 7,027,813	34,447,852
Investments	9 4,630,656,100	4,385,216,671
Advances	10 584,903,383	613,565,526
Property and equipment	11 65,957,772	65,087,643
Right-of-use assets	12 8,682,997	8,497,029
Intangible assets	13 2,305,599	2,458,834
Deferred tax assets	14 10,245,272	-
Other assets	15 191,726,295	157,692,979
	5,862,684,179	5,574,997,502
LIABILITIES		
Bills payable	17 17,329,269	21,651,784
Borrowings	18 2,979,182,527	2,815,470,554
Deposits and other accounts	19 2,469,099,723	2,350,540,823
Lease liabilities	20 10,559,710	10,339,867
Subordinated debt	21 10,000,000	10,000,000
Deferred tax liabilities	14 -	1,921,889
Other liabilities	22 135,356,902	112,572,054
	5,621,528,131	5,322,496,971
	<u>241,156,048</u>	<u>252,500,531</u>
NET ASSETS		
	<u>241,156,048</u>	<u>252,500,531</u>
REPRESENTED BY:		
Share capital	12,241,797	12,241,797
Reserves	108,045,810	107,800,978
Surplus on revaluation of assets	23 31,201,391	41,965,460
Unappropriated profit	89,667,050	90,492,296
	<u>241,156,048</u>	<u>252,500,531</u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

		January - March 2024	January - March 2023
	Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	26	238,626,523	89,837,039
Mark-up / return / interest expensed	27	<u>212,012,393</u>	<u>56,581,978</u>
Net mark-up / interest income		<u>26,614,130</u>	<u>33,255,061</u>
Non mark-up / interest income			
Fee and commission income	28	5,269,354	4,337,566
Dividend income		473,165	475,449
Foreign exchange income		2,675,845	4,346,597
(Loss) / income from derivatives		(64,846)	21,494
Gain / (loss) on securities - net	29	12,808,746	(639,894)
Net loss on derecognition of financial assets measured at amortised cost	30	(947,561)	-
Other income	31	181,837	240,189
Total non mark-up / interest income		<u>20,396,540</u>	<u>8,781,401</u>
Total income		<u>47,010,670</u>	<u>42,036,462</u>
Non mark-up / interest expenses			
Operating expenses	32	17,609,729	14,525,160
Workers' Welfare Fund		668,478	496,085
Other charges	33	866	1,521
Total non mark-up / interest expenses		<u>18,279,073</u>	<u>15,022,766</u>
Profit before provisions		<u>28,731,597</u>	<u>27,013,696</u>
Credit loss allowance and write-offs - net	34	(1,719,712)	2,614,591
Profit before taxation		<u>30,451,309</u>	<u>24,399,105</u>
Taxation	35	14,862,852	10,496,365
Profit after taxation		<u>15,588,457</u>	<u>13,902,740</u>
Earnings per share - basic and diluted	36	<u>12.73</u>	<u>11.36</u>

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	January - March 2024	January - March 2023
	----- (Rupees in '000) -----	
Profit after taxation for the period	15,588,457	13,902,740
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods</i>		
Effect of translation of net investment in overseas branches	(1,314,014)	16,828,024
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	(7,571,483)	(13,978,786)
	(8,885,497)	2,849,238
<i>Items that will not be reclassified to profit and loss account in subsequent periods</i>		
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	11,355	-
Movement in surplus on revaluation of property and equipment - net of tax	5,481	12,791
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	16,836	12,791
Total comprehensive income for the period	<u>6,719,796</u>	<u>16,764,769</u>

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director


UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Share capital	Capital reserve - exchange translation	Statutory reserve	Surplus / (Deficit) on revaluation			Unappropriated profit	Total
				Investments	Fixed assets	Non-banking assets		
(Rupees in '000)								
Balance as at January 01, 2023 (Audited)	12,241,797	44,694,292	41,560,081	(20,679,865)	39,765,799	-	91,438,152	209,020,256
Total comprehensive income for the three months ended March 31, 2023								
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	13,902,740	13,902,740
Other comprehensive income - net of tax	-	16,828,024	-	(13,978,786)	12,791	-	-	2,862,029
Total comprehensive income for the three months ended March 31, 2023	-	16,828,024	-	(13,978,786)	12,791	-	13,902,740	16,764,769
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(30,646)	-	30,646	-
Transfer to statutory reserve	-	-	1,390,274	-	-	-	(1,390,274)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - December 31, 2022 declared subsequent to the year end at Rs. 9.0 per share	-	-	-	-	-	-	(11,017,617)	(11,017,617)
Balance as at March 31, 2023 (Un-audited)	12,241,797	61,522,316	42,950,355	(34,658,651)	39,747,944	-	92,963,647	214,767,408
Total comprehensive income for the nine months ended December 31, 2023								
Profit after taxation for the nine months ended December 31, 2023	-	-	-	-	-	-	39,277,673	39,277,673
Other comprehensive income - net of tax	-	(599,461)	-	38,412,318	(6,081)	-	1,046,605	38,853,381
Total comprehensive income for the nine months ended December 31, 2023	-	(599,461)	-	38,412,318	(6,081)	-	40,324,278	78,131,054
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(1,474,233)	-	1,474,233	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(55,837)	-	55,837	-
Transfer to statutory reserve	-	-	3,927,768	-	-	-	(3,927,768)	-
Transactions with owners, recorded directly in equity								
Interim cash dividend - March 31, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Interim cash dividend - June 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Interim cash dividend - September 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)
	-	-	-	-	-	-	(40,397,931)	(40,397,931)
Balance as at December 31, 2023 (Audited)	12,241,797	60,922,855	46,878,123	3,753,667	38,211,793	-	90,492,296	252,500,531
Effect of reclassification on adoption of IFRS 9 (net of tax)	-	-	-	(3,184,645)	-	-	3,184,645	-
Effect of adoption of IFRS 9 - ECL (net of tax)	-	-	-	-	-	-	(4,598,302)	(4,598,302)
	-	-	-	(3,184,645)	-	-	(1,413,657)	(4,598,302)
Total comprehensive income for the three months ended March 31, 2024								
Profit after taxation for the three months ended March 31, 2024	-	-	-	-	-	-	15,588,457	15,588,457
Other comprehensive income - net of tax	-	(1,314,014)	-	(7,560,128)	5,481	-	-	(8,868,661)
Total comprehensive income for the three months ended March 31, 2024	-	(1,314,014)	-	(7,560,128)	5,481	-	15,588,457	6,719,796
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(24,777)	-	24,777	-
Transfer to statutory reserve	-	-	1,558,846	-	-	-	(1,558,846)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - December 31, 2023 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Balance as at March 31, 2024 (Un-audited)	12,241,797	59,608,841	48,436,969	(6,991,106)	38,192,497	-	89,667,050	241,156,048

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.


Arif Akmal Saif
Chief Financial Officer


Muhammad Jawaid Iqbal
President &
Chief Executive Officer


Shazia Syed
Director


Daniel Michael Howlett
Director


Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	January - March 2024	January - March 2023
----- (Rupees in '000) -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	30,451,309	24,399,105
Less: Dividend income	473,165	475,449
	<u>29,978,144</u>	<u>23,923,656</u>
Adjustments:		
Depreciation on fixed assets	1,236,799	963,711
Depreciation on Islamic financing against leased assets (Ijarah)	21,961	33,910
Depreciation on right-of-use assets	569,028	534,627
Depreciation on non-banking assets acquired in satisfaction of claims	807	376
Amortisation	243,845	220,654
Workers' Welfare Fund - charge	668,478	496,085
Provision for retirement benefits	343,564	261,100
Provision for compensated absences	37,684	14,433
Credit loss allowance against loans and advances - net	(1,583,311)	(1,369,560)
Credit loss allowance against off - balance sheet obligations - net	(16,072)	(39,492)
Credit loss allowance for diminution in value of investments - net	(62,199)	4,071,351
Interest expense on lease liability against right-of-use assets	341,247	284,515
Gain on sale of Ijarah assets - net	(806)	105
Gain on sale of fixed assets - net	(3,328)	(72,339)
Bad debts written-off directly	11,276	11,392
Unrealised loss on revaluation of investments classified as FVTPL	13,335	21,184
Credit loss allowance against other assets	(13,007)	2,189
Other credit loss allowance / write-offs	62,297	31,730
	<u>1,871,598</u>	<u>5,465,971</u>
	31,849,742	29,389,627
Decrease / (Increase) in operating assets		
Lendings to financial institutions	27,420,039	24,009,180
Securities classified as FVPL	28,701,362	8,962,288
Advances	30,441,998	211,945,258
Other assets (excluding advance taxation)	(37,350,050)	(19,012,354)
	<u>49,213,349</u>	<u>225,904,372</u>
Increase / (decrease) in operating liabilities		
Bills payable	(4,322,515)	(8,941,781)
Borrowings	163,711,973	(90,411,805)
Deposits and other accounts	118,558,900	300,042,694
Other liabilities	11,748,768	6,719,454
	<u>289,697,126</u>	<u>207,408,562</u>
	370,760,217	462,702,561
(Payments) / receipts on account of staff retirement benefits	3,109,504	(98,085)
Income taxes paid	(11,866,414)	(8,977,687)
Net cash flow generated from operating activities	<u>362,003,307</u>	<u>453,626,789</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(302,746,658)	(322,511,353)
Net investments in amortized cost securities	4,586,064	(9,838,836)
Dividend income received	360,101	50,131
Investment in property and equipments and intangible assets	(2,268,033)	(815,155)
Sale proceeds from disposal of property and equipments	12,136	80,104
Sale proceeds from disposal of Ijarah assets	-	5,302
Effect of translation of net investment in overseas branches	(1,314,014)	16,828,024
Net cash flow used in investing activities	<u>(301,370,404)</u>	<u>(316,201,783)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(861,415)	(730,599)
Dividend paid	(6,623,508)	(107)
Net cash flow used in financing activities	<u>(7,484,923)</u>	<u>(730,706)</u>
Increase / (decrease) in cash and cash equivalents	<u>53,147,980</u>	<u>136,694,300</u>
Cash and cash equivalents at the beginning of the period	309,759,063	139,499,506
Effect of exchange rate changes on cash and cash equivalents	(1,728,095)	19,197,155
	<u>308,030,968</u>	<u>158,696,661</u>
Cash and cash equivalents at the end of the period	<u>361,178,948</u>	<u>295,390,961</u>

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI PK
Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,365 (December 31, 2023: 1,356) branches inside Pakistan including 212 (December 31, 2023: 209) Islamic Banking branches and 2 (December 31, 2023: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2023: 8) branches outside Pakistan. The Bank is a subsidiary of Bestway International Holdings Limited (BIHL) and BIHL is a wholly owned subsidiary of Bestway Group Limited (BGL) which is incorporated in the Guernsey.

The Bank's ordinary shares are listed on Pakistan Stock Exchange (PSX). Its Global Depository Receipts (GDRs) are on the list of the UK Listing Authority and the London Stock Exchange Professional Securities Market. These GDRs are also eligible for trading on the International Order Book System of the London Stock Exchange. Further, the GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the US Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

2. BASIS OF PRESENTATION

These unconsolidated condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 2 dated February 09, 2023.

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

As per the SBP's BPRD Circular Letter no. 7 dated April 13, 2023, the applicability of IFRS 9 - Financial Instruments has been extended to January 01, 2024 (for banks having asset size of Rs. 500 billion or above). Accordingly, these financial statements have been prepared for determining the impact of IFRS 9 on the Bank's financial statements as at March 31, 2024 assuming that IFRS 9 has been adopted with effect from January 01, 2024. Therefore, the requirements of SBP directives that currently provide the accounting framework for the measurement and valuation of investments and provision against non performing financings have been followed till December 31, 2023.

Key financial figures of the Islamic Banking branches are disclosed in note 41 to these unconsolidated condensed interim financial statements.

2.1 STATEMENT OF COMPLIANCE

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

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

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

The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended December 31, 2023, except for IFRS 9 Financial Instruments adopted w.e.f January 01, 2024.

These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary companies are presented separately.

2.2 Standards, interpretations and amendments to accounting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. These are either considered to not be relevant or do not have any significant impact and accordingly, have not been detailed in these unconsolidated condensed interim financial statements.

IFRS 9 has been applicable in several overseas jurisdictions from January 01, 2018. Accordingly, the requirements of this standard are incorporated in the Bank's unconsolidated condensed interim financial statements for the jurisdictions where IFRS 9 Financial Instruments has been adopted w.e.f January 01, 2024.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS 9 Financial Instruments w.e.f January 01, 2024.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

3.1.1 Impact of IFRS 9 - Financial Instruments

As permitted by the transitional provisions of IFRS 9, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

For notes disclosures, the consequential amendments to IFRS 7 disclosures as a result of adoption of IFRS 9 have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

3.1.2 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024

Carrying amount as per current accounting policy as at Dec 31, 2023	Classification under IFRS 9					IFRS 9 carrying amount as at Jan 01, 2024	
	At FVPL	At FVOCI - with recycling	At FVOCI - without recycling	At Amortized Cost	Remeasurement under IFRS 9		
(Rupees in '000)							
Cash and cash equivalents	308,030,968	-	-	-	308,030,968	(1,182)	308,029,786
Lendings to financial institutions	34,447,852	-	-	-	34,447,852	-	34,447,852
Advances	613,565,526	-	-	-	613,565,526	(7,969,693)	605,595,833
Investments in financial assets							
Held for trading	78,956,749	78,956,749	-	-	-	-	78,956,749
Held to maturity	362,838,478	-	-	-	362,838,478	344	362,838,822
Available for sale	3,939,226,221	3,635,231	3,925,251,905	10,331,928	-	7,157	3,939,226,221
Other assets	157,692,979	4,266,717	-	-	153,458,641	-	157,725,358
Other liabilities	(122,911,921)	(2,741,100)	-	-	(120,170,821)	(1,037,902)	(123,949,823)
	5,371,846,852	84,117,597	3,925,251,905	10,331,928	1,352,170,644	(9,001,276)	5,362,870,798

3.1.3 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

(A) Debt instruments previously classified as available for sale (AFS) but which fail the SPPI test

The Bank holds a portfolio of debt instruments that failed to meet the 'solely payments of principal and interest' (SPPI) requirement for amortised cost classification under IFRS 9. These instruments contain provisions that, in certain circumstances, can allow the issuer to defer interest payments, but which do not accrue additional interest. This clause breaches the criterion that interest payments should only be consideration for credit risk and the time value of money on the principal. As a result, available for sale instruments, which amounted to Rs. 1,864.988 million respectively, were classified as FVPL from the date of initial application.

(B) Investment in debt securities previously designated at fair value through profit or loss

The Bank holds investment of Rs. 78,956.749 million in a portfolio of debt securities which had previously been designated at fair value through profit or loss as the debt securities were managed on a fair value basis. As part of the transition to IFRS 9, these securities are part of an 'other' business model and so required to be classified as FVPL category under IFRS 9, instead of designated FVPL category under existing local regulations.

(C) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate strategic investments of Rs. 720.004 million in unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

The Bank has elected to irrevocably designate Rs. 9,611.924 million in listed securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(E) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- Those previously classified as available for sale and now classified as measured at FVOCI; and
- Those previously classified as held to maturity and now classified as measured at amortised cost.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank for the year ended December 31, 2023.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2023.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	30,787,561	27,876,931
Foreign currencies	10,308,347	13,042,939
	41,095,908	40,919,870
With State Bank of Pakistan in		
Local currency current accounts	121,278,104	88,035,634
Foreign currency current accounts	5,255,396	5,306,080
Foreign currency deposit accounts	9,678,836	9,473,621
	136,212,336	102,815,335
With other central banks in		
Foreign currency current accounts	82,990,617	50,093,433
Foreign currency deposit accounts	10,003,974	10,684,831
	92,994,591	60,778,264
With National Bank of Pakistan in		
Local currency current accounts	27,858,877	72,368,067
Foreign currency deposit accounts	2,779,472	-
	30,638,349	72,368,067
National prize bonds	411,471	448,681
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	<u>301,352,655</u>	<u>277,330,217</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In deposit accounts	7	7
Outside Pakistan		
In current accounts	27,752,782	23,665,786
In deposit accounts	32,121,396	7,034,958
	59,874,178	30,700,744
Less: Credit loss allowance held against balances with other banks	(47,892)	-
Balances with other banks - net of credit loss allowance	<u>59,826,293</u>	<u>30,700,751</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Musharakah lending	-	12,500,000
Repurchase agreement lendings (Reverse Repo)	7,027,813	21,947,852
	7,027,813	34,447,852
Less: Credit loss allowance held against lending to financial institutions	-	-
Lending to financial institutions - net of credit loss allowance	<u>7,027,813</u>	<u>34,447,852</u>
	(Un-audited) March 31, 2024	
	Lending	Credit loss allowance held
	----- (Rupees in '000) -----	
Domestic		
Performing	Stage 1 7,027,813	-
Under performing	Stage 2 -	-
Non-performing	Stage 3 -	-
Substandard	-	-
Doubtful	-	-
Loss	-	-
	7,027,813	-
Overseas		
Performing	Stage 1 -	-
Under performing	Stage 2 -	-
Non-performing	Stage 3 -	-
Substandard	-	-
Doubtful	-	-
Loss	-	-
	-	-
Total	<u>7,027,813</u>	<u>-</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

9. INVESTMENTS

9.1 Investments by type

	March 31, 2024 (Un-audited)			Carrying Value
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	
----- (Rupees in '000) -----				
FVTPL				
Federal Government Securities	47,510,030	-	(127,454)	47,382,576
Shares and units	880,384	-	114,119	994,503
Non-Government debt securities	1,864,973	-	-	1,864,973
	50,255,387	-	(13,335)	50,242,052
FVOCI				
Federal Government securities	4,084,537,970	(4,376,117)	(7,922,633)	4,072,239,220
Shares	13,174,166	-	(2,543,688)	10,630,478
Non-Government debt securities	526,621	(169,491)	-	357,130
Foreign securities	138,004,894	(23,562)	(3,241,749)	134,739,583
	4,236,243,651	(4,569,170)	(13,708,070)	4,217,966,411
Amortised cost				
Federal Government securities	302,752,993	(2,398,659)	-	300,354,334
Non-Government debt securities	22,704,852	(1,273,215)	-	21,431,637
Foreign securities	36,490,620	(24,177)	-	36,466,443
	361,948,465	(3,696,051)	-	358,252,414
Associates	1,297,485	(1,057,485)	-	240,000
Subsidiaries	3,955,223	-	-	3,955,223
Total Investments	<u>4,653,700,211</u>	<u>(9,322,706)</u>	<u>(13,721,405)</u>	<u>4,630,656,100</u>

	December 31, 2023 (Audited)			Carrying Value
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	
----- (Rupees in '000) -----				
Held for trading securities				
Federal Government Securities	79,035,823	-	(79,074)	78,956,749
Available for sale securities				
Federal Government securities	3,805,610,848	(12,421,632)	6,419,943	3,799,609,159
Shares and units	14,530,823	(6,107,121)	3,678,469	12,102,171
Non-Government debt securities	2,413,036	(162,334)	-	2,250,702
Foreign securities	128,026,463	(23,993)	(2,738,281)	125,264,189
	3,960,581,170	(18,715,080)	7,360,131	3,939,226,221
Held to maturity securities				
Federal Government securities	308,215,895	(4,406,225)	-	303,809,670
Non-Government debt securities	22,764,643	(1,293,633)	-	21,471,010
Foreign securities	38,098,926	(541,128)	-	37,557,798
	369,079,464	(6,240,986)	-	362,838,478
Associates	1,297,485	(1,057,485)	-	240,000
Subsidiaries	3,955,223	-	-	3,955,223
Total Investments	<u>4,403,949,165</u>	<u>(26,013,551)</u>	<u>7,281,057</u>	<u>4,385,216,671</u>

9.1.1 Investments given as collateral	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
----- (Rupees in '000) -----			
Federal Government securities			
Market Treasury Bills		1,526,523,182	1,739,647,706
Pakistan Investment Bonds		1,353,687,465	962,704,865
		<u>2,880,210,647</u>	<u>2,702,352,571</u>

The market value of securities given as collateral is Rs. 2,863,772 million (December 31, 2023: Rs. 2,716,080 million).

9.2 Credit loss allowance for diminution in value of investments

Opening balance		26,013,551	26,823,071
Exchange adjustments		(83,571)	3,003,752
Impact of reclassification on adoption of IFRS 9		(6,107,121)	-
Impact of ECL recognised on adoption of IFRS 9		7,501	-
Charge / (reversals)			
Charge for the period / year		153,189	7,793,597
Reversals for the period / year		(215,388)	(1,266,052)
Derecognition of ECL on disposals		(62,199)	6,527,545
Amounts written off	9.2.1	(10,445,455)	(10,340,817)
Closing balance	9.6	<u>9,322,706</u>	<u>26,013,551</u>

9.2.1 Reversal of Credit loss allowance for diminution in value of investments on disposals

Shares and units		-	(824,540)
Foreign Securities			
Foreign Bonds - Sovereign		(512,016)	(9,516,277)
Foreign Government Securities		(9,933,439)	-
		(10,445,455)	(9,516,277)
Total		<u>(10,445,455)</u>	<u>(10,340,817)</u>

9.2.2 ECL provision under IFRS 9 amounting to Rs.10,445,455 million was held as part of the amortised cost of securities. This amount has been derecognised as a consequence of the disposal of such securities. The gain on disposal of such securities has been reported in note 29.1.

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FOR THE THREE MONTHS ENDED MARCH 31, 2024

9.2.3 Particulars of provision against debt securities

Category of classification		(Un-audited) March 31, 2024	
		Outstanding amount	Credit loss allowance held
		----- (Rupees in '000) -----	
Domestic			
Performing	Stage 1	4,429,410,360	7,501
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		626,981	626,981
Overseas			
Performing	Stage 1	171,361,779	46,924
Under performing	Stage 2	32,993,833	7,583,815
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
Total		4,634,392,953	8,265,221

Particulars of provision against debt securities

Category of classification		(Audited) December 31, 2023	
		Non-Performing Investments	Provision
		----- (Rupees in '000) -----	
Domestic			
Loss		641,383	641,383
Overseas			
Defaulted exposure		-	-
Total		641,383	641,383

9.3 Summary of financial position and performance of associates and subsidiaries

March 31, 2024 (Un-audited)							
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income for the period
		%	----- (Rupees in '000) -----				
Associates							
UBL Insurers Limited	Pakistan	30.00%	11,761,095	9,464,960	478,551	190,428	189,854
Khushhali Microfinance Bank Limited	Pakistan	27.82%	112,483,400	111,202,575	265,705	(2,160,379)	(15,348)
Subsidiaries							
United National Bank Limited (UBL UK)	United Kingdom	55.00%	340,662,488	307,111,891	1,673,674	352,651	1,228,096
UBL Fund Managers Limited	Pakistan	98.87%	3,898,305	597,059	774,552	240,487	240,487
UBL Currency Exchange (Private) Limite	Pakistan	100.00%	1,078,109	75,662	-	14,658	14,483
December 31, 2023 (Audited)							
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income for the year
			----- (Rupees in '000) -----				
Associates							
UBL Insurers Limited	Pakistan	30.00%	10,658,604	8,372,388	1,993,150	453,995	463,398
Khushhali Microfinance Bank Limited	Pakistan	27.82%	115,121,536	111,405,418	6,358,050	(5,957,226)	(5,989,025)
Subsidiaries							
United National Bank Limited (UBL UK)	United Kingdom	55.00%	328,789,627	295,742,667	5,216,154	2,923,509	6,043,172
UBL Fund Managers Limited	Pakistan	98.87%	5,178,104	2,112,043	2,643,422	908,591	919,402
UBL Currency Exchange (Private) Limite	Pakistan	100.00%	1,008,134	21,260	-	(13,142)	15,589

9.4 The market value of securities classified as amortised cost as at March 31, 2024 amounted to Rs. 336,599.711 million (December 31, 2023: Rs. 337,640.922 million).

9.5 This represents the Bank's subscription towards the paid-up capital of Khushhali Microfinance Bank Limited. The Bank has fully impaired these shares.

9.6 The AGM of the Bank held on 18 March 2024 approved the resolution for disposal of UBL UK by accepting the "Indicative Offer" received from Bestway Group to acquire 50.1% shares upfront at a price of GBP 25.495 million out of 55% shareholding of the Bank in UBL UK with an option to purchase remaining 4.9% shares within 36 months of the initial acquisition of 50.1% on the same price. The resolution approved at the AGM is subject to the approval / clearance by the SBP and all other regulatory compliances required in this regard in both Pakistan and UK. The Bank is currently in the process of completing the regulatory and legal requirements relating to the transaction.

9.7 This represents the Bank's subscription towards the paid-up capital of UBL Currency Exchange (Private) Limited, a wholly owned subsidiary. The subsidiary was incorporated on 8 November 2023. It has received NOC from SBP and is under preparation for applying license as an exchange company to undertake the business of currency exchange and associated services permitted under the Foreign Exchange Regulation Act 1947.

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		March 31, 2024 (Un-audited)		
10. ADVANCES	Note	Performing	Non-performing	Total
		(Rupees in '000)		
Loans, cash credits, running finances, etc.		529,196,696	103,619,460	632,816,156
Islamic financing and related assets	41.3	46,233,771	227,200	46,460,971
Bills discounted and purchased		11,374,216	2,961,750	14,335,966
Advances - gross		586,804,683	106,808,410	693,613,093
Credit loss allowance against advances	10.3			
-Stage 1		(4,699,297)	-	(4,699,297)
-Stage 2		(10,399,331)	-	(10,399,331)
-Stage 3		-	(93,611,082)	(93,611,082)
		(15,098,628)	(93,611,082)	(108,709,710)
Advances - net of credit loss allowance		571,706,055	13,197,328	584,903,383
		December 31, 2023 (audited)		
		Performing	Non-performing	Total
		(Rupees in '000)		
Loans, cash credits, running finances, etc.		553,317,263	102,335,545	655,652,808
Islamic financing and related assets	41.3	47,191,822	222,205	47,414,027
Bills discounted and purchased		11,018,066	2,982,770	14,000,836
Advances - gross		611,527,151	105,540,520	717,067,671
Provision against advances	10.3			
-Specific		-	(92,332,287)	(92,332,287)
-General		(11,169,858)	-	(11,169,858)
		(11,169,858)	(92,332,287)	(103,502,145)
Advances - net of provision		600,357,293	13,208,233	613,565,526
10.1 Particulars of advances - gross		(Un-audited) March 31, 2024	(Audited) December 31, 2023	
		----- (Rupees in '000) -----		
In local currency		473,879,845	465,031,632	
In foreign currencies		219,733,248	252,036,039	
		693,613,093	717,067,671	

10.2 Advances include Rs.106,806.235 million (December 31, 2023: Rs. 105,540.520 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of Classification		(Un-audited) March 31, 2024	
		Non-Performing Loans	Credit loss allowance
		----- (Rupees in '000) -----	
Domestic			
Other Assets Especially Mentioned*		139,019	3,015
Substandard		2,276,258	1,742,805
Doubtful	Stage 3	850,542	419,871
Loss		20,414,352	19,476,397
		23,680,171	21,642,088

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		(Un-audited) March 31, 2024	
		Non-Performing Loans	Credit loss allowance
		----- (Rupees in '000) -----	
Overseas			
Other Assets Especially Mentioned*		-	-
Substandard		1,133,512	239,056
Doubtful	Stage 3	17,877,028	11,547,034
Loss		64,117,699	60,182,904
		<u>83,128,239</u>	<u>71,968,994</u>
Total		<u>106,808,410</u>	<u>93,611,082</u>

		(Audited) December 31, 2023	
Category of Classification		Non-Performing Loans	Provision
		----- (Rupees in '000) -----	
Domestic			
Other Assets Especially Mentioned*		105,024	3,660
Substandard		2,963,970	729,208
Doubtful		197,690	91,464
Loss		21,198,758	20,225,801
		<u>24,465,442</u>	<u>21,050,133</u>
Overseas			
Not past due but impaired **		1,439,842	331,800
Overdue by:			
Upto 90 days		83,720	-
91 to 180 days		237,549	-
181 to 365 days		4,449,553	1,685,624
> 365 days		74,864,414	69,264,730
		<u>81,075,078</u>	<u>71,282,154</u>
Total		<u>105,540,520</u>	<u>92,332,287</u>

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

** Not past due but impaired category mainly represents restructured exposures.

10.3 Particulars of credit loss allowance against advances

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)		
	Stage 1	Stage 2	Stage 3	Total	Specific	General	Total
Note	----- (Rupees in '000) -----						
Opening balance	759,622	10,410,236	92,332,287	103,502,145	81,783,522	10,146,800	91,930,322
Exchange adjustments	(13,867)	(122,038)	(1,010,756)	(1,146,661)	14,650,438	2,289,735	16,940,173
Impact of Adoption of IFRS 9	4,046,484	2,689,194	1,234,015	7,969,693			
Charge / (reversals)							
Charge for the period / year	23,451	208,308	2,001,381	2,233,140	894,440	100,364	994,804
Reversals for the period / year	(116,393)	(2,786,369)	(913,689)	(3,816,451)	(4,526,473)	(1,367,041)	(5,893,514)
	(92,942)	(2,578,061)	1,087,692	(1,583,311)	(3,632,033)	(1,266,677)	(4,898,710)
Amounts charged off							
- agriculture financing	10.5	-	-	-	(153,498)	-	(153,498)
Amounts written off		-	-	(32,156)	(316,142)	-	(316,142)
Transfers (out) / in - net		-	-	-	-	-	-
Closing balance	<u>4,699,297</u>	<u>10,399,331</u>	<u>93,611,082</u>	<u>108,709,710</u>	<u>92,332,287</u>	<u>11,169,858</u>	<u>103,502,145</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

10.4 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)		
	Stage 1	Stage 2	Stage 3
	(Rupees in '000)		
10.4.1 Opening balance	759,622	10,410,236	92,332,287
Exchange adjustments	(3,815)	(132,090)	(1,010,756)
Impact of adoption of IFRS 9	4,046,484	2,689,194	1,234,015
New Advances	-	-	205,120
Advances derecognised or repaid	(92,942)	(822,296)	(913,689)
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	(1,755,765)	1,796,261
	(92,942)	(2,578,061)	1,087,692
Amounts charged off			
- agriculture financing	-	-	-
Amounts written off	-	-	(32,156)
Changes in risk parameters	-	-	-
Closing balance	<u>4,709,349</u>	<u>10,389,279</u>	<u>93,611,082</u>

10.4.2 Advances - Category of classification

		March 31, 2024 (Un-audited)	
		Outstanding amount	Credit loss allowance
		(Rupees in '000)	
Domestic			
Performing	Stage 1	431,251,655	4,485,726
Under performing	Stage 2	52,840,426	2,689,194
Non-performing	Stage 3		
Substandard		2,415,277	1,745,820
Doubtful		850,542	419,871
Loss		20,414,352	19,476,397
		23,680,171	21,642,088
Total		<u>507,772,252</u>	<u>28,817,008</u>
Overseas			
Performing	Stage 1	68,404,403	223,623
Under performing	Stage 2	34,308,199	7,700,085
Non-performing	Stage 3		
Substandard		1,133,512	239,056
Doubtful		17,877,028	11,547,034
Loss		64,117,699	60,182,904
		83,128,239	71,968,994
Total		<u>185,840,841</u>	<u>79,892,702</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

10.4.3 The Bank has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 01 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 42.619 million (December 31, 2023: Rs. 44.193 million).

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 6,040.337 million (December 31, 2023: Rs. 6,114.438 million) for the overseas branches.

The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	1,903,271	1,322,980
Property and equipment		<u>64,054,501</u>	<u>63,764,663</u>
		<u>65,957,772</u>	<u>65,087,643</u>
11.1 Capital work-in-progress			
Civil works		1,274,016	734,319
Equipment		<u>629,255</u>	<u>588,661</u>
		<u>1,903,271</u>	<u>1,322,980</u>
11.2 Additions to Property and equipment			
			(Un-audited)
		January - March 2024	January - March 2023
		----- (Rupees in '000) -----	
The following additions have been made to property and equipment during the period:			
Capital work-in-progress - net additions		580,291	133,934
Property and equipment			
Leasehold improvements		192,086	125,684
Furniture and fixtures		160,366	50,208
Electrical, office and computer equipment		1,012,774	463,807
Vehicles		214,627	29,337
		<u>1,579,853</u>	<u>669,036</u>
Total		<u>2,160,144</u>	<u>802,970</u>

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FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Un-audited)

January - January -
March 2024 March 2023
----- (Rupees in '000) -----

11.3 Disposal of Property and equipment

The net book value of Property and equipment disposed off during the period is as follows:

Building on leasehold land	-	-
Leasehold land	-	-
Leasehold Improvement	7,692	20
Furniture and fixtures	259	614
Electrical, office and computer equipment	857	1,309
Vehicles	-	5,822
	8,808	7,765
Total	8,808	7,765

12. RIGHT-OF-USE ASSETS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Buidlings	Others	Total	Buidlings	Others	Total
	----- (Rupees in '000) -----					
At January 1,						
Cost	13,834,046	182,562	14,016,608	12,400,452	69,255	12,469,707
Accumulated Depreciation	(5,452,800)	(66,779)	(5,519,579)	(4,640,808)	(21,348)	(4,662,156)
Net Carrying amount at January 1,	8,381,246	115,783	8,497,029	7,759,644	47,907	7,807,551
Additions during the period / year	945,515	6,497	952,012	3,172,770	124,327	3,297,097
Deletions during the period / year	(191,498)	(4,789)	(196,287)	(350,965)	(1,448)	(352,413)
Depreciation charge for the period / year	(549,365)	(19,663)	(569,028)	(2,231,324)	(55,003)	(2,286,327)
Exchange rate adjustments	(729)	-	(729)	31,121	-	31,121
Net Carrying amount	8,585,169	97,828	8,682,997	8,381,246	115,783	8,497,029

13. INTANGIBLE ASSETS

Capital work-in-progress - Computer software	277,362	173,916
Intangible assets - Computer software	2,028,237	2,284,918
	2,305,599	2,458,834

(Un-audited) (Audited)
March 31, December 31,
2024 2023
----- (Rupees in '000) -----

13.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Capital work-in-progress	103,446	113,248
Directly purchased - Intangible assets	4,443	54,217
	107,889	167,465

(Un-audited) (Un-audited)
January - January -
March 2024 March 2023
----- (Rupees in '000) -----

14. DEFERRED TAX ASSETS / (LIABILITIES)

Deductible temporary differences on

Credit loss allowance against advances and off balance sheet obligations
Surplus on revaluation of investments
Post retirement employee benefits
Workers' Welfare Fund
IFRS 9 transition impact
Others

679,351	679,351
6,716,944	(3,606,464)
(841,433)	(841,433)
4,707,258	4,406,522
1,358,246	-
(48,390)	(64,971)
12,571,976	573,005

Taxable temporary differences on

Surplus on revaluation of fixed assets / non-banking assets
Accelerated tax depreciation

(1,592,018)	(1,610,164)
(734,686)	(884,730)
(2,326,704)	(2,494,894)
10,245,272	(1,921,889)

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

15. OTHER ASSETS	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
Income / mark-up accrued in local currency		159,238,670	121,606,612
Income / mark-up accrued in foreign currencies	15.1	3,880,171	3,056,696
Receivable from staff retirement fund		1,207,352	4,593,952
Receivable from other banks against telegraphic transfers and demand drafts		412,247	38,339
Unrealised gain on forward foreign exchange contracts		1,534,661	4,234,338
Rebate receivable - net		1,718,862	1,868,330
Unrealised gain on derivative financial instruments	25	3,191	32,379
Suspense accounts		17,844	22,467
Stationery and stamps on hand		423,934	593,636
Non-banking assets acquired in satisfaction of claims		41,268	42,075
Advances, deposits, advance rent and other prepayments		2,614,435	2,045,543
Dividend Receivable		113,064	-
Commission receivable - Bancassurance & Branchless Banking		649,987	688,884
Receivable against fraud & forgery and looted notes		492,589	475,390
Acceptances	22	18,489,892	17,584,022
Others		2,009,892	1,961,201
		<u>192,848,059</u>	<u>158,843,864</u>
Credit loss allowance / provision held against other assets	15.2	<u>(1,121,764)</u>	<u>(1,150,885)</u>
Other assets - net of credit loss allowance		191,726,295	157,692,979
Surplus / (Deficit) on revaluation of non-banking assets acquired in satisfaction of claims	23	-	-
		<u>191,726,295</u>	<u>157,692,979</u>

15.1 Unrealised mark-up held in suspense amounting to Rs. 41,441.677 million (December 31, 2023: Rs. 39,977.644 million) against non-performing overseas advances has been netted off.

15.2 Credit loss allowance held against other assets	(Un-audited)	(Audited)	
	March 31, 2024	December 31, 2023	
		----- (Rupees in '000) -----	
Advances and other receivables	54,108	54,108	
Receivable against fraud & forgery and looted notes	492,589	475,390	
Others	575,067	621,387	
	<u>1,121,764</u>	<u>1,150,885</u>	

15.2.1 Movement in credit loss allowance held against other assets

Opening balance	1,150,885	1,244,972
Exchange adjustments	(6,092)	83,333
Charge / (reversals)		
Charge for the period / year	22,994	97,737
Reversals for the period / year	(36,001)	(126,753)
	(13,007)	(29,016)
Transfers out - net	(6,039)	-
Amounts written off	(3,983)	(148,404)
Closing balance	<u>1,121,764</u>	<u>1,150,885</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

16. CONTINGENT ASSETS

There were no contingent assets as at March 31, 2024 (December 31, 2023: Nil).

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
17. BILLS PAYABLE		
In Pakistan	14,855,354	19,850,218
Outside Pakistan	2,473,915	1,801,566
	<u>17,329,269</u>	<u>21,651,784</u>

18. BORROWINGS

Secured

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	34,394,826	37,076,201
Refinance facility for modernization of SME	1,389,285	1,353,958
Long term financing facility	13,146,842	13,991,026
Renewable energy scheme	828,282	873,755
Temporary economic refinance facility	16,522,655	16,886,679
Refinance facility for combating COVID-19	263,846	332,674
Repurchase agreement borrowings	2,899,335,858	2,717,697,641
Financing facility for storage of agriculture products	30,938	34,375
Refinance for women entrepreneurs	54,223	61,200
	<u>2,965,966,755</u>	<u>2,788,307,509</u>
Repurchase agreement borrowings	9,852,339	15,966,300
	<u>2,975,819,094</u>	<u>2,804,273,809</u>

Unsecured

Call borrowings	3,000,000	10,603,000
Overdrawn nostro accounts	363,433	593,745
Other borrowings	-	-
	<u>3,363,433</u>	<u>11,196,745</u>
	<u>2,979,182,527</u>	<u>2,815,470,554</u>

19. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	916,199,003	270,784,766	1,186,983,769	838,679,284	248,746,308	1,087,425,592
Savings deposits	690,339,815	55,724,023	746,063,838	698,079,461	55,703,568	753,783,029
Term deposits	168,279,829	108,608,747	276,888,576	158,820,636	108,618,487	267,439,123
Others	56,447,664	7,183,294	63,630,958	22,587,057	6,969,636	29,556,693
	<u>1,831,266,311</u>	<u>442,300,830</u>	<u>2,273,567,141</u>	<u>1,718,166,438</u>	<u>420,037,999</u>	<u>2,138,204,437</u>
Financial Institutions						
Current deposits	17,830,616	7,461,060	25,291,676	24,795,264	6,771,975	31,567,239
Saving deposits	165,692,982	94,060	165,787,042	174,456,017	94,660	174,550,677
Term deposits	220,450	4,233,414	4,453,864	1,925,450	4,293,020	6,218,470
	<u>183,744,048</u>	<u>11,788,534</u>	<u>195,532,582</u>	<u>201,176,731</u>	<u>11,159,655</u>	<u>212,336,386</u>
	<u>2,015,010,359</u>	<u>454,089,364</u>	<u>2,469,099,723</u>	<u>1,919,343,169</u>	<u>431,197,654</u>	<u>2,350,540,823</u>

19.1 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,418,480,498 million (December 31, 2023: Rs 1,376,823,088 million).

20. LEASE LIABILITIES

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening balance	10,339,867	9,418,000
Addition during the year	952,012	3,297,097
Lease payments including interest	(861,415)	(3,202,250)
Interest expense	341,247	1,217,778
Termination/modification	(212,001)	(390,758)
Exchange adjustments	-	-
Closing balance	<u>10,559,710</u>	<u>10,339,867</u>

20.1 Liabilities Outstanding

Not later than one year	255,160	302,536
Later than one year and upto five years	4,919,827	4,819,731
Over five years	5,384,723	5,217,600
Total	<u>10,559,710</u>	<u>10,339,867</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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21. SUBORDINATED DEBT

The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

Salient features of the Additional Tier 1 issue are as follows:

Issue Size	Rs. 10,000 million
Issue Date	January 29, 2019
Tenor	Perpetual (i.e. no fixed or final redemption date)
Rating	"AA+" (Double A Plus) by VIS Credit Rating Company Limited
Security	Unsecured
Mark-up rate	The TFCs shall carry mark-up at the rate of 3 Month KIBOR + 1.55%.
Mark-up payment frequency	Mark-up shall be payable quarterly in arrears, on a non-cumulative basis
Call option	The Bank may, at its sole discretion, call the TFCs, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	Mark-up on the TFCs shall only be paid from the current year's earnings and if the Bank is fully compliant with SBP's Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Liquidity Ratio (LR) requirements.
Loss absorbency clause	The TFCs shall, at the discretion of the SBP, be either permanently converted into ordinary shares or permanently written off (partially or in full) pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		52,303,566	47,156,831
Mark-up / return / interest payable in foreign currencies		1,828,881	1,501,633
Accrued expenses		7,737,927	7,192,275
Branch adjustment account		1,200,889	749,289
Deferred income		1,796,364	1,332,699
Current taxation (provisions less payments)	22.1	10,466,229	7,015,440
Unearned commission and income on bills discounted		87,370	86,168
Credit loss allowance against off-balance sheet obligations	22.2	2,064,479	1,056,385
Unrealised loss on forward foreign exchange contracts		1,513,342	2,735,338
Unrealised loss on derivative financial instruments		42,344	5,762
Liability against trading of securities		6,688,500	-
Payable to staff retirement fund		38,129	-
Deferred liabilities	22.3	4,431,190	4,365,167
Workers' Welfare Fund payable		9,661,380	8,992,902
Liabilities against card settlement		400,380	148,039
Dividends payable		7,200,224	370,889
Unclaimed dividends		369,560	356,426
Acceptances	15	18,489,892	17,584,022
Charity fund balance		24,086	21,399
Levies and taxes payable		3,816,389	9,169,996
Others		5,195,781	2,731,394
		<u>135,356,902</u>	<u>112,572,054</u>

22.1 The Income Tax returns of the Bank have been filed up to the tax year 2023 (accounting year ended December 31, 2022) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2023, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.14,124 million (2023: Rs.14,124 million). The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2023 (accounting year ended December 31, 2022) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2023: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

The tax returns for UAE, Qatar and Yemen branches have been filed upto the year ended December 31, 2023, December 31, 2022 and December 31, 2019 respectively under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

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FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
22.2 Provision against off-balance sheet obligations			
Opening balance		1,056,385	882,445
Exchange adjustments		(13,736)	203,244
Impact of adoption of IFRS 9		1,037,902	-
Charge / (reversal)			
Charge for the period / year		3,923	4,367
Reversals for the period / year		(19,995)	(33,671)
		(16,072)	(29,304)
Closing balance		<u>2,064,479</u>	<u>1,056,385</u>
22.3 Deferred liabilities			
Provision for post-retirement medical benefits		2,674,411	2,590,351
Provision for compensated absences		783,370	779,284
End of service benefits			
-Overseas branches		656,989	648,827
-Outsourced services		316,420	346,705
		<u>4,431,190</u>	<u>4,365,167</u>
23. SURPLUS ON REVALUATION OF ASSETS			(Un-audited) March 31, 2024 Rupees in '000
(Deficit) / surplus arising on revaluation of:			
- Securities measured at FVOCI - Debt	9.1		(11,164,382)
- Securities measured at FVOCI - Equity	9.1		(2,543,668)
- Property and Equipment			39,784,336
- Non-banking assets acquired in satisfaction of claims	15		-
			26,076,286
Deferred tax on (deficit) / surplus on revaluation of:			
- Securities measured at FVOCI - Debt			(5,470,547)
- Securities measured at FVOCI - Equity			(1,246,397)
- Property and Equipment			1,591,839
- Non-banking assets acquired in satisfaction of claims			-
			<u>(5,125,105)</u>
			<u>31,201,391</u>
			(Audited) December 31, 2023 Rupees in '000
(Deficit) / surplus arising on revaluation of:			
- Available for sale securities-Debt	9.1		3,681,662
- Available for sale securities-Equity	9.1		3,678,469
- Fixed assets			39,821,957
- Non-banking assets acquired in satisfaction of claims	15		-
			47,182,088
Deferred tax on (deficit) / surplus on revaluation of:			
- Available for sale securities-Debt			1,804,014
- Available for sale securities-Equity			1,802,450
- Fixed assets			1,610,164
- Non-banking assets acquired in satisfaction of claims			-
			5,216,628
			<u>41,965,460</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
24. CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	297,040,173	286,344,622
Commitments	24.2	964,480,007	1,012,745,024
Other contingent liabilities	24.3	16,444,035	16,116,861
		<u>1,277,964,215</u>	<u>1,315,206,507</u>
24.1 Guarantees:			
Financial guarantees		125,104,324	124,944,607
Performance guarantees		164,341,903	154,072,480
Other guarantees		7,593,946	7,327,535
		<u>297,040,173</u>	<u>286,344,622</u>
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		340,598,788	303,953,368
Commitments in respect of:			
- forward foreign exchange contracts	24.2.2	429,632,666	540,001,109
- forward Government securities transactions	24.2.3	32,727,100	19,956,300
- derivatives	24.2.4	3,055,436	366,068
- forward lending	24.2.5	154,003,672	144,577,866
- operating leases	24.2.6	85,842	66,511
		619,504,716	704,967,854
Commitments for acquisition of:			
- fixed assets		3,132,813	2,998,928
- intangible assets		1,243,690	824,874
		4,376,503	3,823,802
		<u>964,480,007</u>	<u>1,012,745,024</u>
24.2.1 Commitments to extend credit			
The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
24.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		231,460,888	278,930,255
Sale		198,171,777	261,070,854
		<u>429,632,665</u>	<u>540,001,109</u>
24.2.3 Commitments in respect of forward Government securities transactions			
Purchase		31,002,100	16,956,300
Sale		1,725,000	3,000,000
		<u>32,727,100</u>	<u>19,956,300</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
24.2.4	Commitments in respect of derivatives		
	FX options		
	Purchase	1,527,718	183,034
	Sale	1,527,718	183,034
		<u>3,055,436</u>	<u>366,068</u>
24.2.5	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend		
	Others	83,515,664	84,953,615
		<u>70,488,008</u>	<u>59,624,251</u>
		<u>154,003,672</u>	<u>144,577,866</u>
24.2.5.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.		
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
24.2.6	Commitments in respect of operating leases		
	Not later than one year	85,842	66,511
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		<u>85,842</u>	<u>66,511</u>
24.3	Other contingent liabilities		
24.3.1	Claims against the Bank not acknowledged as debts	24.3.2 <u>16,444,035</u>	<u>16,116,861</u>
	These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security).		
	Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.		
24.3.2	During 2016, penalties amounting to Rs. 4.089 billion were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.		
24.3.3	For contingencies relating to taxation, refer note 22.1.		

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

25. Derivative Instruments

Product analysis

March 31, 2024 (Un-audited)									
FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss
(Rupees in '000)									
Hedging	1,527,718	-	-	-	-	-	-	1,527,718	-
Market making	1,527,718	-	-	-	31,002,100	(42,344)	1,725,000	34,254,818	(39,153)
	<u>3,055,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,002,100</u>	<u>(42,344)</u>	<u>1,725,000</u>	<u>35,782,536</u>	<u>(39,153)</u>
December 31, 2023 (Audited)									
FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain
(Rupees in '000)									
Hedging	183,034	-	-	-	-	-	-	183,034	-
Market making	183,034	-	-	-	16,956,300	26,320	3,000,000	20,139,334	26,617
	<u>366,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,956,300</u>	<u>26,320</u>	<u>3,000,000</u>	<u>20,322,368</u>	<u>26,617</u>

26. MARK-UP / RETURN / INTEREST EARNED

Note

(Un-audited)

January - March 2024 January - March 2023

----- (Rupees in '000) -----

On:

Loans and advances	25,273,650	29,344,187
Investments	210,931,687	55,660,525
Lendings to financial institutions	860,567	3,673,882
Balances with banks	1,560,619	1,158,445
	<u>238,626,523</u>	<u>89,837,039</u>

27. MARK-UP / RETURN / INTEREST EXPENSED

On:

Deposits	50,890,613	31,388,959
Borrowings	159,328,961	24,073,350
Subordinated debt	563,663	462,833
Cost of foreign currency swaps against foreign currency deposits / borrowings	887,909	372,321
Lease liability against right-of-use assets	341,247	284,515
	<u>212,012,393</u>	<u>56,581,978</u>

28. FEE AND COMMISSION INCOME

Branch banking customer fee	523,066	635,887
Consumer finance related fee	342,322	298,551
Card related fee (debit and credit cards)	844,481	770,682
Investment banking fee	133,431	45,567
Financial Institution rebate / commission	170,076	145,239
Corporate service charges / facility fee	480,644	368,943
Commission on trade	882,419	572,732
Commission on guarantees	384,034	193,500
Commission on cash management	270,655	299,714
Commission on remittances including home remittances - net	814,905	653,479
Commission on bancassurance	322,548	254,873
Rent on lockers	54,663	56,279
Others	46,110	42,120
	<u>5,269,354</u>	<u>4,337,566</u>

29. GAIN / (LOSS) ON SECURITIES - NET

Realised	29.1	12,822,081	(618,710)
Unrealised - Measured at FVPL		(13,335)	(21,184)
		<u>12,808,746</u>	<u>(639,894)</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited)	
		January - March 2024	January - March 2023
		----- (Rupees in '000) -----	
29.1	Realised gain / (loss) on:		
	Federal Government securities	8,077,883	(86,861)
	Shares	109,116	37,906
	Foreign securities	4,568,741	(569,755)
	Other securities	66,341	-
		<u>12,822,081</u>	<u>(618,710)</u>
29.2	The above gain/(loss) is calculated as the difference between the book value (including impairment) and the proceeds received.		
			(Un-audited)
			January - March
			2024
			(Rupees in '000)
29.3	Net gain / loss on financial assets / liabilities measured at FVPL:		
	Designated upon initial recognition		(40,263)
	Mandatorily measured at FVPL		26,928
		9.1	(13,335)
	Net gain / (loss) on financial assets / liabilities measured at amortised cost		-
	Net loss on financial assets debt instruments measured at FVOCI		(11,164,382)
	Net loss on investments in equity instruments designated at FVOCI	9.1	(2,543,688)
			<u>(13,708,070)</u>
			<u>(13,721,405)</u>
30.	NET GAIN / LOSS ON FINANCIAL ASSETS / LIABILITIES MEASURED AT AMORTISED COST		
	Gain on derecognition of financial assets measured at amortised cost		-
	Loss on derecognition of financial assets measured at amortised cost	9.2.2	(947,561)
			<u>(947,561)</u>
			(Un-audited)
		January - March	January - March
		2024	2023
		----- (Rupees in '000) -----	
31.	OTHER INCOME		
	Charges recovered	120,995	147,553
	Rent on properties	25,869	20,402
	Gain on sale of fixed assets - net	3,328	72,339
	Gain on sale of non-banking assets - net	-	-
	Gain on sale of Ijarah assets - net	806	(105)
	Gain on trading liabilities - net	30,839	-
		<u>181,837</u>	<u>240,189</u>
32.	OPERATING EXPENSES		
	Total compensation expense	7,485,170	5,918,971
	Property expense		
	Rent and taxes	315,848	301,097
	Insurance	77,160	63,736
	Utilities cost	595,612	523,992
	Security (including guards)	397,930	370,839
	Repair and maintenance (including janitorial charges)	108,522	81,754
	Depreciation on owned fixed assets	313,393	283,063
	Depreciation on right-of-use assets	569,028	534,627
	Depreciation on non-banking assets acquired in satisfaction of claims	807	376
	Others	29,900	42,024
		<u>2,408,200</u>	<u>2,201,508</u>
	Information technology expenses		
	Software maintenance	756,015	619,250
	Hardware maintenance	203,920	168,652
	Depreciation	407,478	303,845
	Amortisation	243,845	220,654
	Network charges	270,749	246,768
	Consultancy charges	72,068	46,856
		<u>1,954,075</u>	<u>1,606,025</u>
	Other operating expenses		
	Legal and professional charges	113,667	392,624
	Outsourced service costs	482,770	438,606
	Commission paid to branchless banking agents	75,073	78,613
	Commission paid to sales force	4,16,682	412,009
	Travelling and conveyance	55,698	51,901
	Clearing charges	76,047	70,327
	Depreciation - others	515,928	376,803
	Depreciation on Islamic financing against leased assets	21,961	33,910
	Training and development	49,053	23,655
	Postage and courier charges	116,049	84,986
	Communication	64,819	68,783
	Stationery and printing	475,920	266,763
	Marketing, advertisement and publicity	247,696	182,128
	Donations	11,691	17,387
	Auditors' remuneration	29,355	32,313
	Insurance	27,651	32,465
	Deposit protection premium expense	550,729	469,804
	Cash transportation and sorting charges	252,492	240,932
	Entertainment	78,480	60,879
	Banking service charges	1,378,908	908,116
	Repairs and maintenance	321,409	266,018
	Miscellaneous expenses	400,206	289,634
		<u>5,762,284</u>	<u>4,798,656</u>
		<u>17,609,729</u>	<u>14,525,160</u>

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FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited)	
		January - March 2024	January - March 2023
33. OTHER CHARGES	Note	----- (Rupees in '000) -----	
Penalties imposed by the SBP		866	1,438
Penalties imposed by other regulatory bodies of overseas branches		-	83
		<u>866</u>	<u>1,521</u>
34. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance/ Provision for diminution in value of investments	9.2	(62,199)	4,071,351
Credit loss allowance/ Reversal of provision against loans and advances	10.3	(1,583,311)	(1,369,560)
Bad debts written off directly		11,276	11,392
Credit loss allowance/ Provision against other assets - net	15.2.1	(13,007)	2,189
Credit loss allowance/ Reversal of provision against off-balance sheet obligations - net	22.2	(16,072)	(39,492)
Recovery of written-off / charged off bad debts		(118,696)	(93,019)
Other provisions and write-offs		62,297	31,730
		<u>(1,719,712)</u>	<u>2,614,591</u>
35. TAXATION			
Current		15,331,778	10,871,659
Prior years		-	-
Deferred		(468,926)	(375,294)
		<u>14,862,852</u>	<u>10,496,365</u>

		(Un-audited)	
		January - March 2024	January - March 2023
36. EARNINGS PER SHARE		----- (Rupees in '000) -----	
Profit after taxation for the period		<u>15,588,457</u>	<u>13,902,740</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>1,224,179,687</u>	<u>1,224,179,687</u>
		----- (Rupees) -----	
Earnings per share - basic and diluted		<u>12.73</u>	<u>11.36</u>

There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2024 and March 31, 2023.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to collect, is based on quoted market price. Quoted securities classified as held to collect are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

37.1.1 Valuation techniques used in determination of fair values within level 2 and level 3.

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Bloomberg.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP.
Foreign debt securities	The fair value of foreign corporate and foreign government securities is determined using the rates from Bloomberg.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of each business day.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Derivatives	The fair valuation techniques include forward pricing and swap models using present value calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

37.2 Fair value of financial assets

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Carrying value	March 31, 2024 (Un-audited)				
	Fair value			Total	
	Level 1	Level 2	Level 3		
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government securities	4,119,621,796	-	4,119,621,796	-	4,119,621,796
- Shares and units	10,905,059	10,905,059	-	-	10,905,059
- Foreign securities	134,739,583	-	134,739,583	-	134,739,583
- Non-Government debt securities	2,222,103	-	2,222,103	-	2,222,103
	4,267,488,541	10,905,059	4,256,583,482	-	4,267,488,541
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	300,354,334	-	279,593,646	-	279,593,646
- Foreign securities	36,465,839	-	35,425,483	-	35,425,483
- Non-Government debt securities	21,431,637	-	21,580,582	-	21,580,582
	358,251,810	-	336,599,711	-	336,599,711
	4,625,740,351	10,905,059	4,593,183,193	-	4,604,088,252
Off-balance sheet financial instruments measured at fair value					
Foreign exchange contracts - purchased and sold	429,632,665	-	21,319	-	21,319
FX options - purchased and sold	3,055,436	-	-	-	-
Forward Government Securities - purchased and sold	32,727,100	-	(39,153)	-	(39,153)

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FOR THE THREE MONTHS ENDED MARCH 31, 2024

	December 31, 2023 (Audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government securities	3,878,565,908	-	3,878,565,908	-	3,878,565,908
- Shares and units	11,382,167	11,382,167	-	-	11,382,167
- Foreign securities	125,264,189	-	125,264,189	-	125,264,189
- Non-Government debt securities	2,250,702	-	2,250,702	-	2,250,702
	<u>4,017,462,966</u>	<u>11,382,167</u>	<u>4,006,080,799</u>	<u>-</u>	<u>4,017,462,966</u>
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	303,809,670	-	280,259,649	-	280,259,649
- Foreign securities	37,557,186	-	36,367,170	-	36,367,170
- Non-Government debt securities	21,471,010	-	21,014,103	-	21,014,103
	<u>362,837,866</u>	<u>-</u>	<u>337,640,922</u>	<u>-</u>	<u>337,640,922</u>
	<u>4,380,300,832</u>	<u>11,382,167</u>	<u>4,343,721,721</u>	<u>-</u>	<u>4,355,103,888</u>
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts - purchased and sold	540,001,109	-	1,499,000	-	1,499,000
FX options - purchased and sold	366,068	-	-	-	-
Forward Government Securities - purchased and sold	19,956,300	-	26,617	-	26,617

37.3 Fair Value of non-financial assets

	March 31, 2024 (Un-audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
Fixed Assets	50,606,026	-	-	50,606,026	50,606,026
Non-banking assets acquired in satisfaction of claims	41,268	-	-	41,268	41,268
	<u>50,647,294</u>	<u>-</u>	<u>-</u>	<u>50,647,294</u>	<u>50,647,294</u>
	December 31, 2023 (Audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
Fixed Assets	50,716,919	-	-	50,716,919	50,716,919
Non-banking assets acquired in satisfaction of claims	42,075	-	-	42,075	42,075
	<u>50,758,994</u>	<u>-</u>	<u>-</u>	<u>50,758,994</u>	<u>50,758,994</u>

37.4 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

38. SEGMENT INFORMATION

38.1 Segment details with respect to business activities

	For the three months ended March 31, 2024 (Un-audited)						Total
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	
(Rupees in '000)							
Profit and Loss							
Net mark-up / return / profit	13,006,841	36,874,875	(36,448,097)	9,198,945	4,512,690	(531,124)	26,614,130
Inter segment (expense) / revenue - net	(10,712,035)	(65,707,267)	72,686,950	-	-	3,732,352	-
Non mark-up / return / interest income	2,252,418	10,392,312	3,045,454	176,591	4,442,088	87,677	20,396,540
Total Income	4,547,224	(18,440,080)	39,284,307	9,375,536	8,954,778	3,288,905	47,010,670
Segment direct expenses	450,498	171,440	11,705,838	1,182,970	1,679,460	3,088,867	18,279,073
Inter segment expense allocation	110,814	28,501	2,441,195	-	118,421	(2,698,931)	-
Total expenses	561,312	199,941	14,147,033	1,182,970	1,797,881	389,936	18,279,073
Credit loss allowance - net	508,270	(21)	212,963	(9,406)	1,011,847	(3,941)	1,719,712
Profit / (loss) before taxation	4,494,182	(18,640,042)	25,350,237	8,183,160	8,168,744	2,895,028	30,451,309

	For the three months ended March 31, 2023 (Un-audited)						Total
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	
(Rupees in '000)							
Profit and Loss							
Net mark-up / return / profit	18,378,880	30,462,930	(23,180,977)	3,645,786	4,377,511	(429,069)	33,255,061
Inter segment (expense) / revenue - net	(17,466,932)	(38,214,280)	51,865,082	-	-	3,816,130	-
Non mark-up / return / interest income	1,724,108	3,622,841	2,595,261	97,671	268,363	473,157	8,781,401
Total Income	2,636,056	(4,128,509)	31,279,366	3,743,457	4,645,874	3,860,218	42,036,462
Segment direct expenses	435,851	127,761	8,723,759	696,324	2,067,172	2,971,899	15,022,766
Inter segment expense allocation	191,148	22,521	1,792,953	-	131,160	(2,137,782)	-
Total expenses	626,999	150,282	10,516,712	696,324	2,198,332	834,117	15,022,766
Provision reversal / (charge) - net	346,522	(393,835)	125,929	(12,917)	(2,697,150)	16,860	(2,614,591)
Profit / (loss) before taxation	2,355,579	(4,672,626)	20,888,583	3,034,216	(249,608)	3,042,961	24,399,105

	As at March 31, 2024 (Un-audited)						Total
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	
(Rupees in '000)							
Balance Sheet							
Cash & Bank balances	18,053	129,991,827	59,626,535	27,214,575	144,327,958	-	361,178,948
Investments	12,446,959	4,092,684,285	-	324,813,641	193,163,215	7,548,000	4,630,656,100
Net inter segment lending	-	-	1,609,997,244	-	-	190,425,263	1,800,422,507
Lendings to financial institutions	-	7,027,813	-	-	-	-	7,027,813
Advances - performing	381,269,148	3,357	48,084,448	44,593,736	94,788,894	2,966,472	571,706,055
Advances - non-performing net	1,444,238	6,645	494,763	83,236	11,159,215	9,231	13,197,328
Others	13,853,218	126,296,409	24,169,974	25,589,927	16,773,803	72,234,604	278,917,935
Total Assets	409,031,616	4,356,010,336	1,742,372,964	422,295,115	460,213,085	273,183,570	7,663,106,686

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

As at March 31, 2024 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total	
(Rupees in '000)							
Borrowings	54,897,112	2,912,479,569	4,372,054	7,361,731	72,061	-	2,979,182,527
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	109,720,329	427,353	1,664,147,425	343,981,629	350,822,987	-	2,469,099,723
Net inter-segment borrowing	237,422,882	1,434,469,033	-	20,392,118	108,138,474	-	1,800,422,507
Others	5,077,422	25,483,295	60,847,245	7,987,173	6,405,651	57,445,095	163,245,881
Total Liabilities	407,117,745	4,372,859,250	1,729,366,724	379,722,651	465,439,173	67,445,095	7,421,950,638
Equity	1,913,871	(16,848,914)	13,006,240	42,572,464	(5,226,088)	205,738,475	241,156,048
Total Equity & liabilities	409,031,616	4,356,010,336	1,742,372,964	422,295,115	460,213,085	273,183,570	7,663,106,686
Contingencies and Commitments	698,208,906	230,844,037	53,192,954	13,492,008	279,731,005	2,495,305	1,277,964,215

As at December 31, 2023 (Audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total	
(Rupees in '000)							
Balance Sheet							
Cash & Bank balances	11,358	91,246,445	101,463,285	27,886,564	87,423,316	-	308,030,968
Investments	12,055,059	3,829,326,862	-	331,496,374	199,730,588	12,607,788	4,385,216,671
Net inter segment lending	-	-	1,501,428,974	-	-	146,476,492	1,647,905,466
Lendings to financial institutions	-	21,947,852	-	12,500,000	-	-	34,447,852
Advances - performing	391,683,285	9,872	50,956,184	47,108,009	107,411,872	3,188,071	600,357,293
Advances - non-performing net	2,710,229	-	614,905	79,176	9,792,924	10,999	13,208,233
Others	18,344,061	92,057,395	38,605,116	21,064,320	15,071,413	48,594,180	233,736,485
Total Assets	424,803,992	4,034,588,426	1,693,068,464	440,134,443	419,430,113	210,877,530	7,222,902,968
Borrowings	57,979,951	2,739,257,686	4,506,465	13,726,452	-	-	2,815,470,554
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	105,887,403	199,712	1,542,125,514	378,100,209	324,227,985	-	2,350,540,823
Net inter-segment borrowing	245,388,446	1,305,152,330	-	-	97,364,690	-	1,647,905,466
Others	2,062,665	8,066,357	24,745,131	9,588,237	94,288,601	7,734,603	146,485,594
Total Liabilities	411,318,465	4,052,676,085	1,571,377,110	401,414,898	515,881,276	17,734,603	6,970,402,437
Equity	13,485,527	(18,087,659)	121,691,354	38,719,545	(96,451,163)	193,142,927	252,500,531
Total Equity & liabilities	424,803,992	4,034,588,426	1,693,068,464	440,134,443	419,430,113	210,877,530	7,222,902,968
Contingencies and Commitments	666,470,041	317,073,549	36,229,803	6,642,138	288,041,327	749,649	1,315,206,507

39. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, directors, key management personnel, subsidiaries, associates and other related parties including employee benefit schemes of the Bank.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions and balances with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	As at March 31, 2024 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Statement of financial position	(Rupees in '000)					
Balances with other banks						
In current accounts	-	-	-	616,240	-	-
In deposit accounts	-	-	-	-	-	-
	-	-	-	616,240	-	-
Lendings to financial institutions						
Opening balance	-	-	-	-	-	804,102
Addition during the period	-	-	-	-	-	1,965,187
Repaid during the period	-	-	-	-	-	(2,471,276)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	298,013
Investments						
Opening balance	-	-	-	3,955,223	1,657,486	5,287,396
Adoption Impact of IFRS 9	-	-	-	-	-	(32,069)
Investment made during the period	-	-	-	-	-	-
Investment disposed during the period	-	-	-	-	-	-
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	3,955,223	1,657,486	5,255,327
Credit loss allowance for diminution in value of investments	-	-	-	-	1,417,485	30
Provision written off	-	-	-	-	-	-
Advances						
Opening balance	-	1,286	529,196	-	-	392
Addition during the period	-	2,048	79,040	-	-	2,041
Repaid during the period	-	(2,860)	(89,886)	-	-	(2,264)
Transfers in / (out) - net	-	-	15,380	-	-	-
Closing balance	-	474	533,730	-	-	169
Credit loss allowance held against advances	-	-	-	-	-	-
Fixed Asset / Capital work in progress						90,681
Other Assets						
Income / mark-up accrued	-	-	-	-	-	2,707
Receivable from staff retirement fund	-	-	-	-	-	1,207,353
Prepaid insurance	-	-	-	-	247,245	-
Dividend Receivable	-	-	-	-	-	-
Other receivable	-	-	-	130,212	-	-
Credit loss allowance against other assets	-	-	-	-	-	-
Borrowings						
Opening balance	-	-	-	3,320	-	402,800
Borrowings during the period	-	-	-	-	-	12,918,300
Settled during the period	-	-	-	(3,320)	-	(12,874,900)
Closing balance	-	-	-	-	-	446,200
Deposits and other accounts						
Opening balance	14,362	5,149,234	114,762	1,055,328	12,844,233	2,639,970
Received during the period	8,643,161	5,039,886	198,892	9,189,271	135,325,642	134,936,254
Withdrawn during the period	(8,647,853)	(5,625,202)	(244,046)	(9,002,542)	(138,466,133)	(134,187,730)
Transfers in - net	-	-	-	-	-	2,033,542
Closing balance	9,670	4,563,918	69,608	1,242,057	9,703,742	5,422,036

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

As at March 31, 2024 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)						
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	-	22,792	9	5	14	5,588
Dividend payable	6,949,018	196,393	28	-	-	61,182
Payable to staff retirement fund	-	-	-	-	-	38,129
Unearned income	-	-	-	-	-	36,474
Other payable	-	18,800	-	-	-	13,459

Contingencies and Commitments

Letters of credit	-	-	-	-	-	-
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As at December 31, 2023 (Audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)						

Statement of financial position

Balances with other banks

In current accounts	-	-	-	647,251	-	-
In deposit accounts	-	-	-	-	-	-
	-	-	-	647,251	-	-

Lendings to financial institutions

Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	12,674,229
Repaid during the year	-	-	-	-	-	(11,870,127)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	804,102

Investments

Opening balance	-	-	-	2,955,223	2,024,126	5,300,368
Investment made during the year	-	-	-	1,000,000	225,000	-
Investment disposed / written off during the year	-	-	-	-	(366,640)	(58,518)
Transfers in / (out) - net	-	-	-	-	(225,000)	45,546
Closing balance	-	-	-	3,955,223	1,657,486	5,287,396

Provision for diminution in value of investments	-	-	-	-	1,417,485	1,160,263
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Provision written off	-	-	-	-	-	-
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Advances

Opening balance	-	480	318,625	-	-	17,808,043
Addition during the year	-	5,664	544,583	-	-	14,944,269
Repaid during the year	-	(4,992)	(497,605)	-	-	(33,077,402)
Transfers in / (out) - net	-	134	163,593	-	-	325,482
Closing balance	-	1,286	529,196	-	-	392

Provision held against advances	-	-	-	-	-	-
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NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

As at December 31, 2023 (Audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- (Rupees in '000) -----						
Other Assets						
Interest mark-up accrued	-	-	8,612	-	-	120,906
Receivable from staff retirement fund	-	-	-	-	-	4,593,951
Prepaid insurance	-	-	-	-	100,000	-
Capital work in progress	-	-	-	-	-	29,000
Other receivable	-	-	-	60,217	-	-
Provision written off	-	-	-	-	-	-
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the year	-	-	-	3,320	-	27,041,450
Settled during the year	-	-	-	-	-	(26,638,650)
Closing balance	-	-	-	3,320	-	402,800
Deposits and other accounts						
Opening balance	14,327	13,924,363	68,837	70,757	1,665,575	16,000,091
Received during the year	123,898,655	64,480,148	1,619,139	20,241,079	385,924,668	488,015,048
Withdrawn during the year	(123,898,620)	(73,338,287)	(1,609,785)	(20,140,705)	(374,746,010)	(499,662,860)
Transfer in	-	83,010	36,571	884,197	-	(1,712,309)
Closing balance	14,362	5,149,234	114,762	1,055,328	12,844,233	2,639,970
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	-	17,676	188	-	39,581	10,418
Dividend payable	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-
Unearned income	-	-	-	536	-	47,262
Other payable	-	4,310	-	-	5,000	14,583
Contingencies and Commitments						
Letter of guarantee	-	-	-	-	-	-
Forward Government securities - sale	-	-	-	-	-	-

For the three months ended March 31, 2024 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- (Rupees in '000) -----						
Profit and loss account						
Income						
Mark-up / return / interest earned	-	-	17,491	-	-	20,324
Commission / charges recovered	-	83	587	426	8,335	3,856
Dividend income	-	-	-	-	-	232,792
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	536	-	18,360
Gain on sale of fixed assets	-	-	36	-	521	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	100,142
Management fee	-	-	-	5,578	-	-

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

For the three months ended March 31, 2024 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)						
Expense						
Mark-up / return / interest paid	20	55,289	1,238	45,558	253,865	128,215
Remuneration paid	-	-	185,231	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	28,720	-	-	-	-
Charge for defined contribution plans	-	-	7,056	-	-	140,611
Charge for defined benefit plans	-	-	2,693	-	-	202,953
Provision	-	-	-	-	-	30
Other expenses	-	-	-	-	-	173,319
Clearing charges	-	-	-	-	-	42,188
Membership, subscription, sponsorship and maintenance charges	-	-	771	-	-	14,002
Other Information						
Dividend paid	-	55,296	4,158	-	10,313	1,596,626
Insurance premium paid	-	-	-	-	303,086	-
Insurance claims settled	-	-	-	-	144,826	-

For the three months ended March 31, 2023 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)						
Profit and loss account						
Income						
Mark-up / return / interest earned	-	-	4,756	-	25,155	826,932
Commission / charges recovered	-	7	50	237	3,950	3,766
Dividend income	-	-	-	-	-	237,970
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	665	-	10,544
Gain on sale of fixed assets	-	-	64	-	360	-
Reversal of provision	-	-	-	-	-	7,034
Switch revenue	-	-	-	-	-	78,292
Management fee	-	-	-	23,003	-	-
Expense						
Mark-up / return / interest paid	1,106	136,468	1,803	2,311	49,734	132,250
Remuneration paid	-	-	118,070	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	28,030	-	-	-	-
Charge for defined contribution plans	-	-	5,967	-	-	109,831
Charge for defined benefit plans	-	-	-	-	-	108,890
Provision	-	-	-	-	-	70,693
Other expenses	-	-	-	-	-	9,771
Clearing charges	-	-	-	-	-	42,883
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	19,734
Custody charges	-	-	-	-	-	-
Other Information						
Dividend paid	-	-	-	-	-	-
Insurance premium paid	-	-	-	-	283,061	-
Insurance claims settled	-	-	-	-	138,401	-

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,797	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	151,311,417	143,456,256
Eligible Additional Tier 1 (ADT 1) Capital	9,934,770	9,934,770
Total Eligible Tier 1 Capital	161,246,187	153,391,026
Eligible Tier 2 Capital	52,825,764	49,594,306
Total Eligible Capital (Tier 1 + Tier 2)	214,071,951	202,985,332
Risk Weighted Assets (RWAs):		
Credit Risk	756,320,721	709,252,566
Market Risk	217,206,088	259,291,125
Operational Risk	252,952,334	252,952,334
Total	1,226,479,143	1,221,496,025
Common Equity Tier 1 Capital Adequacy Ratio	12.34%	11.74%
Tier 1 Capital Adequacy Ratio	13.15%	12.56%
Total Capital Adequacy Ratio	17.45%	16.62%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the period ended March 31, 2024 stood at Rs.12,241.797 million (December 31, 2023: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.

In order to dampen the effects of COVID-19, the State Bank of Pakistan under BPRD Circular Letter No. 12 of 2020 has given a regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013, for the time being, from its existing level of 2.5% to 1.5%, till further instructions.

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at March 31, 2024. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 17.45% whereas CET 1 and Tier 1 ratios stood at 12.34% and 13.15% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2019 dated April 13, 2019, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/394468/2022 dated December 20, 2022. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 0.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

The Capital Adequacy Ratio as at March 31, 2024 includes the impact arising on the adoption of IFRS 9 effective on January 01, 2024, that resulted in an increase of 54bps to the CAR of the Bank.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	161,246,187	153,391,026
Total Exposures	6,576,661,872	6,245,545,091
Leverage Ratio	2.45%	2.46%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,636,189,253	1,194,192,309
Total Net Cash Outflow	651,996,945	436,543,979
Liquidity Coverage Ratio	250.95%	273.56%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,945,694,985	1,912,608,898
Total Required Stable Funding	1,330,551,103	1,310,982,494
Net Stable Funding Ratio	146.23%	145.89%

40.1 The SBP has allowed relaxation in Leverage Ratio requirement from 3% to 2% up to December 31, 2024 through its letter SBPHOK-BPRD-BACPD-UBL-601894 dated December 21, 2023.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

41. ISLAMIC BANKING BUSINESS

The Bank operates 212 (December 31, 2023: 209) Islamic Banking branches and 501 (December 31, 2023: 501) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		25,370,770	26,348,889
Balances with other banks		1,843,805	1,537,675
Due from financial institutions	41.1	-	12,500,000
Investments	41.2	324,813,641	331,496,374
Islamic financing and related assets - net	41.3	44,676,972	47,187,185
Property and equipment		1,420,015	1,235,419
Right-of-use assets		1,692,705	1,524,770
Intangible assets		-	-
Due from Head Office		-	8,009,487
Other assets		22,477,207	8,629,655
		422,295,115	438,469,454
LIABILITIES			
Bills payable		1,623,215	2,573,006
Due to financial institutions		7,361,731	13,726,453
Deposits and other accounts	41.4	343,981,629	378,100,209
Due to Head Office		20,392,118	-
Lease Liability		1,930,329	1,754,938
Other liabilities		4,433,629	5,647,031
		379,722,651	401,801,637
NET ASSETS			
		42,572,464	36,667,817
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		2,379,586	3,087,953
Unappropriated profit	41.5	38,011,878	31,398,864
		42,572,464	36,667,817
CONTINGENCIES AND COMMITMENTS			
	41.6		
PROFIT AND LOSS ACCOUNT		(Un-audited)	(Un-audited)
		January - March 2024	January - March 2023
----- (Rupees in '000) -----			
Profit / return earned	41.7	17,983,449	7,638,528
Profit / return expensed	41.8	8,784,504	3,992,742
Net profit / return		9,198,945	3,645,786
Other income			
Fee and commission income		120,204	76,681
Foreign exchange income		12,433	718
Gain on securities - net		27,332	-
Other income		16,622	20,272
Total other income		176,591	97,671
Total Income		9,375,536	3,743,457
Other expenses			
Other operating expenses		1,182,970	696,324
Profit before credit loss allowance		8,192,566	3,047,133
Credit loss allowance and write offs - net		9,406	12,917
Profit before taxation		8,183,160	3,034,216
Taxation		4,009,748	1,304,713
Profit after taxation		4,173,412	1,729,503

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

41.1 Due from Financial Institutions

	As at March 31, 2024 (Un-audited)			As at December 31, 2023 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
Musharakah / Mudarabah	-	-	-	12,500,000	-	12,500,000
Bai Muajjal	-	-	-	-	-	-
with other Financial Institutions	-	-	-	-	-	-
with State Bank of Pakistan	-	-	-	-	-	-
	-	-	-	12,500,000	-	12,500,000

41.2 Investments by segments

	As at March 31, 2024 (Un-audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	----- (Rupees in '000) -----			
Debt Instruments				
Measured at amortised cost				
Federal Government Securities				
- Ijarah Sukuks	13,001,567	-	-	13,001,567
Non Government debt securities	9,267,870	(118)	-	9,267,752
	22,269,437	(118)	-	22,269,319
Measured at FVOCI				
Federal Government securities				
- Ijarah Sukuks	295,928,834	-	2,379,586	298,308,420
- Islamic Naya Pakistan Certificate	3,878,663	-	-	3,878,663
Non Government debt securities	64,286	(7,047)	-	57,239
	299,871,783	(7,047)	2,379,586	302,244,322
Instruments mandatorily classified / measured at FVPL				
Non Government debt securities	300,000	-	-	300,000
	300,000	-	-	300,000
Instruments mandatorily classified / measured at FVPL				
To be specified	-	-	-	-
Total investments	322,441,220	(7,165)	2,379,586	324,813,641

	As at December 31, 2023 (Audited)			
	Cost / Amortised cost	Provision	Surplus / (Deficit)	Carrying Value
	----- (Rupees in '000) -----			
Federal Government Securities				
- Ijarah Sukuks	313,038,816	-	3,087,953	316,126,769
- Islamic Naya Pakistan Certificate	5,709,016	-	-	5,709,016
	318,747,832	-	3,087,953	321,835,785
Non Government Debt Securities				
- Listed	376,339	-	-	376,339
- Unlisted	9,284,250	-	-	9,284,250
	9,660,589	-	-	9,660,589
	328,408,421	-	3,087,953	331,496,374

Particlurs of credit loss allowance

	As at March 31, 2024 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----			
Federal Government securities	-	-	-	-
Non Government debt securities	7,165	-	-	7,165
	7,165	-	-	7,165

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Un-audited)
March 31,
2024
(Rupees in '000)

41.3 Islamic financing and related assets

Ijarah	177,291
Murabaha	414,669
Musharakah	2,144,624
Diminishing Musharakah	26,327,077
Mera Pakistan Mera Ghar (MPMG)	5,085,676
Istisna	284,665
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	300,000
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	2,900,000
Islamic Export Refinance scheme - Istisna	605,979
Advances against Islamic assets	
Advances against Ijarah	-
Advances for Diminishing Musharakah	2,939,260
Advances for Murabaha	69,235
Advances against Mera Pakistan Mera Ghar	5,836
Advances for Istisna	570,938
Advances against Istisna - Under SBP' Islamic Export Refinance scheme	38,700
Advances against Diminishing Musharakah ITERF	3,705,624
Inventory related to Islamic financing	
Istisna	-
Profit and other receivables against financings	891,397
Gross Islamic financing and related assets	46,460,971
Less: Credit Loss Allowance against Islamic financings	
- Stage 1	(1,301,170)
- Stage 2	(338,864)
- Stage 3	(143,965)
	(1,783,999)
Islamic financing and related assets - net of provision	44,676,972

(Audited)
December 31,
2023
(Rupees in '000)

Islamic financing and related assets

Ijarah	210,375
Murabaha	326,733
Musharakah	3,672,838
Diminishing Musharakah	26,340,035
Mera Pakistan Mera Ghar (MPMG)	5,159,709
Istisna	349,612
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	300,000
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	3,649,999
Islamic Export Refinance scheme - Istisna	603,250
Advances against Islamic assets	
Advances against Ijarah	8,612
Advances for Diminishing Musharakah	1,646,484
Advances for Murabaha	56,537
Advances against Mera Pakistan Mera Ghar	14,236
Advances for Istisna	414,006
Advances against Istisna - Under SBP' Islamic Export Refinance scheme	50,000
Advances against Diminishing Musharakah ITERF	3,705,624
Inventory related to Islamic financing	
Istisna	156,060
Profit and other receivables against financings	749,917
Gross Islamic financing and related assets	47,414,027
Less: Provision against Islamic financings	
- Specific	(143,029)
- General	(83,813)
	(226,842)
Islamic financing and related assets - net of provision	47,187,185

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

41.4 Deposits and other accounts

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Customers		
Current deposits	168,694,974	147,393,373
Saving deposits	63,172,236	67,293,259
Term deposits	23,293,546	24,888,049
	255,160,756	239,574,681
Financial Institutions		
Current deposits	218,237	603,101
Saving deposits	88,569,636	137,892,427
Term deposits	33,000	30,000
	88,820,873	138,525,528
	343,981,629	378,100,209

41.4.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 195,111.759 million (December 31, 2023: Rs. 182,080.598 million).

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
41.5 Islamic Banking Business Unappropriated Profit		
Opening Balance	31,398,864	15,024,771
Impact of adoption of IFRS 9	(1,570,146)	-
Profit for the period / year	8,183,160	16,374,093
	38,011,878	31,398,864
Taxation	(4,009,748)	(8,023,306)
Closing Balance	34,002,130	23,375,558
41.6 Contingencies and commitments		
- Guarantees	225,822	228,481
- Commitments	13,266,186	6,413,657
	13,492,008	6,642,138

	(Un-audited) January - March 2024	(Un-audited) January - March 2023
	(Rupees in '000)	
41.7 Profit / Return earned		
On:		
Financing	1,995,869	2,969,365
Investments	15,863,206	4,531,130
Placements	85,126	82,304
Rental Income from Ijarah	39,248	55,729
	17,983,449	7,638,528
41.8 Profit / Return expensed		
On:		
Deposits and other accounts	6,376,624	2,721,715
Due to Financial Institutions	2,345,896	1,241,145
Others	61,984	29,882
	8,784,504	3,992,742

41.9 Disclosures for profit and loss distribution and pool management

The Bank operates general and special pools for deposits and inter-bank funds accepted / acquired under Mudarabah, Wakalah and Musharakah modes.

Under the General deposits pools, the Bank accepts funds on Mudarabah basis from depositors (Rab-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Bank prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the Corporate Customers, other banks and State Bank of Pakistan for liquidity management and Islamic Export Refinance to the Bank's customers respectively under the Musharakah/ Mudarabah / Wakalah modes.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

General Pool(s)

For General Pools, the Bank allocates PKR financing to Corporate, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business and Investments in Sovereign Guarantee Sukuk, Corporate Sukuk, Bai Muajjal with Government of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis.

IERS Pool(s)

The IERS pool assets comprise of Sovereign Guarantee Sukuk, and financing to Corporate Customers and exporters as allowed under the applicable laws and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

Treasury Pool(s)

The Treasury pool assets generally comprise of Sovereign Guarantee Sukuk and financing under diminishing musharakah, Ijarah facility and the related liability of the Treasury pool comprise of Musharakah / Wakalah/ Mudarabah from financial institutions. These pools are created to meet the liquidity requirements of the Holding company.

Special Pool(s) - LCY

Separate pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

Special Pool(s) - FCY

UBL also manage Foreign Currency (FCY) special pools. The objective of Pool is to meet the FCY Liquidity requirement. The funds in this pool are generally deployed in FCY Placement of funds with State Bank under the mode of Islamic Naya Pakistan Certificate, Loss (if any) is borne by the Rabulmaal as per ratio of investment of the pool.

Equity Pool(s)

All other assets including fixed assets, advance against financing, bai-salam financing and subsidized financing to Bank's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are done through equity pool. The Holding company as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

During the year, the Bank has given General Hiba to the depositors in General and specific pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP. However, Hiba are given at the sole discretion of the Bank without any contractual commitment with the depositors.

The Mudarib's share on Deposits for the period ended Mar 31, 2024 is Rs.2,515.90 million (31.68% of distributable profit of Mudarabah Pool) of this, an amount of Rs.956.07 million (38.00% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 20.99% per annum and the rate of profit paid on average deposits was 16.86% per annum.

The risk characteristics of pools

The risk characteristic of each pool mainly depends on the assets and liability profile of the pool. As per the Bank's policy, relatively low risk / secured financing transactions and assets are allocated to the pool. The Bank maintains General Pools, Special Pools, FI Pools, IERS pool and Equity pool. All pools are exposed to general credit risk, asset ownership risk and Profit rate risk of underlying assets involved.

The Parameters used for allocation of profit, expenses and provisions to the Pool

- The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool.
- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on Ijarah assets, takaful premium, Amortization of Premium on investment etc.
- No expense of general or administrative nature is charged to the pools.
- No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset.
- The profit of the pool is shared between equity and Rab-ul-Maal of the pool on the basis of Musharakah at gross level (before charging of Mudarib fee) as per the investment ratio of the equity.
- The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of Mudarib fee.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

The Bank managed following pools during the period.

For the three months ended March 31, 2024 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	3	Mudarbaha	Monthly	12.23%	35.00%	45,141	8.30%	8.32%	3,756
Special Pools	30	Mudarbaha	Monthly	21.25%	14.78%	602,343	19.71%	53.21%	320,513
IERS Pools	6	Musharkah	Monthly	18.57%	57.36%	247,838	18.00%	0.00%	-
FCY Pools	6	Mudarbaha	Monthly	2.13%	50.00%	2,297	1.06%	0.00%	-
General Pools	3	Mudarbaha	Monthly	21.13%	49.98%	1,868,421	14.13%	33.81%	631,801
Treasury Pools	121	Musharkah	Monthly	22.53%	31.54%	756,418	21.12%	0.00%	-

For the three months ended March 31, 2023 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	3	Mudarbaha	Monthly	12.23%	35.00%	101,197	8.08%	3.05%	3,086
Special Pools	42	Mudarbaha	Monthly	17.10%	20.03%	87,120	14.35%	49.73%	43,321
IERS Pools	6	Musharkah	Monthly	18.13%	80.67%	599,379	9.34%	0.00%	-
FCY Pools	6	Mudarbaha	Monthly	2.13%	50.00%	2,240	1.06%	0.00%	-
General Pools	3	Mudarbaha	Monthly	16.61%	49.99%	1,377,451	12.39%	49.26%	678,502
Treasury Pools	4	Mudarbaha	Monthly	14.68%	6.29%	21,135	16.25%	5.07%	1,071
Treasury Pools	64	Musharkah	Monthly	15.72%	25.47%	204,254	16.29%	0.00%	-

(Un-audited) (Audited)
March 31, December 31,
2024 2023

-----Rupees in '000-----

41.10 Deployment of Mudarabah based deposits by class of business

Chemical and pharmaceuticals	5,573,007	5,934,303
Agriculture	12,974	12,974
Textile	3,634,490	5,931,200
Financial	2,568,709	2,329,054
Food industries	35,559	52,926
Plastic	230,938	291,051
Individuals	15,710,209	15,287,661
Production and transmission of energy	19,944,123	19,682,190
Government of Pakistan Securities	315,188,650	321,835,785
Others	10,219,758	9,090,933
	<u>373,118,417</u>	<u>380,448,077</u>

42. YEMEN OPERATIONS

Despite risky situation and continued operational losses the Bank has been striving to honor liabilities for past eight years. However, on account of several factors, including but not limited to fragile political and economic situation in Yemen, bankruptcy of CBY Sana'a, existence of two Central Banks (i.e. CBY Sana'a and CBY Aden), has resulted in illiquid market, which does not appears to be reversed in near future.

It is no longer possible for the Bank to continue its operations in Yemen due to reasons not attributable to the Bank and caused by circumstances entirely beyond the Bank's control. Therefore, Bank has completely exited from Yemen. The Bank is cognizant of the associated risks arising out of its exit from Yemen.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on April 17, 2024 has declared an interim cash dividend in respect of the three months period ended March 31, 2024 of Rs. 11.0 per share (March 31, 2023: Rs. 11.0 per share). These unconsolidated condensed interim financial statements for the three months ended March 31, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

44. GENERAL

44.1 Comparative information has been reclassified, rearranged or additionally incorporated in these unconsolidated condensed interim financial statements for the purposes of better presentation.

44.2 The Bank has not restated comparative information for 2024 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2024 is reported under previous local regulatory requirements and is not comparable with the information presented for 2023.

44.3 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

45. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on April 17, 2024, by the Board of Directors of the Bank.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI PK
Director



UNITED BANK LIMITED

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2024
(Un-audited)**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	6	301,391,477	277,355,760
Balances with other banks	7	60,563,932	33,430,371
Lendings to financial institutions	8	9,652,928	39,316,270
Investments	9	4,673,103,319	4,435,750,870
Advances	10	866,644,479	872,040,932
Property and equipment	11	77,000,095	76,460,159
Right-of-use assets	12	8,776,830	8,611,473
Intangible assets	13	2,406,588	2,552,398
Deferred tax assets	14	9,795,817	-
Other assets	15	193,035,378	159,156,653
		6,202,370,843	5,904,674,886
LIABILITIES			
Bills payable	17	17,342,673	21,734,531
Borrowings	18	2,982,599,852	2,823,887,914
Deposits and other accounts	19	2,767,585,243	2,634,716,102
Lease liabilities	20	10,674,157	10,474,561
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities	14	-	2,079,220
Other liabilities	22	138,879,592	115,909,963
		5,927,081,517	5,618,802,291
		<u>275,289,326</u>	<u>285,872,595</u>
NET ASSETS			
		<u>275,289,326</u>	<u>285,872,595</u>
REPRESENTED BY:			
Share capital		12,241,797	12,241,797
Reserves		116,737,206	116,771,416
Surplus on revaluation of assets	23	34,208,652	44,575,947
Unappropriated profit		96,967,938	97,379,056
Total equity attributable to the equity holders of the Bank		260,155,593	270,968,216
Non-controlling interest		15,133,733	14,904,379
		<u>275,289,326</u>	<u>285,872,595</u>

CONTINGENCIES AND COMMITMENTS

24

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer




Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	January - March 2024	January - March 2023
Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	26 243,023,585	92,568,156
Mark-up / return / interest expensed	27 214,922,381	57,620,727
Net mark-up / interest income	<u>28,101,204</u>	<u>34,947,429</u>
Non mark-up / interest income		
Fee and commission income	28 5,937,228	4,781,571
Dividend income	473,165	475,449
Foreign exchange income	2,718,981	4,438,640
Loss from derivatives	(64,846)	(37,606)
Gain / (loss) on securities - net	29 12,828,808	(637,132)
Net loss on derecognition of financial assets measured at amortised cost	30 (947,561)	-
Other income	31 330,474	234,196
Total non mark-up / interest income	<u>21,276,249</u>	<u>9,255,118</u>
Total income	<u>49,377,453</u>	<u>44,202,547</u>
Non mark-up / interest expenses		
Operating expenses	32 19,190,077	15,719,975
Workers' Welfare Fund	676,423	500,158
Other charges	33 866	1,521
Total non mark-up / interest expenses	<u>19,867,366</u>	<u>16,221,654</u>
Share of loss of associates	(48,299)	(158,245)
Profit before credit loss allowance	<u>29,461,788</u>	<u>27,822,648</u>
Credit loss allowance and write-offs - net	34 (1,717,889)	2,714,605
Profit before taxation	<u>31,179,677</u>	<u>25,108,043</u>
Taxation	35 15,040,768	10,637,315
Profit after taxation	<u>16,138,909</u>	<u>14,470,728</u>
Attributable to:		
Equity holders of the Bank	15,977,409	14,226,896
Non-controlling interest	161,500	243,832
	<u>16,138,909</u>	<u>14,470,728</u>
	----- (Rupees) -----	
Earnings per share - basic and diluted	36 <u>13.05</u>	<u>11.62</u>

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	January - March 2024	January - March 2023
	----- (Rupees in '000) -----	
Profit after taxation for the year attributable to:		
Equity holders of the Bank	15,977,409	14,226,896
Non-controlling interest	161,500	243,832
	<u>16,138,909</u>	<u>14,470,728</u>
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods</i>		
Effect of translation of net investment in overseas branches and subsidiaries - net of tax		
Equity holders of the Bank	(1,593,056)	19,872,692
Non-controlling interest	(255,387)	2,506,605
	(1,848,443)	22,379,297
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax		
Equity holders of the Bank	(7,072,279)	(14,643,049)
Non-controlling interest	407,049	(526,839)
	(6,665,230)	(15,169,888)
	(8,513,673)	7,209,409
<i>Items that will not be reclassified to profit and loss account in subsequent periods</i>		
Remeasurement loss on defined benefit obligations - net of tax		
Equity holders of the Bank	-	(24,330)
Non-controlling interest	-	(19,906)
	-	(44,236)
Movement in surplus on revaluation of equity investments - net of tax		
Equity holders of the Bank	11,335	-
Non-controlling interest	-	-
	11,335	-
Movement in (deficit) / surplus on revaluation of property and equipment - net of tax		
Equity holders of the Bank	(71,753)	783,152
Non-controlling interest	(83,808)	629,917
	(155,561)	1,413,069
	(144,226)	1,368,833
Total comprehensive income for the year	<u>7,481,010</u>	<u>23,048,970</u>
Attributable to:		
Equity holders of the Bank	7,251,656	20,215,361
Non-controlling interest	229,354	2,833,609
	<u>7,481,010</u>	<u>23,048,970</u>

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer




Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Share capital	Statutory reserve	Capital reserve - exchange translation	Surplus / (Deficit) on revaluation			Unappropriated profit	Sub total	Non-controlling Interest	Total
				Investments	Property and Equipment	Non-banking assets				
(Rupees in '000)										
Balance as at January 01, 2023 (Audited)	12,241,797	41,560,081	50,328,629	(22,788,440)	42,442,737	-	96,282,169	220,066,973	9,125,301	229,192,274
Total comprehensive income for the three months ended March 31, 2023										
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	14,226,896	14,226,896	243,832	14,470,728
Other comprehensive income - net of tax	-	-	19,872,692	(14,643,049)	783,152	-	(24,330)	5,988,465	2,589,777	8,578,242
Total comprehensive income for the three months ended March 31, 2023	-	-	19,872,692	(14,643,049)	783,152	-	14,202,566	20,215,361	2,833,609	23,048,970
Transfer from surplus on revaluation to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(31,110)	-	31,110	-	-	-
Transfer to statutory reserve	-	1,390,274	-	-	-	-	(1,390,274)	-	-	-
Transactions with owners for the three months ended March 31, 2023										
Interim cash dividend - December 31, 2022 declared subsequent to the year end at Rs. 9.0 per share	-	-	-	-	-	-	(11,017,617)	(11,017,617)	-	(11,017,617)
Balance as at March 31, 2023 (Un-audited)	12,241,797	42,950,355	70,201,321	(37,431,489)	43,194,779	-	98,107,954	229,264,717	11,958,910	241,223,627
Total comprehensive income for the nine months ended December 31, 2023										
Profit after taxation for the nine months ended December 31, 2023	-	-	-	-	-	-	40,918,179	40,918,179	1,082,014	42,000,193
Other comprehensive income - net of tax	-	-	(308,028)	40,212,126	132,031	-	1,147,122	41,183,251	1,863,455	43,046,706
Total comprehensive income for the nine months ended December 31, 2023	-	-	(308,028)	40,212,126	132,031	-	42,065,301	82,101,430	2,945,469	85,046,899
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(1,474,233)	-	1,474,233	-	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(57,267)	-	57,267	-	-	-
Transfer to statutory reserve	-	3,927,768	-	-	-	-	(3,927,768)	-	-	-
Transactions with owners, recorded directly in equity										
Interim cash dividend - March 31, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - June 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - September 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
	-	-	-	-	-	-	(40,397,931)	(40,397,931)	-	(40,397,931)
Balance as at December 31, 2023 (Audited)	12,241,797	46,878,123	69,893,293	2,780,637	41,795,310	-	97,379,056	270,968,216	14,904,379	285,872,595
Effect of reclassification on adoption of IFRS 9 - ECL (net of tax)	-	-	-	(3,184,645)	-	-	3,184,645	-	-	-
Effect of adoption of IFRS 9 - ECL (net of tax)	-	-	-	-	-	-	(4,598,302)	(4,598,302)	-	(4,598,302)
	-	-	-	(3,184,645)	-	-	(1,413,657)	(4,598,302)	-	(4,598,302)
Balance as at January 01, 2024 - Restated	12,241,797	46,878,123	69,893,293	(404,008)	41,795,310	-	95,965,399	266,369,914	14,904,379	281,274,293
Total comprehensive income for the three months ended March 31, 2024										
Profit after taxation for the three months ended March 31, 2024	-	-	-	-	-	-	15,977,409	15,977,409	161,500	16,138,909
Other comprehensive income - net of tax	-	-	(1,593,056)	(7,060,944)	(71,753)	-	-	(8,725,753)	67,854	(8,657,899)
Total comprehensive income for the three months ended March 31, 2024	-	-	(1,593,056)	(7,060,944)	(71,753)	-	15,977,409	7,251,656	229,354	7,481,010
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(22,861)	-	22,861	-	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(27,092)	-	27,092	-	-	-
Transfer to statutory reserve	-	1,558,846	-	-	-	-	(1,558,846)	-	-	-
Transactions with owners, recorded directly in equity										
Final cash dividend - December 31, 2023 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Balance as at March 31, 2024 (Un-audited)	12,241,797	48,436,969	68,300,237	(7,464,952)	41,673,604	-	96,967,938	260,155,593	15,133,733	275,289,326

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.



Arif Akmal Saif
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	January - March 2024	January - March 2023
----- (Rupees in '000) -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	31,179,677	25,108,043
Less: Dividend income	473,165	475,449
Add: Share of loss of associates	48,299	158,245
	30,754,811	24,790,839
Adjustments:		
Depreciation on fixed assets	1,271,194	996,575
Depreciation on Islamic financing against leased assets (Ijarah)	21,961	33,910
Depreciation on right-of-use assets	580,421	534,627
Depreciation on non-banking assets acquired in satisfaction of claims	807	376
Amortisation	257,013	246,937
Workers' Welfare Fund - charge	676,423	500,158
Provision for retirement benefits	525,188	307,420
Provision for compensated absences	128,055	64,982
Credit loss allowance against loans and advances - net	(1,583,311)	(1,375,281)
Credit loss allowance against off - balance sheet obligations - net	(16,072)	(39,492)
Credit loss allowance for diminution in value of investments - net	(62,199)	4,071,351
Financial charges on leased assets	345,993	286,239
Gain on sale of Ijarah assets - net	(806)	105
Gain on sale of property and equipments - net	(3,328)	(72,344)
Bad debts written-off directly	13,099	42,662
Unrealised gain on revaluation of investments classified as FVTPL	13,336	21,184
Credit loss allowance against other assets	(13,007)	2,189
Other credit loss allowance / write-offs	62,297	106,195
	2,217,064	5,727,793
	32,971,875	30,518,632
(Increase) / decrease in operating assets		
Lendings to financial institutions	29,663,342	24,548,388
Securities classified as FVPL	28,701,380	8,716,231
Advances	6,966,665	165,640,996
Other assets (excluding advance taxation)	(37,199,750)	(18,790,146)
	28,131,637	180,115,469
Increase / (decrease) in operating liabilities		
Bills payable	(4,391,858)	(8,938,637)
Borrowings	158,711,938	(92,122,506)
Deposits and other accounts	132,869,141	345,260,477
Other liabilities(excluding current taxation)	14,324,952	6,084,530
	301,514,173	250,283,864
	362,617,685	460,917,965
Receipts / (payments) on account of staff retirement benefits	2,841,138	132,311
Income taxes paid	(12,081,665)	(8,815,092)
Net cash flow (used in) / generated from operating activities	353,377,158	452,235,184
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(294,710,510)	(321,669,827)
Net investments in amortized cost securities	4,586,047	(9,838,836)
Net investments in associates	(1,175,012)	(1,660,142)
Dividend received	360,101	475,449
Investment in property and equipments and intangible assets	(1,931,141)	(1,750,062)
Sale proceeds from disposal of property and equipments	12,136	80,114
Sale proceeds from disposal of Ijarah assets	-	5,302
Effect of translation of net investment in overseas branches	(1,848,443)	22,379,297
Net cash flow generated from / (used in) investing activities	(294,706,822)	(311,978,705)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(877,550)	(772,365)
Dividend paid	(6,623,508)	(107)
Net cash flow used in financing activities	(7,501,058)	(772,472)
Decrease in cash and cash equivalents	51,169,278	139,484,007
Cash and cash equivalents at the beginning of the period	313,642,424	140,522,207
Effect of exchange rate changes on cash and cash equivalents	(2,856,293)	19,199,084
	310,786,131	159,721,291
Cash and cash equivalents at the end of the period	361,955,409	299,205,298

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI PK
Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,365 (December 31, 2023: 1,356) branches inside Pakistan including 212 (December 31, 2023: 209) Islamic Banking branches and 2 (December 31, 2023: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2023: 8) branches outside Pakistan. The Bank is a subsidiary of Bestway International Holdings Limited (BIHL) and BIHL is a wholly owned subsidiary of Bestway Group Limited (BGL) which is incorporated in the Guernsey.

The Bank's ordinary shares are listed on Pakistan Stock Exchange (PSX). Its Global Depository Receipts (GDRs) are on the list of the UK Listing Authority and the London Stock Exchange Professional Securities Market. These GDRs are also eligible for trading on the International Order Book System of the London Stock Exchange. Further, the GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the US Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

2. BASIS OF PRESENTATION

These consolidated condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 2 dated February 09, 2023.

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

As per the SBP's BPRD Circular Letter no. 7 dated April 13, 2023, the applicability of IFRS 9 - Financial Instruments has been extended to January 01, 2024 (for banks having asset size of Rs. 500 billion or above).

Accordingly, these consolidated financial statements have been prepared for determining the impact of IFRS 9 on the Bank's financial statements as at March 31, 2024 assuming that IFRS 9 has been adopted with effect from January 01, 2024. Therefore, the requirements of SBP directives that currently provide the accounting framework for the measurement and valuation of investments and provision against non performing financings have been followed till December 31, 2023.

Key financial figures of the Islamic Banking branches are disclosed in note 41 to these consolidated condensed interim financial statements.

2.1 STATEMENT OF COMPLIANCE

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

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

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

The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended December 31, 2023, except for IFRS 9 Financial Instruments adopted w.e.f January 01, 2024.

These consolidated condensed interim financial statements represent the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary companies are presented separately.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

2.2 Standards, interpretations and amendments to accounting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered to not be relevant or do not have any significant impact and accordingly, have not been detailed in these consolidated condensed interim financial statements.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS 9 Financial Instruments w.e.f January 01, 2024.

3.1 Changes in accounting policies and transition disclosures

3.1.1 Impact of IFRS 9 - Financial Instruments

As permitted by the transitional provisions of IFRS 9, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

For notes disclosures, the consequential amendments to IFRS 7 disclosures as a result of adoption of IFRS 9 have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

3.1.2 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024

Carrying amount as per current accounting policy as at Jan 01, 2024	Classification under IFRS 9					Remeasurement under IFRS 9	IFRS 9 carrying amount as at Dec 31, 2023
	At FVPL	At FVOCI - with recycling	At FVOCI - without recycling	At Amortized Cost			
(Rupees in '000)							
Cash and cash equivalents	308,030,968	-	-	-	308,030,968	(1,182)	308,029,786
Lendings to financial institutions	34,447,852	-	-	-	34,447,852	-	34,447,852
Advances	613,565,526	-	-	-	613,565,526	(7,969,693)	605,595,833
Investments in financial assets							
Held for trading	78,956,749	78,956,749	-	-	-	-	78,956,749
Held to maturity	362,838,478	-	-	-	362,838,478	344	362,838,822
Available for sale	3,939,226,221	3,635,231	3,925,251,905	10,331,928	-	7,157	3,939,226,221
Other assets	157,692,979	4,266,717	-	-	153,458,641	-	157,725,358
Other liabilities	(122,911,921)	(2,741,100)	-	-	(120,170,821)	(1,037,902)	(123,949,823)
	5,371,846,852	84,117,597	3,925,251,905	10,331,928	1,352,170,644	(9,001,276)	5,362,870,798

3.1.3 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

(A) Debt instruments previously classified as available for sale (AFS) but which fail the SPPI test

The Bank holds a portfolio of debt instruments that failed to meet the 'solely payments of principal and interest' (SPPI) requirement for amortised cost classification under IFRS 9. These instruments contain provisions that, in certain circumstances, can allow the issuer to defer interest payments, but which do not accrue additional interest. This clause breaches the criterion that interest payments should only be consideration for credit risk and the time value of money on the principal. As a result, available for sale instruments, which amounted to Rs. 1,864.988 million respectively, were classified as FVPL from the date of initial application.

(B) Investment in debt securities previously designated at fair value through profit or loss

The Bank holds investment of Rs. 78,956.749 million in a portfolio of debt securities which had previously been designated at fair value through profit or loss as the debt securities were managed on a fair value basis. As part of the transition to IFRS 9, these securities are part of an 'other' business model and so required to be classified as FVPL category under IFRS 9, instead of designated FVPL category under existing local regulations.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(C) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate strategic investments of Rs. 720.004 million in unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

The Bank has elected to irrevocably designate Rs. 9,611.924 million in listed securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(E) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- (i) Those previously classified as available for sale and now classified as measured at FVOCI; and
- (ii) Those previously classified as held to maturity and now classified as measured at amortised cost.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Bank for the year ended December 31, 2023.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
In hand		
Local currency	30,787,611	27,876,981
Foreign currencies	10,347,119	13,068,432
	41,134,730	40,945,413
With State Bank of Pakistan in		
Local currency current accounts	121,278,104	88,035,634
Foreign currency current accounts	5,255,396	5,306,080
Foreign currency deposit accounts	9,678,836	9,473,621
	136,212,336	102,815,335
With other central banks in		
Foreign currency current accounts	82,990,617	50,093,433
Foreign currency deposit accounts	10,003,974	10,684,831
	92,994,591	60,778,264
With National Bank of Pakistan in		
Local currency current accounts	27,858,877	72,368,067
Foreign currency deposit account	2,779,472	-
	30,638,349	72,368,067
National prize bonds	411,471	448,681
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	<u>301,391,477</u>	<u>277,355,760</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	18,804	1,659
In deposit accounts	7	7
Outside Pakistan		
In current accounts	28,471,617	26,393,747
In deposit accounts	32,121,396	7,034,958
	60,593,013	33,428,705
Less: Credit loss allowance held against balances with other banks	(47,892)	-
Balances with other banks - net of credit loss allowance	<u>60,563,932</u>	<u>33,430,371</u>

8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	2,625,115	4,868,418
Musharakah lending	-	12,500,000
Repurchase agreement lendings (Reverse Repo)	7,027,813	21,947,852
Placements with State Bank of Pakistan	-	-
	9,652,928	39,316,270
Less: Credit loss allowance held against lending to financial institutions	-	-
Lending to financial institutions - net of credit loss allowance	<u>9,652,928</u>	<u>39,316,270</u>

		(Un-audited) March 31, 2024	
		Lending	Credit loss allowance held
		----- (Rupees in '000) -----	
8.1 Lending to FIs - Particulars of credit loss allowance			
Domestic			
Performing	Stage 1	7,027,813	-
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
Total		7,027,813	-
Overseas			
Performing	Stage 1	2,625,115	-
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
Total		2,625,115	-
		<u>9,652,928</u>	<u>-</u>

		(Un-audited) March 31, 2024			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		----- (Rupees in '000) -----			
9. INVESTMENTS					
9.1 Investments by type					
FVTPL					
Federal Government Securities		47,510,030	-	(127,455)	47,382,575
Shares and units		880,384	-	114,119	994,503
Non-Government debt securities		1,864,973	-	-	1,864,973
		50,255,387	-	(13,336)	50,242,051
FVOCI					
Federal Government securities		4,090,574,384	(4,376,117)	(8,499,119)	4,077,699,148
Shares and units		13,174,431	-	(2,543,688)	10,630,743
Non-Government debt securities		2,092,457	(169,491)	(277,268)	1,645,698
Foreign securities		174,358,206	(23,562)	(3,522,198)	170,812,446
		4,280,199,478	(4,569,170)	(14,842,273)	4,260,788,035
Amortised cost					
Federal Government securities		302,752,993	(2,398,659)	-	300,354,334
Non-Government debt securities		22,704,852	(1,273,215)	-	21,431,637
Foreign securities		36,490,620	(24,177)	-	36,466,443
		361,948,465	(3,696,051)	-	358,252,414
Associates		4,854,605	(1,033,786)	-	3,820,819
Total Investments		<u>4,697,257,935</u>	<u>(9,299,007)</u>	<u>(14,855,609)</u>	<u>4,673,103,319</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Audited) December 31, 2023			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----				
Held for trading securities				
Federal Government Securities	79,035,823	-	(79,074)	78,956,749
Available for sale securities				
Federal Government securities	3,811,624,681	(12,421,631)	5,026,047	3,804,229,097
Shares and units	14,531,088	(6,107,121)	3,678,469	12,102,436
Non-Government debt securities	3,964,758	(162,334)	(674,087)	3,128,337
Foreign securities	172,534,321	(23,993)	(3,010,385)	169,499,943
	4,002,654,848	(18,715,079)	5,020,044	3,988,959,813
Held to maturity securities				
Federal Government securities	308,215,895	(4,406,225)	-	303,809,670
Non-Government debt securities	22,764,643	(1,293,634)	-	21,471,009
Foreign securities	38,098,926	(541,128)	-	37,557,798
	369,079,464	(6,240,987)	-	362,838,477
Associates	6,029,617	(1,033,786)	-	4,995,831
Total Investments	<u>4,456,799,752</u>	<u>(25,989,852)</u>	<u>4,940,970</u>	<u>4,435,750,870</u>

9.2. Summary of financial position and performance of associates

March 31, 2024 (Un-audited)							
Country of incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income	
----- (Rupees in '000) -----							
UBL Liquidity Plus Fund	Pakistan	8.37%	32,931,920	3,251,255	1,542,438	1,436,499	1,436,499
UBL Financial Sector Fund	Pakistan	1.11%	768,440	23,248	103,727	94,933	94,933
UBL Pakistan Enterprise Exchange Traded Fund	Pakistan	76.09%	41,275	632	1,178	978	3,713
UBKPK - Money Market Sub Fund	Pakistan	91.45%	34,799	64	2,040	1,930	1,930
AIKPK - Money Market Sub Fund	Pakistan	88.98%	37,299	1,562	2,062	2,022	2,022
UBL Fixed Return Plan - II D	Pakistan	71.11%	84,439	842	4,805	4,468	4,468
UBL Fixed Return Plan - II K	Pakistan	31.00%	187,299	1,412	19,415	18,039	18,039
UBL Stock Advantage Fund	Pakistan	2.03%	5,912,867	126,058	361,913	298,888	298,888
Al Ameen Islamic Energy Fund	Pakistan	10.52%	882,793	23,956	65,026	52,991	52,991
Al Ameen Islamic Fixed Return Plan - I F	Pakistan	3.04%	491,784	1,438	77,045	72,089	72,089
Al Ameen Islamic Income Fund	Pakistan	13.52%	301,196	2,732	21,255	19,742	19,742
Al-Ameen Islamic Cash Plan I	Pakistan	0.70%	23,402,524	63,612	2,496,215	2,363,400	2,363,400
UBL Insurers Limited	Pakistan	30.00%	11,761,095	9,464,960	478,551	190,428	189,854
Khushhali Microfinance Bank Limited	Pakistan	27.82%	112,483,400	111,202,575	265,705	(2,160,379)	(15,348)
December 31, 2023 (Audited)							
Country of incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income	
----- (Rupees in '000) -----							
UBL Liquidity Plus Fund	Pakistan	1.93%	33,608,602	2,993,803	6,078,949	5,668,256	5,668,256
UBL Special Savings Plan XI	Pakistan	100.00%	1,537,493	3,987	102,860	94,503	94,503
UBL Pakistan Enterprise Exchange Traded Fund	Pakistan	76.09%	38,000	1,039	4,850	4,206	13,854
UBKPK - Money Market Sub Fund	Pakistan	96.51%	31,499	17	415	399	399
AIKPK - Money Market Sub Fund	Pakistan	95.41%	31,870	17	427	410	410
UBL Dedicated Equity Fund	Pakistan	99.60%	87,081	2,882	57,524	53,365	53,365
UBL Fixed Return Plan - II B	Pakistan	28.84%	194,054	3,808	37,590	35,027	35,027
UBL Fixed Return Plan - II D	Pakistan	59.96%	94,907	442	12,728	11,672	11,672
UBL Fixed Return Plan - II E	Pakistan	59.96%	600,771	532,937	238,322	222,212	222,212
Al Ameen Islamic Energy Fund	Pakistan	15.62%	964,600	116,326	316,011	285,583	285,583
Al Ameen Islamic Dedicated Equity Fund	Pakistan	100.00%	80,806	15,040	28,370	23,582	23,582
Al-Ameen Shariah Stock Fund	Pakistan	0.31%	9,068,988	873,589	2,931,914	2,639,129	2,639,129
Al Ameen Islamic Fixed Return Plan - I F	Pakistan	3.02%	474,992	1,100	56,496	53,153	53,153
Al Ameen Islamic Income Fund	Pakistan	13.05%	297,686	2,119	17,201	15,838	15,838
Al-Ameen Islamic Cash Plan I	Pakistan	6.25%	25,429,363	99,278	3,992,469	3,783,620	3,783,620
UBL Insurers Limited	Pakistan	30.00%	10,658,604	8,372,388	1,993,150	453,995	463,398
Khushhali Microfinance Bank Limited	Pakistan	27.82%	115,121,536	111,405,418	6,358,050	(5,957,226)	(5,989,025)

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FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
9.3 Investments given as collateral		
Federal Government securities		
Market Treasury Bills	1,526,523,182	1,739,647,706
Pakistan Investment Bonds	1,353,687,465	962,704,865
Government of Pakistan Sukuks	-	-
Units of Associates		
Units of UBL Liquidity Plus Fund	-	589,320
Units of UBL Cash Fund	-	1,299,847
	<u>2,880,210,647</u>	<u>2,704,241,738</u>

The market value of securities given as collateral is Rs. 2,863,772 million (December 31, 2023: Rs. 2,717,969 million).

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
9.4 Credit loss allowance for diminution in value of investments		
Opening balance	25,989,852	28,604,522
Exchange adjustments	(83,571)	3,388,726
Impact of ECL recognised on adoption of IFRS 9	7,501	-
Impact of reclassification on adoption of IFRS 9	(6,107,121)	-
Charge / (reversals)		
Charge for the period / year	153,189	7,376,097
Reversals for the period / year	(215,388)	(1,266,052)
	(62,199)	6,110,045
Derecognition of ECL on disposals	(10,445,455)	(12,113,441)
Amounts written off	-	-
Closing balance	<u>9,299,007</u>	<u>25,989,852</u>
	9.4.1	

9.4.1 Reversal of Credit loss allowance for diminution in value of investments on disposals

Shares and units	-	(824,540)
Foreign Government Securities	(9,933,439)	-
Foreign Bonds - Sovereign	(512,016)	(11,288,901)
	<u>(10,445,455)</u>	<u>(12,113,441)</u>

9.4.2 ECL provision under IFRS 9 amounting to Rs.10,445,455 million was held as part of the amortised cost of securities. This amount has been derecognised as a consequence of the disposal of such securities. The gain on disposal of such securities has been reported in note 29.1.

	(Un-audited) March 31, 2024	
	Outstanding amount	Credit loss allowance held
	----- (Rupees in '000) -----	
9.5 Particulars of credit loss allowance against debt securities		
Domestic		
Performing	4,423,990,919	7,501
Under performing	-	-
Stage 2	-	-
Stage 3	-	-
Non-performing	-	-
Substandard	-	-
Doubtful	-	-
Loss	626,981	626,981
Overseas		
Performing	171,361,779	46,924
Under performing	32,993,833	7,583,815
Stage 2	-	-
Stage 3	-	-
Non-performing	-	-
Substandard	-	-
Doubtful	-	-
Loss	-	-
Total	<u>4,628,973,512</u>	<u>8,265,221</u>

Particulars of provision against debt securities

Category of classification

	December 31, 2023	
	Non- Performing Investments	Provision
	----- (Rupees in '000) -----	
Domestic		
Loss	641,383	641,383
Overseas		
Defaulted exposure	-	-
Total	<u>641,383</u>	<u>641,383</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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- 9.6 The market value of securities classified as amortised cost as at March 31, 2024 amounted to Rs. 336,599.711 million (December 31, 2023: Rs. 337,640.922 million).
- 9.7 This represents the Bank's subscription towards the paid-up capital of Khusshali Microfinance Bank Limited. The Bank has fully impaired these shares.
- 9.8 The AGM of the Bank held on 18 March 2024 approved the resolution for disposal of UBL UK by accepting the "Indicative Offer" received from Bestway Group to acquire 50.1% shares upfront at a price of GBP 25.495 million out of 55% shareholding of the Bank in UBL UK with an option to purchase remaining 4.9% shares within 36 months of the initial acquisition of 50.1% on the same price. The resolution approved at the AGM is subject to the approval / clearance by the SBP and all other regulatory compliances required in this regard in both Pakistan and UK. The Bank is currently in the process of completing the regulatory and legal requirements relating to the transaction.
- 9.9 This represents the Bank's subscription towards the paid-up capital of UBL Currency Exchange (Private) Limited, a wholly owned subsidiary. The subsidiary was incorporated on 8 November 2023. It has received NOC from SBP and is under preparation for applying license as an exchange company to undertake the business of currency exchange and associated services permitted under the Foreign Exchange Regulation Act 1947.

		March 31, 2024 (Un-audited)		
		Performing	Non-performing	Total
		(Rupees in '000)		
10. ADVANCES	Note			
Loans, cash credits, running finances, etc.		800,272,450	108,594,953	908,867,403
Islamic financing and related assets	41.3	46,233,771	227,200	46,460,971
Bills discounted and purchased		17,220,156	2,961,750	20,181,906
Advances - gross		863,726,377	111,783,903	975,510,280
Credit loss allowance against advances	10.3			
-Stage 1		(4,865,440)	-	(4,865,440)
-Stage 2		(10,389,279)	-	(10,389,279)
-Stage 3		-	(93,611,082)	(93,611,082)
		(15,254,719)	(93,611,082)	(108,865,801)
Advances - net of credit loss allowance		848,471,658	18,172,821	866,644,479

		December 31, 2023 (audited)		
		Performing	Non-performing	Total
		(Rupees in '000)		
Loans, cash credits, running finances, etc.		800,959,576	107,369,561	908,329,137
Islamic financing and related assets	41.3	47,191,822	222,205	47,414,027
Bills discounted and purchased		16,976,674	2,982,770	19,959,444
Advances - gross		865,128,072	110,574,536	975,702,608
Provision against advances	10.3			
-Specific		-	(92,332,287)	(92,332,287)
-General		(11,329,389)	-	(11,329,389)
		(11,329,389)	(92,332,287)	(103,661,676)
Advances - net of provision		853,798,683	18,242,249	872,040,932

		(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
10.1 Particulars of advances - gross			
In local currency		473,879,845	465,031,634
In foreign currencies		501,630,435	510,670,974
		975,510,280	975,702,608

- 10.2 Advances include Rs. 111,783.903 million (December 31, 2023: Rs. 110,574.536 million) which have been placed under non-performing / Stage 3 status as detailed below:

		March 31, 2024 (Un-audited)	
Category of Classification		Non-Performing Loans	Credit loss allowance
		----- (Rupees in '000) -----	
Domestic			
Other Assets Especially Mentioned (OAEM)*		139,019	3,015
Substandard		2,276,258	1,742,805
Doubtful	Stage 3	850,542	419,871
Loss		20,414,352	19,476,397
		23,680,171	21,642,088
Overseas			
Other Assets Especially Mentioned (OAEM)*		-	-
Substandard		1,133,512	239,056
Doubtful	Stage 3	22,852,521	11,547,034
Loss		64,117,699	60,182,904
		88,103,732	71,968,994
Total		111,783,903	93,611,082

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	December 31, 2023 (Audited)	
	Non-Performing Loans	Provision
	(Rupees in '000)	
Domestic		
Other Assets Especially Mentioned (OAEM)*	105,024	3,660
Substandard	2,963,970	729,208
Doubtful	197,690	91,464
Loss	21,198,758	20,225,801
	24,465,442	21,050,133
Overseas		
Not past due but impaired **	2,607,829	331,800
Overdue by:		
Upto 90 days	91,393	-
91 to 180 days	3,632,088	-
181 to 365 days	4,913,369	1,685,624
> 365 days	74,864,415	69,264,730
	86,109,094	71,282,154
Total	110,574,536	92,332,287

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

** Not past due but impaired category mainly represents restructured exposures.

10.3 Particulars of credit loss allowance against advances

	March 31, 2024 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Opening balance	919,153	10,410,236	92,332,287	103,661,676
Exchange adjustments	(17,307)	(122,038)	(1,010,756)	(1,150,101)
Impact of Adoption of IFRS 9	4,056,536	2,679,142	1,234,015	7,969,693
Charge / (reversals)				
Charge for the period / year	23,451	208,308	2,001,381	2,233,140
Reversals for the period / year	(116,393)	(2,786,369)	(913,689)	(3,816,451)
	(92,942)	(2,578,061)	1,087,692	(1,583,311)
Amounts charged off				
- agriculture financing	-	-	-	-
Amounts written off	-	-	(32,156)	(32,156)
Transfers (out) / in - net	-	-	-	-
Closing balance	4,865,440	10,389,279	93,611,082	108,865,801

Particulars of provision against advances

	December 31, 2023 (Audited)		
	Specific	General	Total
	(Rupees in '000)		
Opening balance	82,038,458	10,236,536	92,274,994
Exchange adjustments	14,721,165	2,318,974	17,040,139
Charge / (reversals)			
Charge for the period / year	894,440	140,921	1,035,361
Reversals for the period / year	(4,561,819)	(1,367,042)	(5,928,861)
	(3,667,379)	(1,226,121)	(4,893,500)
Amounts charged off			
- agriculture financing	(153,498)	-	(153,498)
Amounts written off	(606,459)	-	(606,459)
Transfers (out) / in - net	-	-	-
Closing balance	92,332,287	11,329,389	103,661,676

10.4 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)		
	Stage 1	Stage 2	Stage 3
	(Rupees in '000)		
10.4.1 Opening balance	919,153	10,410,236	92,332,287
Exchange adjustments	(17,307)	(122,038)	(1,010,756)
Impact of adoption of IFRS 9	4,056,536	2,679,142	1,234,015
New Advances	-	-	205,120
Advances derecognised or repaid	(92,942)	(822,296)	(913,689)
Transfer to stage 1	-	-	-
Transfer to stage 2	-	-	-
Transfer to stage 3	-	(1,755,765)	1,796,261
	(92,942)	(2,578,061)	1,087,692
Amounts charged off - agriculture financing	-	-	-
Amounts written off	-	-	(32,156)
Changes in risk parameters	-	-	-
Exchange adjustments	-	-	-
Closing balance	4,865,440	10,389,279	93,611,082

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

10.4.2 Advances - Category of classification

		<u>March 31, 2024 (Un-audited)</u>	
		<u>Outstanding amount</u>	<u>Credit loss allowance held</u>
		----- (Rupees in '000) -----	
Domestic			
Performing	Stage 1	708,173,349	4,641,817
Under performing	Stage 2	52,840,426	2,689,194
Non-performing	Stage 3		
Substandard		2,415,277	1,745,820
Doubtful		850,542	419,871
Loss		20,414,352	19,476,397
		<u>23,680,171</u>	<u>21,642,088</u>
Total		<u>784,693,946</u>	<u>28,973,099</u>
Overseas			
Performing	Stage 1	68,404,403	223,623
Under performing	Stage 2	34,308,199	7,700,085
Non-performing	Stage 3		
Substandard		1,133,512	239,056
Doubtful		22,852,521	11,547,034
Loss		64,117,699	60,182,904
		<u>88,103,732</u>	<u>71,968,994</u>
Total		<u>190,816,334</u>	<u>79,892,702</u>

10.4.3 The Bank has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 01 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 42.619 million (December 31, 2023: Rs. 44.193 million).

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 6,040.337 million (December 31, 2023: Rs. 6,114.438 million) for the overseas branches.

10.4.4 UBL UK has availed benefit of certain mortgaged properties held as collateral against non-performing advances in accordance with the applicable regulations in UK. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 4,975.49 million (2023: 5,034.015 million).

The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

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

		<u>(Un-audited) March 31, 2024</u>	<u>(Audited) December 31, 2023</u>
		----- (Rupees in '000) -----	
11. PROPERTY AND EQUIPMENT	Note		
Capital work-in-progress	11.1	1,942,499	1,353,200
Property and equipment		75,057,596	75,106,959
		<u>77,000,095</u>	<u>76,460,159</u>
11.1 Capital work-in-progress			
Civil works		1,311,743	764,539
Equipment		630,756	588,661
		<u>1,942,499</u>	<u>1,353,200</u>
11.2 Additions to Property and equipment		<u>(Un-audited) March 31, 2024</u>	<u>(Un-audited) March 31, 2023</u>
		----- (Rupees in '000) -----	
The following additions have been made to Property and equipment during the period:			
Capital work-in-progress - net additions		589,299	133,934
Property and equipment			
Leasehold improvements		203,956	125,684
Furniture and fixtures		164,461	50,208
Electrical, office and computer equipment		1,012,774	463,807
Vehicles		220,360	29,337
		<u>1,601,551</u>	<u>669,036</u>
Total		<u>2,190,850</u>	<u>802,970</u>
11.3 Disposal of Property and equipment			
The net book value of Property and equipment disposed off during the period is as follows:			
Leasehold Improvement		7,692	20
Furniture and fixtures		259	614
Electrical, office and computer equipment		857	1,309
Vehicles		-	5,822
		<u>8,808</u>	<u>7,765</u>
Total		<u>8,808</u>	<u>7,765</u>

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12 RIGHT-OF-USE ASSETS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Buildings	Others	Total	Buildings	Others	Total
	----- (Rupees in '000) -----					
At January 1,						
Cost	14,136,595	209,786	14,346,381	12,714,260	89,986	12,804,246
Accumulated Depreciation	(5,656,792)	(78,116)	(5,734,908)	(4,803,576)	(23,071)	(4,826,647)
Net Carrying amount at January 1,	8,479,803	131,670	8,611,473	7,910,684	66,915	7,977,599
Additions during the year	945,601	6,497	952,098	3,183,903	124,328	3,308,231
Deletions during the year	(200,459)	(4,789)	(205,248)	(373,111)	(1,448)	(374,559)
Depreciation charge for the year	(560,758)	(19,663)	(580,421)	(2,272,547)	(63,832)	(2,336,379)
Exchange rate adjustments	(729)	(343)	(1,072)	30,874	5,707	36,581
Net Carrying amount	8,663,458	113,372	8,776,830	8,479,803	131,670	8,611,473

13. INTANGIBLE ASSETS

Capital work-in-progress - Computer software
Intangible assets - Computer software

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
	297,855	174,853
	2,108,733	2,377,545
	<u>2,406,588</u>	<u>2,552,398</u>

13.1 Additions to intangible assets

The following additions have been made to intangible assets during the period

Capital work-in-progress - net additions
Directly purchased - Intangible assets

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- (Rupees in '000) -----	
	112,958	113,248
	4,443	54,217
	<u>117,401</u>	<u>167,465</u>

14. DEFERRED TAX ASSETS / (LIABILITIES)

Def deductible temporary differences on

Credit loss allowance against advances and off balance sheet obligations
Surplus on revaluation on investments
Tax losses carried forward
Post-retirement employee benefits
Workers Welfare Fund
IFRS 9 transition impact
Others

	679,351	679,351
	7,000,451	(3,021,438)
	1,087,336	1,111,293
	(854,887)	(847,823)
	4,707,257	4,406,522
	1,358,246	-
	95,023	20,822
	<u>14,072,777</u>	<u>2,348,727</u>

Taxable temporary differences on

Surplus on revaluation of property and equipment / non-banking assets
Share of loss from associates
Accelerated tax depreciation
Others

	(3,285,104)	(3,340,734)
	(219,932)	(218,473)
	(719,966)	(817,819)
	(51,958)	(50,921)
	<u>(4,276,960)</u>	<u>(4,427,947)</u>
	<u>9,795,817</u>	<u>(2,079,220)</u>

15. OTHER ASSETS

Income / mark-up accrued in local currency
Income / mark-up accrued in foreign currencies
Receivable from staff retirement fund
Receivable from other banks against telegraphic transfers and demand drafts
Unrealised gain on forward foreign exchange contracts
Rebate receivable - net
Unrealised gain on derivative financial instruments
Stationery and stamps on hand
Non-banking assets acquired in satisfaction of claims
Advances, deposits, advance rent and other prepayments
Dividend Receivable
Receivable against fraud & forgery and looted notes
Commission receivable - Bancassurance & Branchless Banking
Acceptances
Others

Less: Credit loss allowance / provision held against other assets
Other assets - net of credit loss allowance
Surplus / (Deficit) on revaluation of non-banking assets acquired in satisfaction of claims

	159,238,684	121,606,613
	3,880,171	3,056,696
15.1	1,339,718	4,730,609
	412,247	38,339
	1,762,147	4,461,256
	1,718,862	1,868,330
25	3,191	32,379
	423,934	593,636
	41,268	42,075
	3,606,136	3,143,717
	113,064	-
	649,987	475,390
	492,589	688,884
22	18,489,892	17,584,022
	1,985,252	1,985,592
	194,157,142	160,307,538
15.2	(1,121,764)	(1,150,885)
	193,035,378	159,156,653
23	-	-
	<u>193,035,378</u>	<u>159,156,653</u>

15.1 Unrealised mark-up held in suspense amounting to Rs. 41,441.677 million (December 31, 2023: Rs. 39,977.644 million) against non-performing overseas advances has been netted off.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
15.2 Credit loss allowance held against other assets		
Advances, deposits, advance rent and other prepayments	54,108	54,108
Fraud & forgery and looted notes	492,589	475,390
Others	575,067	621,387
	<u>1,121,764</u>	<u>1,150,885</u>
15.2.1 Movement in credit loss allowance held against other assets		
Opening balance	1,150,885	1,244,972
Exchange adjustments	(6,092)	83,333
Charge / (reversals)		
Charge for the period / year	22,994	97,737
Reversals for the period / year	(36,001)	(126,753)
	(13,007)	(29,016)
Transfers out - net	(6,039)	-
Amounts written off	(3,983)	(148,404)
Closing balance	<u>1,121,764</u>	<u>1,150,885</u>

16. CONTINGENT ASSETS

There were no contingent assets as at March 31, 2024 (December 31, 2023: Nil).

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
17. BILLS PAYABLE		
In Pakistan	14,855,354	19,850,218
Outside Pakistan	2,487,319	1,884,313
	<u>17,342,673</u>	<u>21,734,531</u>
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	34,394,826	37,076,201
Refinance facility for modernization of SME	1,389,285	1,353,958
Long term financing facility	13,146,842	13,991,026
Renewable energy scheme	828,282	873,755
Temporary economic refinance facility	16,522,655	16,886,679
Refinance facility for combating COVID-19	263,846	332,674
Repurchase agreement borrowings	2,899,335,858	2,717,697,641
Financing facility for storage of agriculture products	30,938	34,375
Refinance for women entrepreneurs	54,223	61,200
	2,965,966,755	2,788,307,509
Repurchase agreement borrowings from other banks	13,269,664	22,881,729
Borrowing from commercial bank by subsidiary	-	1,498,925
	<u>2,979,236,419</u>	<u>2,812,688,163</u>
Unsecured		
Call borrowings	3,000,000	10,603,000
Overdrawn nostro accounts	363,433	596,751
Other borrowings	-	-
	<u>3,363,433</u>	<u>11,199,751</u>
	<u>2,982,599,852</u>	<u>2,823,887,914</u>
19. DEPOSITS AND OTHER ACCOUNTS		

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	916,199,003	286,494,905	1,202,693,908	838,679,284	264,416,961	1,103,096,245
Savings deposits	690,339,815	93,082,091	783,421,906	698,079,461	89,414,155	787,493,616
Term deposits	168,279,829	348,705,812	516,985,641	158,820,636	337,702,171	496,522,807
Others	56,447,664	7,465,125	63,912,789	22,587,057	7,246,442	29,833,499
	1,831,266,311	735,747,933	2,567,014,244	1,718,166,438	698,779,729	2,416,946,167
Financial Institutions						
Current deposits	17,484,300	7,762,931	25,247,231	24,773,540	6,928,345	31,701,885
Saving deposits	164,731,262	6,138,642	170,869,904	173,505,890	6,343,690	179,849,580
Term deposits	220,450	4,233,414	4,453,864	1,925,450	4,293,020	6,218,470
	182,436,012	18,134,987	200,570,999	200,204,880	17,565,055	217,769,935
	<u>2,013,702,323</u>	<u>753,882,920</u>	<u>2,767,585,243</u>	<u>1,918,371,318</u>	<u>716,344,784</u>	<u>2,634,716,102</u>

19.1 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018, applicable to domestic operations amounting to Rs. 1,418,480.498 million (2023: Rs. 1,376,823.088 million).

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
20. LEASE LIABILITIES		
Opening balance	10,474,561	9,614,922
Addition during the year	952,012	3,307,070
Lease payments including interest	(877,550)	(3,282,249)
Interest expense	345,993	1,236,242
Termination/modification	(218,521)	(409,209)
Exchange adjustments	(2,338)	7,785
Closing balance	<u>10,674,157</u>	<u>10,474,561</u>
20.1 Liabilities Outstanding		
Not later than one year	328,062	383,156
Later than one year and upto five years	4,961,372	4,873,805
Over five years	5,384,723	5,217,600
Total	<u>10,674,157</u>	<u>10,474,561</u>

21. SUBORDINATED DEBT

The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

Salient features of the Additional Tier 1 issue are as follows:

Issue Size	Rs. 10,000 million
Issue Date	January 29, 2019
Tenor	Perpetual (i.e. no fixed or final redemption date)
Rating	"AA+" (Double A Plus) by VIS Credit Rating Company Limited
Security	Unsecured
Mark-up rate	The TFCs shall carry mark-up at the rate of 3 Month KIBOR + 1.55%.
Mark-up payment frequency	Mark-up shall be payable quarterly in arrears, on a non-cumulative basis
Call option	The Bank may, at its sole discretion, call the TFCs, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	Mark-up on the TFCs shall only be paid from the current year's earnings and if the Bank is fully compliant with SBP's Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Liquidity Ratio (LR) requirements.
Loss absorbency clause	The TFCs shall, at the discretion of the SBP, be either permanently converted into ordinary shares or permanently written off (partially or in full) pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
22. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	52,307,158	47,159,535
Mark-up / return / interest payable in foreign currencies	1,828,881	1,501,909
Accrued expenses	8,476,304	7,999,572
Branch adjustment account	1,200,889	749,289
Deferred income	1,796,364	1,332,699
Current taxation (provisions less payments)	10,819,456	7,275,286
Unearned commission and income on bills discounted	973,721	897,460
Credit loss allowance against off-balance sheet obligations	2,064,479	1,056,385
Unrealised loss on forward foreign exchange contracts	1,527,416	2,789,527
Unrealised loss on derivative financial instruments	42,344	5,762
Liability against trading of securities	6,688,500	-
Payable to staff retirement fund	38,129	-
Deferred liabilities	4,461,269	4,395,908
Workers' Welfare Fund payable	9,765,657	9,097,179
Liabilities against Card settlement	400,380	148,039
Insurance payable against consumer assets	-	225,989
Dividend payable	7,200,224	370,889
Unclaimed dividend	369,560	356,426
Acceptances	18,489,892	17,584,022
Charity fund balance	24,086	21,399
Levies and taxes payable	3,756,817	9,209,613
Suspense accounts	184,882	247,181
Others	6,463,184	3,485,894
	<u>138,879,592</u>	<u>115,909,963</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2024

22.1 The Income Tax returns of the Bank have been filed up to the tax year 2023 (accounting year ended December 31, 2022) and are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2023, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.14,124 million (2023: Rs.14,124 million).The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2023 (accounting year ended December 31, 2022) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2023: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

The tax returns for Qatar and UAE branches have been filed upto the year ended December 31, 2022 and for Yemen branches upto the year ended December 31, 2019 under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

The tax returns of UBL FM have been filed upto the accounting year ended December 31, 2022, under the provisions of the prevailing tax laws and are deemed as assessed unless opened for reassessment by the tax authorities.

The tax returns of UBL UK have been filed upto the accounting year ended December 31, 2022, under the provisions of the laws prevailing in UK and are deemed as assessed unless opened for reassessment by the tax authorities. Additionally, tax clearance has been issued for UBL UK till the accounting year 2021.

There are no material tax contingencies in any of the subsidiaries.

Tax Contingencies - Khushhali Microfinance Bank Limited (KMBL) - Associate

For the period from January 2013 to December 2014, the taxation authorities issued order of Rs. 48 million in respect of non payment of FED on processing fee, Rs. 27 million in respect of non-payment of FED on grant received by the bank, Rs. 49 million in respect of apportionment of input tax, non withholding of sales tax / FED and non payment of sales tax on disposal of fixed assets. The Bank filed civil petitions against the alleged demand which is pending for adjudication before the Honourable Islamabad High Court.

For the period from January 2012 to December 2018, Punjab Revenue Authority (PRA) issued two assessment orders and created alleged demand of Rs. 143.36 million due to apportionment of input tax between taxable and exempt revenue. The Bank views that apportionment does not apply to the Bank being a service company and being aggrieved of the orders, the Bank filed appeals before appellate forums which are pending for adjudication before Commissioner Appeals and Honourable Lahore High Court. The Bank has paid, under protest, an amount of Rs. 28 million, which is recognized as other receivables.

For the period from January 2015 to December 2015, the Bank has received an order from DCIR for non- deduction of withholding tax on profit on debt under section 151 of Income Tax Ordinance, 2001. The Bank preferred an appeal against the alleged demand of Rs. 62.77 million which is pending adjudication before the Appellate Tribunal Inland revenue.

For the tax year 2012, 2013, 2015 and 2016, the Bank received assessment orders from Assistant Commissioner, Sindh Revenue Board (Sindh) for value of services short declared and short payment of Sindh Sales Tax. The Bank preferred an appeal against the alleged aggregate demand of Rs. 52 million which is pending adjudication before the Commissioner Appeals Sindh Revenue Board.

In respect of above tax cases, based upon advise of its tax consultants, management expects favorable outcomes and is confident that significant outflow of economic resources will be not be required, as a result of final decisions of Appellate authorities. Accordingly, no provision has been recognized, in respect of these tax cases.

22.2 Credit loss allowance against off-balance sheet obligations

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening balance	1,056,385	896,567
Exchange adjustments	(13,736)	207,162
Impact of adoption of IFRS 9	1,037,902	-
Charge / (reversal)		
Charge for the period / year	3,923	4,367
Reversals for the period / year	(19,995)	(33,671)
	(16,072)	(29,304)
Transfers out - net	-	(18,040)
Closing balance	<u>2,064,479</u>	<u>1,056,385</u>

22.3 Deferred liabilities

Provision for post-retirement medical benefits	2,674,411	2,590,351
Provision for compensated absences	783,370	810,025
End of service benefits		
-Overseas branches	687,068	648,827
-Outsourced services	316,420	346,705
	<u>4,461,269</u>	<u>4,395,908</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

23. SURPLUS ON REVALUATION OF ASSETS	Note	March 31, 2024 (Un-audited) -- (Rupees in '000) --		
		Equity Holders	Non-Controlling interest	Total
(Deficit) / surplus arising on revaluation of:				
- Securities measured at FVOCI - Debt	9.1	(11,788,272)	(510,313)	(12,298,585)
- Securities measured at FVOCI - Equity	9.1	(2,543,688)	-	(2,543,688)
- Property and Equipment		44,196,739	3,610,131	47,806,870
- Non-banking assets acquired in satisfaction of claims	15	-	-	-
- Assets of associates		(5,865)	-	(5,865)
		29,858,914	3,099,818	32,958,732
Deferred tax on (deficit) / surplus on revaluation of:				
- Securities measured at FVOCI - Debt		(5,626,476)	(127,578)	(5,754,054)
- Securities measured at FVOCI - Equity		(1,246,397)	-	(1,246,397)
- Property and Equipment		2,523,135	761,969	3,285,104
- Non-banking assets acquired in satisfaction of claims		-	-	-
		(4,349,738)	634,391	(3,715,347)
		<u>34,208,652</u>	<u>2,465,427</u>	<u>36,674,079</u>
December 31, 2023 (Audited) -- (Rupees in '000) --				
(Deficit) / surplus arising on revaluation of:				
- Available for sale securities - Debt	9.1	2,394,621	(1,053,046)	1,341,575
- Available for sale securities - Equity	9.1	3,678,469	-	3,678,469
- Property and Equipment		44,357,289	3,710,727	48,068,016
- Non-banking assets acquired in satisfaction of claims	15	-	-	-
- Assets of associates		(7,753)	-	(7,753)
		50,422,626	2,657,681	53,080,307
Deferred tax on (deficit) / surplus on revaluation of:				
- Available for sale securities - Debt		1,482,250	(263,262)	1,218,988
- Available for sale securities - Equity		1,802,450	-	1,802,450
- Property and Equipment		2,561,979	778,757	3,340,736
- Non-banking assets acquired in satisfaction of claims		-	-	-
		5,846,679	515,495	6,362,174
		<u>44,575,947</u>	<u>2,142,186</u>	<u>46,718,133</u>
24. CONTINGENCIES AND COMMITMENTS				
	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023	
		----- (Rupees in '000) -----		
Guarantees	24.1	297,412,319	286,724,968	
Commitments	24.2	1,014,677,485	1,054,616,393	
Other contingent liabilities	24.3	16,444,035	16,116,861	
		<u>1,328,533,839</u>	<u>1,357,458,222</u>	
24.1 Guarantees:				
Financial guarantees		125,104,324	124,944,607	
Performance guarantees		164,341,903	154,072,480	
Other guarantees		7,966,092	7,707,881	
		<u>297,412,319</u>	<u>286,724,968</u>	
24.2 Commitments:				
Documentary credits and short-term trade-related transactions		340,598,788	303,953,368	
- letters of credit				
Commitments in respect of:				
- forward foreign exchange contracts	24.2.2	463,333,792	572,110,279	
- forward Government securities transactions	24.2.3	32,727,100	19,956,300	
- derivatives	24.2.4	3,055,436	366,068	
- forward lending	24.2.5	170,482,214	154,319,495	
- operating leases	24.2.6	103,651	87,081	
		669,702,193	746,839,223	
Commitments for acquisition of:				
- Property and Equipment		3,132,814	2,998,928	
- intangible assets		1,243,690	824,874	
		4,376,504	3,823,802	
		<u>1,014,677,485</u>	<u>1,054,616,393</u>	

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

24.2.1 Commitments to extend credit

The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	
24.2.2 Commitments in respect of forward foreign exchange contracts		
Purchase	248,427,416	295,080,548
Sale	214,906,376	277,029,731
	<u>463,333,792</u>	<u>572,110,279</u>

24.2.3 Commitments in respect of forward Government securities transactions

Purchase	31,002,100	16,956,300
Sale	1,725,000	3,000,000
	<u>32,727,100</u>	<u>19,956,300</u>

24.2.4 Commitments in respect of derivatives

FX options

Purchase	1,527,718	183,034
Sale	1,527,718	183,034
	<u>3,055,436</u>	<u>366,068</u>

24.2.5 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend		
Others	24.2.5.1 99,994,206	94,695,244
	<u>70,488,008</u>	<u>59,624,251</u>
	<u>170,482,214</u>	<u>154,319,495</u>

24.2.5.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
24.2.6 Commitments in respect of operating leases		
Not later than one year	95,113	75,986
Later than one year and not later than five years	8,538	11,095
Later than five years	-	-
	<u>103,651</u>	<u>87,081</u>

24.3 Other contingent liabilities

24.3.1 Claims against the Bank not acknowledged as debts	<u>16,444,035</u>	<u>16,116,861</u>
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These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security).

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

24.3.2 During 2016, penalties amounting to Rs. 4,089 million were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.

24.3.3 For contingencies relating to taxation, refer note 22.1.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

25. Derivative Instruments

Product analysis

	March 31, 2024 (Un-audited)									
	FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss
	(Rupees in '000)									
Hedging	1,527,718	-	-	-	-	-	-	-	1,527,718	-
Market making	1,527,718	-	-	-	31,002,100	(42,344)	1,725,000	3,191	34,254,818	(39,153)
	<u>3,055,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,002,100</u>	<u>(42,344)</u>	<u>1,725,000</u>	<u>3,191</u>	<u>35,782,536</u>	<u>(39,153)</u>

	December 31, 2023 (Audited)									
	FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain
	(Rupees in '000)									
Hedging	183,034	-	-	-	-	-	-	-	183,034	-
Market making	183,034	-	-	-	16,956,300	26,320	3,000,000	297	20,139,334	26,617
	<u>366,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,956,300</u>	<u>26,320</u>	<u>3,000,000</u>	<u>297</u>	<u>20,322,368</u>	<u>26,617</u>

26. MARK-UP / RETURN / INTEREST EARNED	(Un-audited)	
	January - March 2024	January - March 2023
	Note ----- (Rupees in '000) -----	
On:		
Loans and advances	28,810,579	31,523,835
Investments	211,790,995	56,210,179
Lendings to financial institutions	862,163	3,673,882
Balances with banks	1,559,848	1,160,260
	<u>243,023,585</u>	<u>92,568,156</u>

27. MARK-UP / RETURN / INTEREST EXPENSED		
On:		
Deposits	53,557,781	32,420,099
Borrowings	159,597,103	24,075,235
Subordinated debt	563,663	462,833
Cost of foreign currency swaps against foreign currency deposits / borrowings	857,841	376,321
Lease liability against right-of-use assets	345,993	286,239
	<u>214,922,381</u>	<u>57,620,727</u>

28. FEE AND COMMISSION INCOME		
Branch banking customer fee	552,992	662,082
Consumer finance related fee	435,759	368,319
Card related fees (debit and credit cards)	844,825	771,164
Investment banking fees	133,431	45,567
Financial Institution rebate / commission	170,076	145,239
Corporate service charges / facility fee	480,644	368,943
Commission on trade	884,720	574,789
Commission on guarantees	384,034	193,500
Commission on cash management	270,655	299,714
Commission on remittances including home remittances - net	843,004	664,793
Commission on bancassurance	322,548	254,873
Rent on lockers	54,663	56,279
Management fee	499,900	329,027
Others	59,977	47,282
	<u>5,937,228</u>	<u>4,781,571</u>

29. GAIN / (LOSS) ON SECURITIES - NET		
Realised	29.1	12,842,144 (615,948)
Unrealised - Measured at FVPL		(13,336) (21,184)
		<u>12,828,808 (637,132)</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited)	
		January - March 2024	January - March 2023
		----- (Rupees in '000) -----	
29.1	Realised gain / (loss) on:		
	Federal Government securities	8,077,883	(86,791)
	Shares	109,116	37,906
	Foreign securities	4,588,804	(567,063)
	Other securities	66,341	
		<u>12,842,144</u>	<u>(615,948)</u>
29.2	The above gain/(loss) is calculated as the difference between the book value (including impairment) and the proceeds received.		
			(Un-audited)
			January - March 2024
		Note	(Rupees in '000)
29.3	Net gain / loss on financial assets / liabilities measured at FVPL		
	Designated upon initial recognition		(40,263)
	Mandatorily measured at FVPL	9.1	26,927
			(13,336)
	Net gain / (loss) on financial assets / liabilities measured at amortised cost		-
	Net gain / (loss) on financial assets debt instruments measured at FVOCI		(12,298,585)
	Net gain / (loss) on investments in equity instruments designated at FVOCI	9.1	(2,543,688)
			<u>(14,842,273)</u>
			<u>(14,855,609)</u>
30	Net gain / loss on financial assets measured at amortised cost		
	Gain on derecognition of financial assets measured at amortised cost		-
	Loss on derecognition of financial assets measured at amortised cost		(947,561)
			<u>(947,561)</u>
			(Un-audited)
		January - March 2024	January - March 2023
		----- (Rupees in '000) -----	
31.	OTHER INCOME		
	Charges recovered	115,417	124,550
	Rent on properties	42,079	37,407
	Gain on sale of property and equipment - net	3,328	72,344
	Gain on sale of non-banking assets - net	-	-
	Gain / (loss) on sale of Ijarah assets - net	806	(105)
	Gain / (loss) on trading liabilities - net	30,839	-
	Reimbursement of expenses from funds	138,005	-
		<u>330,474</u>	<u>234,196</u>
32.	OPERATING EXPENSES		
	Total compensation expense	8,368,805	6,509,765
	Property expense		
	Rent and taxes	407,387	395,697
	Insurance	77,160	67,513
	Utilities cost	602,806	529,089
	Security (including guards)	398,619	370,839
	Repair and maintenance (including janitorial charges)	111,039	84,446
	Depreciation on owned fixed assets	327,801	291,752
	Depreciation on right-of-use assets	580,421	534,627
	Depreciation on non-banking assets acquired in satisfaction of claims	807	376
	Others	29,900	42,024
		<u>2,535,940</u>	<u>2,316,363</u>
	Information technology expenses		
	Software maintenance	757,068	632,507
	Hardware maintenance	364,686	305,263
	Depreciation	421,996	323,456
	Amortisation	257,013	246,937
	Network charges	273,448	252,832
	Consultancy Charges	72,068	46,856
		<u>2,146,279</u>	<u>1,807,851</u>
	Other operating expenses		
	Legal and professional charges	151,457	416,803
	Outsourced service costs	494,975	479,222
	Commission paid to branchless banking agents	117,053	78,613
	Commission paid to sales force	416,682	412,009
	Travelling and conveyance	61,662	58,054
	Clearing charges	76,047	70,327
	Depreciation others	521,397	381,367
	Depreciation on Islamic financing against leased assets	21,961	33,910
	Training and development	51,886	31,419
	Postage and courier charges	116,049	84,986
	Communication	80,394	88,562
	Stationery and printing	479,254	269,041
	Marketing, advertisement and publicity	262,965	211,107
	Donations	11,691	17,387
	Auditors' remuneration	57,914	53,297
	Insurance	68,911	38,075
	Deposit protection premium expense	550,729	469,804
	Cash transportation and sorting charges	255,936	242,937
	Entertainment	81,825	65,079
	Banking service charges	1,395,539	926,068
	Repairs and maintenance	359,774	282,739
	Miscellaneous expenses	504,952	375,190
		<u>6,139,053</u>	<u>5,085,996</u>
		<u>19,190,077</u>	<u>15,719,975</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

		(Un-audited)	
		January - March 2024	January - March 2023
33. OTHER CHARGES	Note	----- (Rupees in '000) -----	
Penalties imposed by the SBP		866	1,438
Penalties imposed by other regulatory bodies of overseas branches		-	83
		<u>866</u>	<u>1,521</u>
34. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance/ Provision for diminution in value of investments	9.4	(62,199)	4,071,351
Credit loss allowance/ Reversal of provision against loans and advances	10.3	(1,583,311)	(1,375,281)
Bad debts written off directly		13,099	42,662
Credit loss allowance/ Provision against other assets - net	15.2.1	(13,007)	2,189
Credit loss allowance/ Reversal of provision against off-balance sheet obligations - net	22.2	(16,072)	(39,492)
Recovery of written-off / charged off bad debts		(118,696)	(93,019)
Other credit loss allowance / write-offs		62,297	106,195
		<u>(1,717,889)</u>	<u>2,714,605</u>
35. TAXATION			
Current		15,625,835	11,128,432
Prior years		-	-
Deferred		(585,067)	(491,117)
		<u>15,040,768</u>	<u>10,637,315</u>
36. EARNINGS PER SHARE			
Profit after tax attributable to equity shareholders of the Bank		<u>15,977,409</u>	<u>14,226,896</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>1,224,179,687</u>	<u>1,224,179,687</u>
		----- (Rupees) -----	
Earnings per share - basic and diluted		<u>13.05</u>	<u>11.62</u>
There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2024 and March 31, 2023.			
37. FAIR VALUE OF FINANCIAL INSTRUMENTS			
The fair value of quoted securities other than those classified under held to collect, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.			
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.			
In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.			
37.1	The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:		
	Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.		
	Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).		
	Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).		

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

37.1.1 Valuation techniques used in determination of fair values within level 2 and level 3.

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Bloomberg.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP.
Foreign debt securities	The fair value of foreign corporate and foreign government securities is determined using the rates from Bloomberg.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of each business day.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Derivatives	The fair valuation techniques include forward pricing and swap models using present value calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

37.2 Fair value of financial assets

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	March 31, 2024 (Un-audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government securities	4,125,081,723	-	4,125,081,723	-	4,125,081,723
- Ordinary shares of listed companies	10,905,059	10,905,059	-	-	10,905,059
- Foreign Securities	170,812,446	-	170,812,446	-	170,812,446
- Non-Government debt securities	3,510,671	-	3,510,671	-	3,510,671
	<u>4,310,309,899</u>	<u>10,905,059</u>	<u>4,299,404,840</u>	<u>-</u>	<u>4,310,309,899</u>
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	300,354,334	-	279,593,646	-	279,593,646
- Foreign Securities	36,465,839	-	35,425,483	-	35,425,483
- Non-Government debt securities	21,431,637	-	21,580,582	-	21,580,582
	<u>358,251,810</u>	<u>-</u>	<u>336,599,711</u>	<u>-</u>	<u>336,599,711</u>
	<u>4,668,561,709</u>	<u>10,905,059</u>	<u>4,636,004,551</u>	<u>-</u>	<u>4,646,909,610</u>
Off-balance sheet financial instruments measured at fair value					
Foreign exchange contracts - purchased and sold	463,333,792	-	234,731	-	234,731
Cross currency swaps	-	-	-	-	-
FX options - purchased and sold	<u>3,055,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Forward Government Securities - purchased and sold	<u>32,727,100</u>	<u>-</u>	<u>(39,153)</u>	<u>-</u>	<u>(39,153)</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	December 31, 2023 (Audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government securities	3,883,185,845	-	3,883,185,845	-	3,883,185,845
- Foreign Securities	169,499,943	-	169,499,943	-	169,499,943
- Ordinary shares of listed companies	11,382,167	11,382,167	-	-	11,382,167
- Non-Government debt securities	3,128,337	-	3,128,337	-	3,128,337
	<u>4,067,196,292</u>	<u>11,382,167</u>	<u>4,055,814,125</u>	<u>-</u>	<u>4,067,196,292</u>
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	303,809,670	-	280,259,649	-	280,259,649
- Foreign Bonds	37,557,186	-	36,367,170	-	36,367,170
- Non-Government debt securities	21,471,010	-	21,014,103	-	21,014,103
	<u>362,837,866</u>	<u>-</u>	<u>337,640,922</u>	<u>-</u>	<u>337,640,922</u>
	<u>4,430,034,158</u>	<u>11,382,167</u>	<u>4,393,455,047</u>	<u>-</u>	<u>4,404,837,214</u>
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts - purchased and sold	572,110,279	-	1,671,729	-	1,671,729
Interest Rate Swap - purchased and sold (net)	-	-	-	-	-
FX options - purchased and sold	366,068	-	-	-	-
Forward Government Securities - purchased and sold	19,956,300	-	26,617	-	26,617

37.3 Fair Value of non-financial assets

	March 31, 2024 (Un-audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Property and Equipment	61,298,860	-	-	61,298,860	61,298,860
Non-banking assets acquired in satisfaction of claims	41,268	-	-	41,268	41,268
	<u>61,340,128</u>	<u>-</u>	<u>-</u>	<u>61,340,128</u>	<u>61,340,128</u>
----- (Rupees in '000) -----					
	December 31, 2023 (Audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
Property and Equipment	61,722,714	-	-	61,722,714	61,722,714
Non-banking assets acquired in satisfaction of claims	42,075	-	-	42,075	42,075
	<u>61,764,789</u>	<u>-</u>	<u>-</u>	<u>61,764,789</u>	<u>61,764,789</u>

37.4 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2024

38. SEGMENT INFORMATION

38.1 Segment details with respect to business activities

For the three months ended March 31, 2024 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
Profit and Loss							
Net mark-up / return / profit	13,006,841	36,874,875	(36,448,097)	9,198,945	4,512,690	(531,124)	28,101,204
Inter segment (expense) / revenue - net	(10,712,035)	(65,707,267)	72,686,950	-	-	3,732,352	-
Non mark-up / return / interest income	2,252,418	10,392,312	3,039,450	176,591	4,442,088	886,249	21,227,950
Total Income	4,547,224	(18,440,080)	39,278,303	9,375,536	8,954,778	3,240,070	49,329,154
Segment direct expenses	450,498	171,440	11,705,838	1,182,970	1,679,460	3,088,967	19,867,366
Inter segment expense allocation	110,814	28,501	2,441,195	-	118,421	(2,698,931)	-
Total expenses	561,312	199,941	14,147,033	1,182,970	1,797,881	389,836	19,867,366
Credit loss allowance - net	508,270	(21)	212,963	(9,408)	1,011,847	(1,823)	1,717,889
Profit / (loss) before taxation	4,494,182	(18,640,042)	25,344,233	8,183,160	8,168,744	783,207	31,179,677
For the three months ended March 31, 2023 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
Profit and Loss							
Net mark-up / return / profit	18,378,880	30,462,930	(23,180,977)	3,645,786	4,377,511	(429,069)	34,947,429
Inter segment (expense) / revenue - net	(17,466,932)	(38,214,280)	51,865,082	-	-	3,816,130	-
Non mark-up / return / interest income	1,724,108	3,378,309	2,572,022	97,671	268,363	579,614	9,096,873
Total Income	2,636,056	(4,373,041)	31,256,127	3,743,457	4,645,874	2,271,982	44,004,302
Segment direct expenses	435,851	127,761	8,723,759	696,324	2,067,172	1,198,888	16,221,654
Inter segment expense allocation	191,148	22,521	1,792,953	-	131,160	(2,137,782)	-
Total expenses	626,999	150,282	10,516,712	696,324	2,198,332	1,198,888	16,221,654
Provision charge / (reversal) - net	346,522	(393,835)	125,929	(12,917)	(2,697,150)	(100,014)	(2,714,605)
Profit before taxation	2,355,579	(4,917,158)	20,865,344	3,034,216	(249,608)	973,080	25,108,043
As at March 31, 2024 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
Balance Sheet							
Cash & Bank balances	18,053	129,925,853	59,626,535	27,214,575	143,777,693	1,392,700	361,955,409
Investments	12,446,959	4,092,707,982	-	324,813,641	193,163,197	45,953,603	4,673,103,319
Net inter segment lending	-	-	1,609,997,244	-	-	-	1,800,422,507
Lendings to financial institutions	-	7,027,813	-	-	-	2,625,115	9,652,928
Advances - performing	381,269,148	3,357	48,084,448	44,593,736	94,788,894	276,765,603	848,471,658
Advances - non-performing net	1,444,238	6,645	494,763	83,236	11,159,215	4,975,493	18,242,249
Others	13,853,218	126,296,409	24,169,974	25,589,927	16,773,803	12,370,931	71,960,446
Total Assets	409,031,616	4,355,968,059	1,742,372,964	422,295,115	459,662,802	344,083,445	8,002,793,350
As at March 31, 2024 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
Borrowings							
Subordinated debt	54,897,112	2,912,479,569	4,372,054	7,361,731	72,061	3,417,325	2,982,599,852
Deposits and other accounts	-	-	-	-	-	-	10,000,000
Net inter segment borrowing	109,720,329	427,353	1,664,726,412	343,981,629	350,822,987	297,906,533	2,877,585,243
Others	237,422,882	1,434,469,033	-	20,392,118	108,138,474	-	1,800,422,507
Total Liabilities	5,077,422	25,483,295	60,416,856	7,987,173	6,405,651	3,798,062	166,896,422
Equity	407,117,745	4,372,859,250	1,729,515,322	379,722,651	465,439,173	305,122,460	7,727,504,024
Total Equity & liabilities	1,913,871	(16,891,191)	12,857,642	42,572,464	(5,776,371)	38,960,985	275,289,326
Total Equity & liabilities	409,031,616	4,355,968,059	1,742,372,964	422,295,115	459,662,802	344,083,445	8,002,793,350
Contingencies and Commitments							
	698,208,906	230,844,037	53,192,954	13,492,008	279,749,471	50,551,158	1,328,533,839
As at December 31, 2023 (Audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
Balance Sheet							
Cash & Bank balances	11,358	91,058,816	101,463,285	27,886,564	86,963,694	3,402,414	310,786,131
Investments	12,055,059	3,829,744,363	-	331,496,374	199,730,588	54,043,558	4,435,750,870
Net inter segment lending	-	-	1,501,428,974	-	-	-	1,647,476,492
Lendings to financial institutions	-	21,947,852	-	12,500,000	-	4,868,418	39,316,270
Advances - performing	391,683,285	9,872	50,958,184	47,108,009	107,411,872	253,441,391	853,798,683
Advances - non-performing net	2,710,229	-	614,905	9,792,924	5,034,014	10,999	18,242,249
Others	18,344,061	92,057,395	38,605,116	21,064,320	15,071,413	13,126,882	246,780,683
Total Assets	424,803,992	4,034,818,298	1,693,068,464	440,134,443	418,970,491	333,916,679	7,552,580,352
Borrowings	57,979,951	2,739,257,686	4,506,465	13,726,452	-	8,417,360	2,823,887,914
Subordinated debt	-	-	-	-	-	-	10,000,000
Deposits and other accounts	105,003,206	37,064	1,542,125,514	378,100,209	324,219,498	285,230,611	2,634,716,102
Net inter segment borrowing	245,388,446	1,305,152,330	-	-	97,364,890	-	1,647,905,466
Others	2,062,665	8,066,357	24,744,595	9,588,237	94,288,601	3,517,211	150,198,275
Total Liabilities	410,434,268	4,052,513,437	1,571,376,574	401,414,898	515,872,789	297,165,182	7,266,707,757
Equity	14,369,724	(17,695,139)	121,691,890	38,719,545	(96,902,298)	36,751,496	285,872,595
Total Equity & liabilities	424,803,992	4,034,818,298	1,693,068,464	440,134,443	418,970,491	333,916,678	7,552,580,352
Contingencies and Commitments							
	666,470,042	317,073,549	36,229,803	6,642,138	288,041,327	42,251,714	1,357,458,222

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED MARCH 31, 2024

39. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, directors, key management personnel, subsidiaries, associates and other related parties including employee benefit schemes of the Bank.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions and balances with related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	As at March 31, 2024 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Statement of financial position					
Balances with other banks					
In current accounts	-	-	-	-	-
In deposit accounts	-	-	-	-	-
Lendings to financial institutions					
Opening balance	-	-	-	-	804,102
Addition during the period	-	-	-	-	1,965,187
Repaid during the period	-	-	-	-	(2,471,276)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	298,013
Investments					
Opening balance	-	-	-	6,389,617	5,287,396
Adoption Impact of IFRS 9	-	-	-	-	(32,069)
Investment made during the period	-	-	-	3,393,954	-
Investment disposed during the period	-	-	-	(4,423,340)	-
Transfers in / (out) - net	-	-	-	-	-
Equity accounting adjustments	-	-	-	(145,626)	-
Closing balance	-	-	-	5,214,605	5,255,327
Credit loss allowance for diminution in value of investments	-	-	-	1,393,786	30
Advances					
Opening balance	-	1,286	609,959	-	392
Addition during the period	-	2,048	79,085	-	2,041
Repaid during the period	-	(2,860)	(91,290)	-	(2,264)
Transfers in / (out) - net	-	-	15,380	-	-
Closing balance	-	474	613,134	-	169
Credit loss allowance held against advances	-	-	-	-	-
Other Assets					
Income / mark-up accrued	-	-	-	-	2,707
Receivable from staff retirement fund	-	-	-	-	1,339,718
Prepaid insurance	-	-	-	247,245	-
Remuneration receivable from management of funds	-	-	-	195,543	-
Sales load receivable	-	-	-	36,713	-
Dividend Receivable	-	-	-	-	-
Provision written off	-	-	-	-	-
Other receivable	-	-	-	9,282	-
Credit loss allowance against other assets	-	-	-	-	-
Fixed Asset / Capital work in progress	-	-	-	-	90,681
Borrowings					
Opening balance	-	-	-	-	402,800
Borrowings during the period	-	-	-	-	12,918,300
Settled during the period	-	-	-	-	(12,874,900)
Closing balance	-	-	-	-	446,200

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	As at March 31, 2024 (Un-audited)				
	Parent	Directors	Key		Other related parties
			management personnel	Associates	
	(Rupees in '000)				
Deposits and other accounts					
Opening balance	14,362	5,149,234	115,491	12,844,233	2,639,970
Received during the period	8,643,161	5,039,886	199,492	135,325,642	134,936,254
Withdrawn during the period	(8,647,853)	(5,625,202)	(244,161)	(138,466,133)	(134,187,730)
Transfers in - net	-	-	-	-	2,033,542
Closing balance	9,670	4,563,918	70,822	9,703,742	5,422,036
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	-	22,792	9	14	5,588
Dividend payable	6,949,018	196,393	28	-	61,182
Payable to staff retirement fund	-	-	-	-	38,129
Unearned income	-	-	-	-	36,474
Other payable	-	18,800	-	-	13,459
Contingencies and Commitments					
Letter of guarantee	-	-	-	-	-
As at December 31, 2023 (Audited)					
	Parent	Directors	Key		Other related parties
			management personnel	Associates	
	(Rupees in '000)				
Statement of financial position					
Balances with other banks					
In current accounts	-	-	-	-	-
In deposit accounts	-	-	-	-	-
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	12,674,229
Repaid during the year	-	-	-	-	(11,870,127)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	804,102
Investments					
Opening balance	-	-	-	7,657,008	5,300,368
Investment made during the year	-	-	-	15,023,586	-
Investment disposed / written off during the year	-	-	-	(14,680,742)	(58,518)
Transfers in / (out) - net	-	-	-	(225,000)	45,546
Equity method adjustments	-	-	-	(1,385,235)	-
Closing balance	-	-	-	6,389,617	5,287,396
Provision for diminution in value of investments	-	-	-	1,393,786	1,160,263
Provision written off	-	-	-	-	-
Advances					
Opening balance	-	480	372,952	-	17,808,043
Addition during the year	-	5,664	577,328	-	14,944,269
Repaid during the year	-	(4,992)	(503,914)	-	(33,077,402)
Transfers in / (out) - net	-	134	163,593	-	325,482
Closing balance	-	1,286	609,959	-	392
Provision held against advances	-	-	-	-	-

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	As at December 31, 2023 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Other Assets					
Interest / mark-up accrued	-	-	8,612	-	120,906
Receivable from staff retirement funds	-	-	-	-	4,730,609
Prepaid insurance	-	-	-	100,000	-
Remuneration receivable from management of funds	-	-	-	180,417	-
Sales load receivable	-	-	-	25,069	-
Other receivable	-	-	-	213,326	-
Capital Work in Progress	-	-	-	-	29,000
Dividend receivable	-	-	-	-	-
Provision written off	-	-	-	-	-
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the year	-	-	-	-	27,041,450
Settled during the year	-	-	-	-	(26,638,650)
Closing balance	-	-	-	-	402,800
Deposits and other accounts					
Opening balance	14,327	13,924,363	142,761	1,665,575	16,000,091
Received during the year	123,898,655	64,480,148	1,647,717	385,924,668	488,015,048
Withdrawn during the year	(123,898,620)	(73,338,287)	(1,711,558)	(374,746,010)	(499,662,860)
Transfer in	-	83,010	36,571	-	(1,712,309)
Closing balance	14,362	5,149,234	115,491	12,844,233	2,639,970
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	-	17,676	188	39,581	10,418
Dividend payable	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-
Unearned income	-	-	-	-	47,262
Other payable	-	4,310	-	5,000	14,583
Contingencies and Commitments					
Forward Government securities - sale	-	-	-	-	-

	For the three months ended March 31, 2024 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Profit and loss account					
Income					
Mark-up / return / interest earned	-	-	18,557	-	20,324
Commission / charges recovered	-	83	587	8,335	3,856
Dividend income	-	-	-	196,697	232,792
Net gain on sale of securities	-	-	-	(70,206)	-
Other income	-	-	-	-	18,360
Gain on sale of property and equipment	-	-	36	521	-
Remuneration from management of funds	-	-	-	499,900	-
Sales load	-	-	-	13,867	-
Reimbursement of expenses by funds	-	-	-	138,005	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	100,142

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	For the three months ended March 31, 2024 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Expense					
Mark-up / return / interest paid	20	55,289	1,238	253,865	128,215
Remuneration paid	-	-	262,166	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	28,720	7,679	-	-
Charge for defined contribution plans	-	-	14,590	-	140,611
Charge for defined benefit plans	-	-	2,693	-	202,953
Provision	-	-	-	-	30
Other expenses	-	-	10,657	-	173,319
Clearing charges	-	-	-	-	42,188
Donations	-	-	-	-	-
Seminar and Membership fees	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	771	-	14,002
Other information					
Dividend paid	-	55,296	4,158	10,313	1,596,626
Insurance premium paid	-	-	1,201	303,086	-
Insurance claims settled	-	-	-	144,826	-

	For the three months ended March 31, 2023 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Profit and loss account					
Income					
Mark-up / return / interest earned	-	-	5,720	25,155	826,932
Commission / charges recovered	-	7	50	3,950	3,766
Dividend income	-	-	-	50,660	237,970
Net gain on sale of securities	-	-	-	12,064	-
Other income	-	-	-	-	10,544
Gain on sale of property and equipment	-	-	64	360	-
Remuneration from management of fund	-	-	-	325,243	-
Sales load	-	-	-	5,162	-
Reversal of provision	-	-	-	-	7,034
Switch revenue	-	-	-	-	78,292
Expense					
Mark-up / return / interest paid	1,106	136,468	1,813	49,734	132,250
Remuneration paid	-	-	200,666	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	28,030	-	-	-
Net Charge for defined contribution plans	-	-	12,703	-	109,831
Net Charge for defined benefit plans	-	-	-	-	108,890
Provision - net	-	-	-	-	70,693
Other expenses	-	-	10,458	-	9,771
Clearing charges	-	-	-	-	42,883
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	19,734
Other Information					
Dividend paid	-	-	-	-	-
Insurance premium paid	-	-	821	283,061	-
Insurance claims settled	-	-	-	138,401	-

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,797	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	173,483,156	164,342,620
Eligible Additional Tier 1 (ADT 1) Capital	9,840,128	9,422,078
Total Eligible Tier 1 Capital	183,323,284	173,764,698
Eligible Tier 2 Capital	59,031,438	55,404,738
Total Eligible Capital (Tier 1 + Tier 2)	242,354,722	229,169,436
Risk Weighted Assets (RWAs):		
Credit Risk	1,072,349,435	1,001,013,090
Market Risk	252,313,312	301,826,815
Operational Risk	265,722,534	265,722,534
Total	1,590,385,281	1,568,562,439
Common Equity Tier 1 Capital Adequacy Ratio	10.91%	10.48%
Tier 1 Capital Adequacy Ratio	11.53%	11.08%
Total Capital Adequacy Ratio	15.24%	14.61%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the three months ended March 31, 2024 stood at Rs.12,241.797 million (December 31, 2023: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.

In order to dampen the effects of COVID-19, the State Bank of Pakistan under BPRD Circular Letter No. 12 of 2020 has given a regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013, for the time being, from its existing level of 2.5% to 1.5%, till further instructions.

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at March 31, 2024. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 15.24% whereas CET 1 and Tier 1 ratios stood at 10.91% and 11.53% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2019 dated April 13, 2019, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/394468/2022 dated December 20, 2022. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 0.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

The Capital Adequacy Ratio as at March 31, 2024 includes the impact arising on the adoption of IFRS 9 effective on January 01, 2024, that resulted in an increase of 40bps to the Consolidated CAR of the Bank.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	183,323,284	173,764,698
Total Exposures	6,933,149,302	6,589,218,905
Leverage Ratio	2.64%	2.64%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,636,189,253	1,194,192,309
Total Net Cash Outflow	651,996,945	436,543,979
Liquidity Coverage Ratio	250.95%	273.56%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,945,694,985	1,913,084,362
Total Required Stable Funding	1,330,551,103	1,304,837,672
Net Stable Funding Ratio	146.23%	146.61%

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

41. ISLAMIC BANKING BUSINESS

The Bank operates 212 (December 31, 2023: 209) Islamic Banking branches and 501 (December 31, 2023: 501) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		25,370,770	26,348,889
Balances with other banks		1,843,805	1,537,675
Due from financial institutions	41.1	-	12,500,000
Investments	41.2	324,813,641	331,496,374
Islamic financing and related assets - net	41.3	44,676,972	47,187,185
Property and equipment		1,420,015	1,235,419
Right-of-use assets		1,692,705	1,524,770
Intangible assets		-	-
Due from Head Office		-	8,009,487
Other assets		22,477,207	8,629,655
		422,295,115	438,469,454
LIABILITIES			
Bills payable		1,623,215	2,573,006
Due to financial institutions		7,361,731	13,726,453
Deposits and other accounts	41.4	343,981,629	378,100,209
Due to Head Office		20,392,118	-
Lease Liability		1,930,329	1,754,938
Other liabilities		4,433,629	5,647,031
		379,722,651	401,801,637
		42,572,464	36,667,817
NET ASSETS			
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		2,379,586	3,087,953
Unappropriated profit	41.5	38,011,878	31,398,864
		42,572,464	36,667,817
CONTINGENCIES AND COMMITMENTS			
	41.6		
PROFIT AND LOSS ACCOUNT		(Un-audited)	
		January - March 2024	January - March 2023
----- (Rupees in '000) -----			
Profit / return earned	41.7	17,983,449	7,638,528
Profit / return expensed	41.8	8,784,504	3,992,742
Net profit / return		9,198,945	3,645,786
Other income			
Fee and commission income		120,204	76,681
Foreign exchange income		12,433	718
Gain on securities - net		27,332	-
Other income		16,622	20,272
Total other income		176,591	97,671
Total Income		9,375,536	3,743,457
Other expenses			
Other operating expenses		1,182,970	696,324
Profit before credit loss allowance		8,192,566	3,047,133
Credit loss allowance and write offs - net		9,406	12,917
Profit before taxation		8,183,160	3,034,216
Taxation		4,009,748	2,770,322
Profit after taxation		4,173,412	263,894

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

41.1 Due from Financial Institutions

	As at March 31, 2024 (Un-audited)			As at December 31, 2023 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
Musharakah / Mudarabah	-	-	-	12,500,000	-	12,500,000
Bai Muajjal	-	-	-	-	-	-
with other Financial Institutions	-	-	-	-	-	-
with State Bank of Pakistan	-	-	-	12,500,000	-	12,500,000

41.2 Investments by segments

	As at March 31, 2024 (Un-audited)			
	Cost / Amortised cost	Credit loss allowance	Deficit	Carrying Value
	----- (Rupees in '000) -----			
Debt Instruments				
Measured at amortised cost				
Federal Government Securities				
- Ijarah Sukuks	13,001,567	-	-	13,001,567
Non Government debt securities	9,267,870	(118)	-	9,267,752
	22,269,437	(118)	-	22,269,319
Measured at FVOCI				
Federal Government securities				
- Ijarah Sukuks	295,928,834	-	2,379,586	298,308,420
- Islamic Naya Pakistan Certificate	3,878,663	-	-	3,878,663
Non Government debt securities	64,286	(7,047)	-	57,239
	299,871,783	(7,047)	2,379,586	302,244,322
Instruments mandatorily classified / measured at FVPL				
Non Government debt securities	300,000	-	-	300,000
	300,000	-	-	300,000
Total investments	<u>322,441,220</u>	<u>(7,165)</u>	<u>2,379,586</u>	<u>324,813,641</u>

	As at December 31, 2023 (Audited)			
	Cost / Amortised cost	Provision	Deficit	Carrying Value
	----- (Rupees in '000) -----			
Federal Government Securities				
- Ijarah Sukuks	313,038,816	-	3,087,953	316,126,769
- Islamic Naya Pakistan Certificates	5,709,016	-	-	5,709,016
	318,747,832	-	3,087,953	321,835,785
Non Government Debt Securities				
- Listed	376,339	-	-	376,339
- Unlisted	9,284,250	-	-	9,284,250
	9,660,589	-	-	9,660,589
	328,408,421	-	3,087,953	331,496,374

Particulars of credit loss allowance

	As at March 31, 2024 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----			
Federal Government securities	-	-	-	-
Non Government debt securities	7,165	-	-	7,165
	7,165	-	-	7,165

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Un-audited)
March 31,
2024
(Rupees in '000)

41.3 Islamic financing and related assets

Ijarah	177,291
Murabaha	414,669
Musharakah	2,144,624
Diminishing Musharakah	26,327,077
Mera Pakistan Mera Ghar (MPMG)	5,085,676
Istisna	284,665
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	300,000
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	2,900,000
Islamic Export Refinance scheme - Istisna	605,979
Advances against Islamic assets	
Advances against Ijarah	-
Advances for Diminishing Musharakah	2,939,260
Advances for Murabaha	69,235
Advances against Mera Pakistan Mera Ghar	5,836
Advances for Istisna	570,938
Advances against Istisna - Under SBP's Islamic Export Refinance scheme	38,700
Advances against Diminishing Musharakah ITERF	3,705,624
Inventory related to Islamic financing	
Istisna	-
Profit and other receivables against financings	891,397
Gross Islamic financing and related assets	46,460,971

Less: Credit Loss Allowance against Islamic financings

- Stage 1	(1,301,170)
- Stage 2	(338,864)
- Stage 3	(143,965)
	(1,783,999)

Islamic financing and related assets - net of provision

44,676,972

(Audited)
December 31,
2023
(Rupees in '000)

Islamic financing and related assets

Ijarah	210,375
Murabaha	326,733
Musharakah	3,672,838
Diminishing Musharakah	26,340,035
Mera Pakistan Mera Ghar (MPMG)	5,159,709
Istisna	349,612
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	300,000
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	3,649,999
Islamic Export Refinance scheme - Istisna	603,250
Advances against Islamic assets	
Advances against Ijarah	8,612
Advances for Diminishing Musharakah	1,646,484
Advances for Murabaha	56,537
Advances against Mera Pakistan Mera Ghar	14,236
Advances for Istisna	414,006
Advances against Istisna - Under SBP's Islamic Export Refinance scheme	50,000
Advances against Diminishing Musharakah ITERF	3,705,624
Inventory related to Islamic financing	
Istisna	156,060
Profit and other receivables against financings	749,917
Gross Islamic financing and related assets	47,414,027

Less: Provision against Islamic financings

- Specific	(143,029)
- General	(83,813)
	(226,842)

Islamic financing and related assets - net of provision

47,187,185

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

41.4 Deposits and other accounts

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
Customers		
Current deposits	168,694,974	147,393,373
Saving deposits	63,172,236	67,293,259
Term deposits	23,293,546	24,888,049
	<u>255,160,756</u>	<u>239,574,681</u>
Financial Institutions		
Current deposits	218,237	603,101
Saving deposits	88,569,636	137,892,427
Term deposits	33,000	30,000
	<u>88,820,873</u>	<u>138,525,528</u>
	<u>343,981,629</u>	<u>378,100,209</u>

41.4.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 195,111.759 million (December 31, 2023: Rs. 182,080.598 million).

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
41.5 Islamic Banking Business Unappropriated Profit		
Opening Balance	31,398,864	15,024,771
Impact of adoption of IFRS 9	(1,570,146)	-
Profit for the period / year	8,183,160	16,374,093
	<u>38,011,878</u>	<u>31,398,864</u>
Taxation	(4,009,748)	(8,023,306)
Closing Balance	<u>34,002,130</u>	<u>23,375,558</u>
41.6 Contingencies and commitments		
- Guarantees	225,822	228,481
- Commitments	13,266,186	6,413,657
	<u>13,492,008</u>	<u>6,642,138</u>

	(Un-audited) January - March 2024	(Un-audited) January - March 2023
----- (Rupees in '000) -----		
41.7 Profit / Return earned		
On:		
Financing	1,995,869	2,969,365
Investments	15,863,206	4,531,130
Placements	85,126	82,304
Rental Income from Ijarah	39,248	55,729
	<u>17,983,449</u>	<u>7,638,528</u>
41.8 Profit / Return expensed		
On:		
Deposits and other accounts	6,376,624	2,721,715
Due to Financial Institutions	2,345,896	1,241,145
Others	61,984	29,882
	<u>8,784,504</u>	<u>3,992,742</u>

41.9 Disclosures for profit and loss distribution and pool management

The Bank operates general and special pools for deposits and inter-bank funds accepted / acquired under Mudarabah, Wakalah and Musharakah modes.

Under the General deposits pools, the Bank accepts funds on Mudarabah basis from depositors (Rab-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Bank prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the Corporate Customers, other banks and State Bank of Pakistan for liquidity management and Islamic Export Refinance to the Bank's customers respectively under the Musharakah/ Mudarabah / Wakalah modes.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

General Pool(s)

For General Pools, the Bank allocates PKR financing to Corporate, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business and Investments in Sovereign Guarantee Sukuk, Corporate Sukuk, Bai Muajjal with Government of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis.

IERS Pool(s)

The IERS pool assets comprise of Sovereign Guarantee Sukuk, and financing to Corporate Customers and exporters as allowed under the applicable laws and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

Treasury Pool(s)

The Treasury pool assets generally comprise of Sovereign Guarantee Sukuk and financing under diminishing musharakah, Ijarah facility and the related liability of the Treasury pool comprise of Musharakah / Wakalah/ Mudarabah from financial institutions. These pools are created to meet the liquidity requirements of the Holding company.

Special Pool(s) - LCY

Separate pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

Special Pool(s) - FCY

UBL also manage Foreign Currency (FCY) special pools. The objective of Pool is to meet the FCY Liquidity requirement. The funds in this pool are generally deployed in FCY Placement of funds with State Bank under the mode of Islamic Naya Pakistan Certificate, Loss (if any) is borne by the Rabulmaal as per ratio of investment of the pool.

Equity Pool(s)

All other assets including fixed assets, advance against financing, bai-salam financing and subsidized financing to Bank's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are done through equity pool. The Holding company as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

During the year, the Bank has given General Hiba to the depositors in General and specific pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP. However, Hiba are given at the sole discretion of the Bank without any contractual commitment with the depositors.

The Mudarib's share on Deposits for the period ended Mar 31, 2024 is Rs.2,515.90 million (31.68% of distributable profit of Mudarabah Pool) of this, an amount of Rs.956.07 million (38.00% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 20.99% per annum and the rate of profit paid on average deposits was 16.86% per annum.

The risk characteristics of pools

The risk characteristic of each pool mainly depends on the assets and liability profile of the pool. As per the Bank's policy, relatively low risk / secured financing transactions and assets are allocated to the pool. The Bank maintains General Pools, Special Pools, FI Pools, IERS pool and Equity pool. All pools are exposed to general credit risk, asset ownership risk and Profit rate risk of underlying assets involved.

The Parameters used for allocation of profit, expenses and provisions to the Pool

- The profit of each deposit pool is calculated on all The remunerative assets booked by utilising The funds from the pool.
- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on ijarah assets, takaful premium, Amortization of Premium on investment etc.
- No expense of general or administrative nature is charged to the pools.
- No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset.
- The profit of the pool is shared between equity and Rab-ul-Maal of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity.
- The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

The Bank managed following pools during the period.

For the three months ended March 31, 2024 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	3	Mudarbaha	Monthly	12.23%	35.00%	45,141	8.30%	8.32%	3,756
Special Pools	30	Mudarbaha	Monthly	21.25%	14.78%	602,343	19.71%	53.21%	320,513
IERS Pools	6	Musharkah	Monthly	18.57%	57.36%	247,838	18.00%	0.00%	-
FCY Pools	6	Mudarbaha	Monthly	2.13%	50.00%	2,297	1.06%	0.00%	-
General Pools	3	Mudarbaha	Monthly	21.13%	49.98%	1,868,421	14.13%	33.81%	631,801
Treasury Pools	121	Musharkah	Monthly	22.53%	31.54%	756,418	21.12%	0.00%	-

For the three months ended March 31, 2023 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	3	Mudarbaha	Monthly	12.23%	35.00%	101,197	8.08%	3.05%	3,086
Special Pools	42	Mudarbaha	Monthly	17.10%	20.03%	87,120	14.35%	49.73%	43,321
IERS Pools	6	Musharkah	Monthly	18.13%	80.67%	599,379	9.34%	0.00%	-
FCY Pools	6	Mudarbaha	Monthly	2.13%	50.00%	2,240	1.06%	0.00%	-
General Pools	3	Mudarbaha	Monthly	16.61%	49.99%	1,377,451	12.39%	49.26%	678,502
Treasury Pools	4	Mudarbaha	Monthly	14.68%	6.29%	21,135	16.25%	5.07%	1,071
Treasury Pools	64	Musharkah	Monthly	15.72%	25.47%	204,254	16.29%	0.00%	-

(Un-audited) (Audited)
March 31, December 31,
2024 2023

-----Rupees in '000-----

41.10 Deployment of Mudarabah based deposits by class of business

Chemical and pharmaceuticals	5,573,007	5,934,303
Agriculture	12,974	12,974
Textile	3,634,490	5,931,200
Financial	2,568,709	2,329,054
Food industries	35,559	52,926
Plastic	230,938	291,051
Individuals	15,710,209	15,287,661
Production and transmission of energy	19,944,123	19,682,190
Government of Pakistan Securities	315,188,650	321,835,785
Others	10,219,758	9,090,933
	<u>373,118,417</u>	<u>380,448,077</u>

42. YEMEN OPERATIONS

Despite risky situation and continued operational losses the Bank has been striving to honor liabilities for past eight years. However, on account of several factors, including but not limited to fragile political and economic situation in Yemen, bankruptcy of CBY Sana'a, existence of two Central Banks (i.e. CBY Sana'a and CBY Aden), has resulted in illiquid market, which does not appears to be reversed in near future.

It is no longer possible for the Bank to continue its operations in Yemen due to reasons not attributable to the Bank and caused by circumstances entirely beyond the Bank's control. Therefore, Bank has completely exited from Yemen. The Bank is cognizant of the associated risks arising out of its exit from Yemen.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2024

43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on April 17, 2024 has declared an interim cash dividend in respect of quarter ended March 31, 2024 of Rs. 11.0 per share (March 31, 2023: Rs. 11.0 per share). These consolidated condensed interim financial statements for the three months ended March 31, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

44. GENERAL

44.1 Comparative information has been reclassified, rearranged or additionally incorporated in these consolidated condensed interim financial statements for the purposes of better presentation.

44.2 The Bank has not restated comparative information for 2024 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2024 is reported under previous local regulatory requirements and is not comparable with the information presented for 2023.

44.3 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

45. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on April 17, 2024, by the Board of Directors of the Bank.



Arif Akmal Saifie
Chief Financial Officer



Muhammad Jawaid Iqbal
President &
Chief Executive Officer



Shazia Syed
Director



Daniel Michael Howlett
Director



Lord Zameer Mohammed Choudrey,
CBE, SI Pk
Director

سرمائے کا تناسب - مجتمع

بینک مشکل وقت میں مقابلہ کرنے کی صلاحیت کو پیدا کرنے کے لیے مضبوط سطحوں پر مبنی سرمایہ کاری کی بنیاد کو برقرار رکھنے کی کوشش کرتا ہے اور ریگولیٹری تقاضوں پر مناسب بفرز کو برقرار رکھتا ہے۔ مجتمع CAR مارچ 2024 میں 15.2% (دسمبر 2023: 14.6%) رہا، جس میں 12.0% ریگولیٹری شرط پر 3.2% کا بفر بھی برقرار رکھا گیا ہے۔ کامن ایگزیٹیو ٹیئر 1 (CET-1) کا تناسب مارچ 2024 میں 10.9% (دسمبر 2023: 10.5%) رہا۔ مارچ 2024 کو ٹوٹل ٹیئر 1 کیپٹل کا تناسب 11.5% (دسمبر 2023: 11.1%) رہا۔

کریڈٹ ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 27 جون 2023 کو یونائیٹڈ بینک لمیٹڈ (UBL) کی 'AAA / A-1+' (ٹرپل اے/اے ون پلس) اسٹیٹس ریٹنگ کی دوبارہ توثیق کی ہے۔ علاوہ ازیں، یو بی ایل کی ایڈیشنل ٹیئر 1-1 TFC (ADT-1) کی بھی بطور AA+ دوبارہ توثیق کی جا چکی ہے۔ تفویض کردہ ریٹنگز پر توقعات مستحکم ہیں۔

مستقبل کی توقعات

ڈومیسٹک بینکنگ سیکٹر میں بڑے مالیاتی اداروں میں سے ایک ہونے کے حیثیت سے یو بی ایل نے ایگزیٹیو پرائیکٹ مضبوط اور مستحکم منافع کی فراہمی کے عزم کے ساتھ سال 2024 میں اپنے بنیادی کاروباروں کو مضبوط بنانے کے سلسلے کو جاری رکھا ہے۔ یو بی ایل تمام مخصوص اور اہم مارکیٹوں میں اپنی کارکردگی کو مؤثر و بہتر بنانے کے ساتھ ساتھ اپنے برانچ نیٹ ورک میں مزید وسعت پیدا کرنے پر توجہ مرکوز کیے ہوئے ہے۔ چونکہ ہم جدید پروڈکٹس فراہم کرتے ہیں اور کسٹمر کے تجربات میں ہر بار مثبت اضافہ کرتے ہیں لہذا ہم اپنے ڈیجیٹل پلٹ پر فارمز میں مزید بہتری لارہے ہیں۔ ہم ادارے میں استحکام کے ساتھ بہتری لانے کے لیے اس کے طریقہ کار اور بنیادوں کی دوبارہ تعمیری عزم کے ساتھ اپنے ٹرانسپارینٹ ایجنڈا میں سرمایہ کاری کا عمل جاری رکھیں گے۔ ہمارا یہ یقین ہے کہ بینک کاسٹ سے قیمتی اثاثہ اس کے لوگ ہیں اور بینک کی یہ ترجیح ہے کہ وہ یو بی ایل کے مستقبل کے ترقیاتی اہداف کو حاصل کرنے کے لیے اس کے پاس موجود ٹیلنٹ کو برقرار اور استعمال کرے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کی جانب سے ہم یو بی ایل کے شیئر ہولڈرز اور صارفین کا شکریہ ادا کرنا چاہیں گے جنہوں نے ہمیشہ یو بی ایل برانڈ پر مسلسل اعتماد اور یو بی ایل اسٹاف کے ساتھ اپنے عہد اور خلوص کو نبھایا ہے۔ ہم مسلسل رہنمائی اور معاونت پر حکومت پاکستان، اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بھی تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔

Amel Anwer

ڈیپٹی مینیجنگ ڈائریکٹر

ڈائریکٹر

محمد جاوید اقبال

صدر اور سی ای او

اسلام آباد

یونائیٹڈ بینک لمیٹڈ ارکان کوڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے لیے یونائیٹڈ بینک لمیٹڈ (UBL) کی رپورٹ پیش کرنا ہمارے لیے باعث مسرت ہے۔

کارکردگی کا جائزہ

غیر مجموعی بنیادوں پر، 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے لیے 30.5 ارب روپے کا قبل از ٹیکس منافع (PBT) ریکارڈ کیا گیا جو 25% سال بہ سال کی بہترین نمو کی نمایاں طور پر نمائندگی کرتا ہے۔ Q1'24 میں منافع بعد از ٹیکس (PAT) 15.6 ارب روپے رہا جو کہ Q1'23 کے مقابلے میں 12.73 کی آمدنی فی حصص (EPS) کے ساتھ 13.9 ارب روپے رہا جو گذشتہ سال کے اسی عرصے میں 11.36 روپے تھا۔ یو بی ایل نے 13.05 کی آمدنی فی حصص (Q1'23): 11.62 (روپے) کے ساتھ 16.1 ارب روپے (Q1'23: 14.5 ارب روپے) مجموعی بنیاد پر منافع بعد از ٹیکس کا اندراج کیا۔

یو بی ایل کے ڈائریکٹرز نے 17 اپریل 2024 کو اسلام آباد میں منعقد ہونے والے اپنے اجلاس میں 31 مارچ 2024 کو ختم ہونے والی سہ ماہی کے نتائج کے ساتھ 11 روپے فی حصص کے عبوری نقد منافع کا اعلان کیا۔

نیٹ مارک اپ 26.6 ارب روپے رہا جبکہ نان مارک اپ آمدنی Q1'24 میں 20.4 ارب روپے ریکارڈ کی گئی، Q1'23 کے مقابلے میں 12% اضافے کے ساتھ Q1'24 کے لیے مجموعی طور پر تمام آمدنی 47.0 ارب روپے رہی۔ گذشتہ سال کی اسی مدت کے مقابلے میں فیس پر مبنی آمدنیوں نے پورے سال مجموعی کاروباری رفتار کو 21% کے اضافے کے ساتھ برقرار رکھا۔ سہ ماہی کے دوران بک کی گئی سرکاری اور غیر ملکی سیکورٹیز کی فروخت سے 12.8 ارب روپے کا سرمایہ حاصل ہوا۔ ڈومیسٹک کرنٹ ڈپازٹس ایوریج 965 ارب روپے رہا جو نیٹ ورک کی کارکردگی پر بہتر توجہ دینے کے ساتھ سال بہ سال 27% بڑھ رہا ہے۔

افراط زر کی بلند سطح کے باعث بینک کے آپریٹنگ اخراجات میں Q1'23 کے 17.6 ارب روپے کے مقابلے میں 21% اضافہ ریکارڈ کیا گیا ہے۔ عملے کی لاگت 7.5 ارب روپے رہی جو کہ تمام نیٹ ورک میں مجموعی اضافے اور فرٹ آفس فنکشنز میں بنیادی تقریروں کے حساب سے 26% اضافی تھی۔ 9% اضافے کے ساتھ پراپرٹی سے متعلق اخراجات 2.4 ارب روپے ریکارڈ کیے گئے۔

بینک نے گذشتہ سال کی اسی مدت میں 2.6 ارب روپے کے نیٹ پروٹیشن چارجز کے مقابلے میں Q1'24 کے لیے 1.7 نیٹ پروٹیشن ریورسل ریکارڈ کیا۔ جس میں Q1'24 میں لوئز اور ایڈوائسز پر 1.6 ارب روپے کا نیٹ پروٹیشن ریورسل حاصل کیا (جو کہ Q1'23 میں 1.4 ارب روپے تھا)۔ مارچ 2024 میں 87.6% کی خصوصی کوریج (دسمبر 2023: 87.5%) کے ساتھ بینک کی سطح کے نان پرفارمنگ لونز (NPLs) مارچ 2024 کو 106.8 ارب روپے (دسمبر 2023: 105.5 ارب روپے) تھے۔






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UNITED BANK LIMITED

Corporate Affairs & Marketing Department
12th Floor, UBL Head Office, I.I. Chundrigar Road, Karachi-74000, Pakistan.

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