UBL

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FUTURE FIRST

HALF YEARLY REPORT
JUNE 30, 2020 (UN-AUDITED)

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COMPANY INFORMATION

Board of Directors

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

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

Mr. Haider Zameer Choudrey
Non-Executive Director

Mr. Rizwan Pervez
Non-Executive Director

Mr. Arshad Ahmad Mir
Non-Executive Director

Mr. Khalid A. Sherwani**
Independent Director

Mr. Amar Zafar Khan
Independent Director

Mr. Tariq Rashid
Independent Director

Ms. Sima Kamil*
President & CEO

COMMITTEES OF THE BOARD

BOARD AUDIT COMMITTEE (BAC):

Mr. Amar Zafar Khan	Chairman
Mr. Haider Zameer Choudrey	Member
Mr. Khalid A. Sherwani**	Member
Mr. Rizwan Pervez	Member
Mr. Aqeel Ahmed Nasir	Secretary

BOARD HUMAN RESOURCE & COMPENSATION COMMITTEE (HRCC):

Mr. Khalid A. Sherwani**	Chairman
Mr. Arshad Ahmad Mir	Member
Mr. Amar Zafar Khan	Member
Ms. Sadia Saeed	Secretary

BOARD RISK & COMPLIANCE COMMITTEE (BRCC):

Lord Zameer M. Choudrey, CBE, SI Pk	Chairman
Mr. Arshad Ahmad Mir	Member
Ms. Sima Kamil*	Member
Mr. Imran Sarwar	Secretary

BOARD IT COMMITTEE (BITC):

Mr. Tariq Rashid	Chairman
Mr. Haider Zameer Choudrey	Member
Ms. Sima Kamil*	Member
Mr. Muhammad Faisal Anwar	Secretary

BOARD NOMINATION COMMITTEE (BNC):

Sir Mohammed Anwar Pervez, OBE, HPk	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
Mr. Arshad Ahmad Mir	Member
Mr. Aqeel Ahmed Nasir	Secretary

Company Secretary & Chief Legal Counsel
Mr. Aqeel Ahmed Nasir
Registered Office:
13th Floor, UBL Building, Jinnah Avenue,
Blue Area, Islamabad.

UBL Head Office
I.I. Chundrigar Road, Karachi – 74000, Pakistan.

Share Registrar
THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6,
P.E.C.H.S Karachi.
Phone No.: 021-34168270
UAN: 021-111-000-322
Fax No.: 021-34168271
Email: sfc@thk.com.pk

Auditors
M/s. A. F. Ferguson & Co.,
Chartered Accountants

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

Chief Financial Officer
Mr. Aameer Karachiwalla

*Ms. Sima Kamil has completed her term of employment on 30-06-2020 and subsequently Mr. Shazad G. Dada has joined UBL as President & CEO w.e.f. 16-07-2020.
** Mr. Khalid A. Sherwani resigned on 05 August 2020.

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 half year ended June 30, 2020.

Introduction

The spread of the novel coronavirus, COVID-19, has been an unprecedented event in human history. Strict lockdowns, social distancing measures and travel restrictions necessary to prevent spread of the virus, have caused major disruptions worldwide. Countries are gradually easing lockdown measures and reopening their economies with markets now entering a new post COVID-19 scenario.

UBL has taken all necessary precautions for ensuring the health and safety of its staff and offering continued and uninterrupted services to our customers in a safe environment. A high level Committee comprising the senior management of the bank is closely monitoring the ongoing developments and taking appropriate measures to deal with this evolving crisis. The bank is working closely with the regulators for ensuring availability of services across all channels. Further, we are working closely with our valued customers to support them during this difficult period with regulatory relief measures, where necessary.

Performance Overview

On a standalone basis, UBL recorded profit before tax (PBT) of Rs. 18.8 billion for the half year ended June 30, 2020, a growth of 4% over the corresponding period of last year. The bank recorded a PBT of Rs. 10.4 billion for Q2'20, a growth of 23% over Q1'20.

The bank's gross revenues were recorded at Rs. 48.0 billion for H1'20, growing by 14% over H1'20. Net interest income (NII) was recorded at Rs. 39.1 billion, a strong growth of 31% year on year. Non-fund income (NFI) was recorded at Rs. 8.9 billion for H1'20 (H1'19: Rs. 12.0 billion), lower mainly on account of COVID-19 related slowdown in fees income and lower foreign exchange revenues.

Administrative expenses remained flat compared to last year and stood at Rs. 19.2 billion in H1'20. The cost to income ratio was measured at 39.9% for H1'20, improving from 45.8% in H1'19. Profitability has been impacted by net provisions of Rs. 9.4 billion for H1'20 versus a net provision charge of Rs. 4.4 billion for H1'19, mainly against UBL International's loans portfolio.

Financial Highlights

UBL recorded profit after tax (PAT) of Rs. 11.4 billion for H1'20 against Rs. 9.5 billion for H1'19, an increase of 19% year on year. Earnings per share (EPS) was measured at Rs. 9.31 (H1'19: Rs. 7.80). On a consolidated basis, UBL recorded a PAT of Rs. 10.7 billion (H1'19: Rs. 9.2 billion). The consolidated EPS was recorded at Rs. 8.94 for H1'20 (H1'19: Rs. 7.50).

Net Markup Income

UBL posted net markup income of Rs. 39.1 billion for the half year ended June 30, 2020, a strong growth of 31% over the corresponding period of last year. The State Bank of Pakistan reduced the policy rate from 13.25% at Dec'19 to 7.00% at Jun'20, a cumulative reduction of 625 bps. The bank's average interest earning asset base was recorded at Rs. 1.6 trillion for H1'20, growing by 12% over H1'19. Net interest margins (NIM)s improved from 4.3% in H1'19 to 5.0% in H1'20, with strong yields on assets in H1'20 versus H1'19, supported by an active build up in the low cost deposits base.

Domestic deposits averaged Rs. 1.20 trillion for H1'20, a strong growth of 11% over H1'19 which is a net increase of Rs. 123 billion. This is primarily on the back of a 10% year on year growth in average CASA deposits, which were measured at Rs. 1.03 trillion for H1'20. The bank actively sought to acquire new to bank (NTB) customer relationships, particularly within current deposits, as 231,000 NTB current accounts were added in H1'20 (H1'19: 219,000 NTB current accounts). This resulted in current deposits averaging Rs. 507 billion for H1'20, a growth of

7% over H1'19. The savings portfolio, led by our 'Mahana Amdani' saving product, recorded a year on year growth of 12% in averages, being measured at Rs. 520 billion for H1'20. The average domestic CASA ratio was recorded at 85.5% for H1'20 (H1'19: 86.9%). Domestic cost of deposits was measured at 5.5% for H1'20 versus 4.8% in H1'19, and remained largely contained despite the fact that a high interest rate regime remained in force for much of the first half of the year. However, cost of deposits has reduced sharply and stood at 4.7% in Q2'20 versus 6.4% in Q1'20, in view of the impact of monetary easing during March to June this year.

Bank level performing advances averaged Rs. 599 billion for H1'20 (H1'19: Rs. 630 billion). Domestic corporate loans averaged Rs. 419 billion for H1'20, down 2% year on year. The consumer portfolio averaged Rs. 17 billion for H1'20, a steady growth of 3% over H1'19, with the portfolio comprising mainly of secured auto lending. The bank continued its de-risking strategy within International as the performing loan book was reduced by 29% year on year, averaging USD 756 million for H1'20.

The bank's earning investments averaged Rs. 981 billion for H1'20, a growth of 37% over H1'19. The government securities portfolio averaged Rs. 816 billion for H1'20, earning the bank a healthy yield of over 11%, while UBL International's foreign bond portfolio averaged USD 662 million for H1'20, earning a stable yield of 5.9%.

Non-Markup Income

The bank earned non-markup income of Rs. 8.9 billion for H1'20 (H1'19: Rs. 12.0 billion). Non-markup income constituted 19% of the total revenues of the bank (H1'19: 29%). Last year's non-markup income included a major one-off in the form of exchange translation reserve realization.

Fees and commission earnings grossed at Rs. 5.2 billion, declining by 27% over H1'19. Fee income constituted 58% of the total non-markup income in H1'20 (H1'19: 59%). The reduction in fee earnings is mainly due to the slowdown in overall economic activity caused by the pandemic. To limit the spread, drastic preventative measures were undertaken including imposing strict lockdowns, reduced working hours, closure of branches in areas most affected by COVID-19, all of which significantly affected performance in the first half of 2020. Fees from branch banking operations were recorded at Rs. 815 million, down 17% year on year, on account of lower branch traffic versus last year. The bank maintained its leadership position in the home remittance space with a market share of approx. 25%, as the business earned commission revenues of Rs. 670 million in H1'20 (H1'19: Rs. 692 million). Fee income from consumer financing was recorded at Rs. 426 million, a decline of 7% year on year. The pandemic led slowdown has affected international trade flows as commission income from trade and guarantees was recorded at Rs. 706 million, declining by 23% year on year. Commissions on cash managements were recorded at Rs. 373 million, largely in line with last year.

Foreign exchange income of Rs. 1.7 billion was earned for H1'20 (H1'19: Rs. 2.2 billion). Dividend income of Rs. 793 million was recorded for H1'20, a growth of 3% over H1'19, with strong payouts by investments in the energy and fertilizer sectors as well as the bank's subsidiaries. The bank also earned capital gains of Rs. 676 million in H1'20 (H1'19: Rs. 104 million), mainly on domestic treasury securities and by UBL International on trading within its foreign bonds portfolio.

Provisions and loan losses

UBL recorded provisioning expense of Rs. 9.4 billion in H1'20 versus a provision expense of Rs. 4.4 billion in the corresponding period of last year. Bank level non-performing loans (NPL)s increased from Rs. 76.6 billion at Dec'19 to Rs. 87.4 billion at Jun'20. The increase in NPLs includes an amount of around Rs. 4.5 billion on account of devaluation in the PKR during the half year ended June 30, 2020. Bank's asset quality was recorded at 13.2% at Jun'20 (Dec'19: 10.9%).

UBL Domestic

Gross advances for the domestic bank stood at Rs. 497 billion at Jun'20 (Dec'19: Rs. 525 billion), comprising 75% of the bank's total gross advances. Domestic NPLs increased from Rs. 27.2 billion at Dec'19 to Rs. 28.0 billion at Jun'20. Asset quality for the domestic franchise was recorded at 5.6% at Jun'20 (Dec'19: 5.2%) while specific coverage stood at 85.5% at Jun'20 (Dec'19: 92.1%).

UBL International

The economic environment in the GCC has remained sluggish in recent years with COVID-19 further compounding the region's cash-flow constraints. The prevailing situation requires a further build up in loan loss reserves to provide coverage against non performing accounts. UBL International's NPLs increased from USD 319.2 million at Dec'19 to USD 352.9 million at Jun'20. A provision charge of USD 52.0 million was taken during H1'20 (H1'19: USD 16.3 million), mainly against the loan book to further improve reserves. Specific coverage stood at 77.9% at Jun'20 (Dec'19: 77.3%).

Specific coverage with Forced Sale Value (FSV) of mortgaged properties and cash collateral stood at 87.5% at Jun'20 (Dec'19: 90.9%, refer to note 10.3.2 to the financial statements).

Cost management

UBL continues to efficiently manage its cost base while working towards enhancing service benchmarks and ensuring adequate reinvestment across business and support functions. The bank's administrative expenses were recorded at Rs. 19.2 billion for H1'20, maintained at the levels of the corresponding period of last year. Employee compensation expense was recorded at Rs. 8.0 billion for H1'20, a growth of 10% over H1'19, in line with growth across the network and hiring mainly within front end teams. Property expenses were recorded at Rs. 3.2 billion for H1'20, down 5% year on year. IT related expenses witnessed an increase of 17% over H1'20 as the bank continues to invest in its digital infrastructure and includes the impact of PKR devaluation on foreign currency denominated licensing arrangements. Other costs were recorded at Rs. 6.1 billion for H1'20, a 13% decline year on year, mainly due to lower sales commissions as business acquisition volumes remained affected during H1'20.

Balance Sheet management

UBL's balance sheet grew by 7% since Dec'19, to stand at Rs. 2.0 trillion at Jun'20. Deposits at the bank level stood at Rs. 1.6 trillion at Jun'20, a growth of 8% over Dec'19. In the current scenario, key focus has been on maintaining adequate liquidity levels across all regions, while ensuring a stable deposits base to finance the bank's operations. The bank's liability strategy is aimed at ensuring an optimal funding base with a strong focus on acquiring new relationships as well as further deepening within existing current and savings accounts. Branch Banking Group continued its strong momentum as domestic deposits closed at Rs. 1.34 trillion, a growth of 10% over Dec'19 i.e. a net increase of Rs. 128 billion. This performance enabled the bank to maintain a market share of 8.3% of the total banking sector deposits at Jun'20 (Dec'19: 8.3%). Domestic current deposits stood at Rs. 619 billion at Jun'20, a strong growth of 19% over Dec'19. The domestic portfolio of savings accounts grew by 8% over Dec'19, closing at Rs. 544 billion at Jun'20, while fixed term deposits were reduced by 5% over Dec'19, standing at Rs. 182 billion at Jun'20. Consequently, the domestic CASA ratio improved from 84.3% at Dec'19 to 86.5% at Jun'20. UBL International's deposits stood at USD 1.45 billion as at Jun'20 (Dec'19: USD 1.62 billion).

UBL's net advances closed at Rs. 585 billion as at Jun'20 (Dec'19: Rs. 636 billion). As economic activity slows down due to COVID-19, any further lending will be directed by asset quality considerations, as well as ensuring efficient capital allocation. The bank continued its de-risking strategy within its overseas branches as UBL International's performing advances were reduced by 24% in the first half of the year, closing at USD 626 million as at Jun'20.

Bank's investments stood at Rs. 1.02 trillion at Jun'20, an increase of 21% over Dec'19. Funding is primarily deployed in government securities, with Rs. 299 billion invested in fixed rated PIBs, Rs. 197 billion invested in floating rate PIBs and Rs. 328 billion in treasury bills. The bank's strategy has been to maintain a stable profile of the shorter tenor and longer dated government paper to maintain stable interest margins.

Capital Ratios

The bank seeks to maintain a strong capital base to build adequate buffers as well as provide a solid foundation for future business expansion.

UBL has been designated a Domestic Systemically Important Bank (D-SIB) by the SBP. This designation initially required the bank to hold an additional 1.5% Higher Loss Absorbency (HLA) Surcharge, over and above its minimum capital adequacy ratio (CAR) limit in 2019, on both a standalone and consolidated basis. However, the SBP has reduced the HLA surcharge by 50 bps to 1.0% effective March 2020 as per their latest D-SIB designation.

SBP has also provided regulatory relief to dampen the effects of COVID-19 and support the banking sector in extending credit facilities to its customers. To that end, SBP has reduced the Capital Conservation Buffer (CCB) from its existing level of 2.5% to 1.5%, for the time being till further instructions are issued. Thus the minimum CAR requirement for UBL stood at 12.5% (including the HLA Surcharge of 1.0%) as at June 30, 2020. This is lower by 150 bps from the minimum regulatory CAR requirement applicable for the bank (including the HLA Surcharge of 1.5%) of 14.0% at Dec'19.

The Common Equity Tier 1 (CET-1) ratio stood at 14.7% at Jun'20 (Dec'19: 13.7%). Total Tier 1 Capital ratio was measured at 16.0% at Jun'20 (Dec'19: 14.9%). The overall CAR stood at 21.1% at Jun'20 (Dec'19: 18.9%), with a buffer of 8.6% over the minimum regulatory requirement of 12.5%.

The Board of Directors of UBL declared an interim cash dividend of 0% (Rs. Nil per share) in their meeting in Karachi held on August 5th, 2020, along with the results for the half year ended June 30, 2020.

Economy Review

COVID-19 greatly affected the domestic economy, particularly in the second quarter of 2020. Extraordinary actions were taken to contain the effects of the pandemic as the federal government unveiled a Rs. 1.2 trillion stimulus package and an additional supplementary grant of Rs. 100 billion for the Residual / Emergency Relief Fund to provide support to the impacted population. The country is gradually easing lockdown restrictions and reopening its economy. However, sluggish demand, decline in manufacturing output, slowdown in the services sector and contraction in the overall levels of consumption, which forms a large part of the domestic economy, could remain in effect for longer.

The CPI, which was measured at a high of 14.6% for the month of January 2020, declined to 8.6% for June 2020. CPI for H1'20 averaged 10.4% versus 7.6% for H1'19. With an improving inflation outlook and the need to support households and businesses, economic growth, and employment levels during these challenging times, SBP reduced the policy rate by a cumulative 625 bps in H1'20, reducing the benchmark rate form 13.25% at Dec'19 to 7.00% at Jun'20, with a further reduction of 100 bps in its latest Monetary Policy Statement on June 25, 2020. SBP also took other relief measures to facilitate the banking sector to continue to extend credit to the real economy in H1'20. These included relaxing capital requirements by reducing the capital conservation buffer 1.5%, deferrals of principal and interest payments on certain credit facilities, relaxations on restructuring of non-performing loans and waiver of charges on digital transactions to encourage greater use of alternate banking channels.

The pandemic has caused unprecedented disruption as production and consumption are scaled back across the global economy. With domestic demand shrinking, industrial output has slowed significantly. In this backdrop, the current account deficit (CAD) improved year on year, however, it experienced reduction in both imports as well as exports. CAD was recorded at 2.97 billion for FY'20, reducing by 78% over the same period last year. The country's exports decreased by 6.8% FY'20 versus FY'19, however, the import bill contracted by 18.6% over the same period. The country's balance of trade recorded a deficit of USD 23.2 billion during FY'20, improving by 27% over FY'19. Home remittances were recorded in FY'20 at USD 23.1 billion, an increase of 6% over FY'19.

The country's FX reserves stood at USD 18.0 billion at Jun'20, largely in line with Dec'19, with flows from multilateral agencies providing support for external payments. The pandemic also caused significant pressure in the FX markets as the exchange rate, depreciated by 8.5% since Dec'19 to close at Rs. 168.05 at June 30, 2020. The KSE-100 index also experienced volatility throughout H1'20, but recovered by 5,190 points in the second quarter of 2020. The index closed at 34,422 points at June 30, 2020, declining by 16% since Dec'19.

Banking sector deposits stood at Rs. 16.2 trillion at Jun'20 end, growing by 11% over Dec'19. Sector's advances were recorded at Rs. 8.2 trillion at Jun'20 end, marginally over the levels of Dec'19. Non-performing loans for the banking industry stood at Rs. 806 billion at March 31, 2020, 6% above Dec'19, with the sector asset quality worsening from 8.6% at Dec'19 to 9.1% at March 31, 2020.

UBL International

The GCC economies are facing steep challenges because of the slowdown in business activity due to the pandemic. These problems have been further compounded by a drop in oil prices. The GCC governments have implemented various reform measures to relieve the economic stresses, including increased public sector spending, injecting liquidity in the banking sector to ease pressures as well as gradually easing lockdown measures.

UBL continues to de-risk its exposures within UBL International. New asset writing remains selective with credit quality of borrowers at the forefront of all disbursement decisions. With a significant depreciation in the PKR, the bank is actively rationalizing the foreign currency denominated risk weighted assets for more efficient capital allocation. Furthermore, the Special Assets Management Division is diligently pursuing recoveries against non-performing accounts. Excess liquidity is primarily deployed in sovereign government debt, trade financing arrangements and more lending to financial institutions.

The bank is actively focused on optimizing its liabilities franchise, building a more sustainable base of core deposits and reducing concentration levels. Deposits averaged USD 1.5 billion for H1'20 (H1'19: USD 1.8 billion). Cost of deposits was reduced from 2.2% in H1'19 to 1.8% in H1'20. Performing advances averaged USD 756 million, declining by 29% over H1'19. The investment portfolio comprising mainly of sovereign bonds averaged USD 662 million, earning the bank a healthy return of 5.9%.

Change in President and CEO

The Board of Directors appointed Mr. Shazad G. Dada as the new President and Chief Executive Officer of UBL who joined office with effect from July 16, 2020, following the completion of the term of Ms. Sima Kamil. The Board acknowledges the invaluable contribution of the outgoing President and CEO and appreciates that she led the bank through a period of significant challenges while embarking on the bank's new era of Digital Banking. The Board wishes her the very best in her future endeavors. The Board also extends its warm welcome to the incoming President and CEO and wishes him the best of success as he leads UBL into the future.

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 29, 2020. Furthermore, 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'.

Compensation of Directors

The Board of Directors of UBL in their 216th meeting held on August 02, 2018 approved a comprehensive package regarding remuneration paid to directors including the Chairman for attending the Board and the Board's committee meetings. The document also covered other expenses related to Board meetings. This policy was approved by the shareholders in the Annual General Meeting (AGM) held on March 28, 2019. In light of the guidelines issued by SBP in the BPRD Circular No. 03 dated August 17, 2019, the Board approved the Directors' Remuneration Policy in its meeting held on February 19, 2020. Under this policy, non-executive directors, including the Chairman will be eligible to receive an amount of Rs. 750,000 per Board meeting and Rs. 750,000 for attending a committee meeting of the Board. In addition to the meeting fees, the Chairman will be entitled for a remuneration up to 20% of the Board meeting fee for holding the office of the Chairman. The policy also covers traveling, logistics and accommodation expenses as well as daily allowance entitlements. This policy has been approved by the shareholders of the bank in the AGM held on March 25, 2020.

Award and Recognition

UBL was declared Pakistan's Best Digital Bank for 2020 by Asiamoney, an associate of Euromoney. The award is a testament to UBL's contribution in expanding the scope of financial services through digital channels and its leading role as one of the most progressive and innovative banks in the country.

The bank continues to build on its Digital Strategy which seeks to transform our products, processes and customer interactions with an end state of developing wider payment ecosystems enabling customers to manage their end-to-end banking needs. Our UBL Digital app has been gaining a very positive response with our digital customer base standing at 1.18 million as at June 30, 2020, with around 30% of our branch customers now conducting transactions with the bank through our Digital Banking platforms.

Future Outlook

COVID-19 has severely impacted the global economy as governments around the world have implemented massive fiscal and monetary measures to protect their citizens, avoid massive unemployment levels and support their economies. This has been an extraordinary event with a massive human and economic cost. We are hopeful that we are at the tail end of this pandemic, however, we also recognize the fact that the post COVID-19 world remains uncertain.

As one of the premier banking franchises in the country, UBL has taken a leading role in ensuring the seamless provision of financial services in these tough times. We are actively working with the regulators to swiftly and efficiently dispense the various relief measures introduced to get the engine of the economy moving. Branch Banking is the core of the UBL franchise and remains the key touchpoint where we are committed to expanding our reach principally through enhanced service levels that exceed our customer's expectations. Looking ahead, we expect credit demand to slowly and gradually pick up as lockdown restrictions ease and the economy starts its journey toward some semblance of normality. The lockdown has provided a unique opportunity to propagate the use of alternate service channels. Being one of the leaders in the digital space, UBL has been investing heavily in technological solutions and actively encouraging customers to use alternate platforms for their banking needs. Improving the compliance culture to be at par with international best practices remains an unwavering commitment. Our staff remains our most valuable asset as we will continue to invest in their development and create our leaders of tomorrow.

Acknowledgements

We would like to express our sincere appreciation to all of our stakeholders for their continued support. We greatly appreciate the tireless efforts of our dedicated employees who have ensured uninterrupted service to our customers in these difficult times. We would also like to extend our sincere thanks to the Government of Pakistan, the State Bank of Pakistan, the Securities and Exchange Commission and other regulatory bodies for their direction and continued support.

For and on behalf of the Board,

Shazad G. Dada

President & CEO
Karachi,
August 5th, 2020

Arshad Ahmad Mir

Director

pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF UNITED BANK LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of United Bank Limited ("the Bank") as at June 30, 2020 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended June 30, 2020 and June 30, 2019 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Shahbaz Akbar**.

Afergusonco

Chartered Accountants

Karachi

Dated: August 17, 2020

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UNITED BANK LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020 (Un-audited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2020

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		---------- (Rupees in '000) ----------	
ASSETS			
Cash and balances with treasury banks	6	247,404,892	235,861,767
Balances with other banks	7	27,095,594	20,729,005
Lendings to financial institutions	8	8,156,014	20,183,118
Investments	9	1,020,115,255	840,448,487
Advances	10	584,968,433	636,219,771
Fixed assets	11	51,162,441	52,396,877
Intangible assets	12	2,013,585	1,951,002
Deferred tax assets	13	5,835,443	3,300,164
Other assets	14	71,053,590	82,541,058
		2,017,805,247	1,893,631,249
LIABILITIES			
Bills payable	16	27,223,689	22,926,596
Borrowings	17	155,581,319	154,484,000
Deposits and other accounts	18	1,588,676,606	1,467,063,461
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	10,000,000	10,000,000
Deferred tax liabilities		-	-
Other liabilities	20	60,489,365	70,088,309
		1,841,970,979	1,724,562,366
NET ASSETS		175,834,268	169,068,883
REPRESENTED BY:			
Share capital		12,241,798	12,241,798
Reserves		63,231,031	59,319,611
Surplus on revaluation of assets	21	27,592,505	25,837,143
Unappropriated profit		72,768,934	71,670,331
		175,834,268	169,068,883
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	Note	April - June 2020	April - June 2019	January - June 2020	January - June 2019
		---------- (Rupees in '000) ----------			
Mark-up / return / interest earned	24	42,964,280	35,164,668	86,344,633	66,564,781
Mark-up / return / interest expensed	25	21,185,995	19,900,466	47,223,823	36,641,997
Net mark-up / interest income		21,778,285	15,264,202	39,120,810	29,922,784
Non mark-up / interest income					
Fee and commission income	26	2,165,907	3,463,395	5,152,356	7,076,263
Dividend income		399,431	547,503	793,328	773,925
Foreign exchange income		1,000,193	1,316,967	1,732,617	2,224,878
(Loss) / Income from derivatives		(2,234)	33,944	(13,508)	85,426
Gain on securities - net	27	334,118	98,628	676,337	103,726
Other income	28	363,176	1,610,998	585,330	1,781,641
Total non mark-up / interest income		4,260,591	7,071,435	8,926,460	12,045,859
Total Income		26,038,876	22,335,637	48,047,270	41,968,643
Non mark-up / Interest expenses					
Operating expenses	29	9,687,490	10,261,848	19,161,083	19,212,719
Workers' Welfare Fund		280,975	171,616	499,275	353,105
Other (reversals) / charges	30	(28,706)	233	152,333	2,218
Total non mark-up / interest expenses		9,939,759	10,433,697	19,812,691	19,568,042
Profit before provisions		16,099,117	11,901,940	28,234,579	22,400,601
Provisions and write-offs - net	31	5,729,367	3,072,855	9,429,821	4,396,013
PROFIT BEFORE TAXATION		10,369,750	8,829,085	18,804,758	18,004,588
Taxation	32	4,028,953	3,450,109	7,403,980	8,461,811
PROFIT AFTER TAXATION		6,340,797	5,378,976	11,400,778	9,542,777
			---------- (Rupees) ----------		
Earnings per share - basic and diluted	33	5.18	4.39	9.31	7.80

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	April - June 2020	April - June 2019	January - June 2020	January - June 2019
	(Rupees in '000)			
Profit after taxation for the period	6,340,797	5,378,976	11,400,778	9,542,777
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods				
Effect of translation of net investment in foreign branches	180,368	5,980,295	2,771,342	7,169,378
Movement in surplus / (deficit) on revaluation of investments - net of tax	7,808,347	(748,472)	1,905,668	1,448,705
	7,988,715	5,231,823	4,677,010	8,618,083
Items that will not be reclassified to profit and loss account in subsequent periods				
Remeasurement (loss) /gain on defined benefit obligations - net of tax	(835,581)	679,587	(1,355,438)	679,587
Movement in (deficit) / surplus on revaluation of fixed assets - net of tax	(99)	1,988	1,123	(81,629)
Movement in deficit on revaluation of non-banking assets - net of tax	(920)	(14,786)	(920)	(15,026)
	(836,600)	666,789	(1,355,235)	582,932
Total comprehensive income for the period	13,492,912	11,277,588	14,722,553	18,743,792

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	January - June 2020	January - June 2019
	---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,804,758	18,004,588
Less: Dividend income	(793,328)	(773,925)
	18,011,430	17,230,663
Adjustments:		
Depreciation on fixed assets	1,370,224	1,279,596
Depreciation on Islamic financing against leased assets (Ijarah)	124,174	105,115
Depreciation on right-of-use assets	977,682	1,018,176
Amortization	383,908	284,111
Workers' Welfare Fund	499,275	353,105
Provision for retirement benefits	506,526	442,727
Provision for compensated absences	92,549	87,325
Provision against loans and advances - net	9,310,888	1,537,294
Provision against / (Reversal) of off balance sheet items	214,965	(126,747)
(Reversal) / Provision for diminution in value of investments - net	(416,765)	3,129,015
Mark-up / return / Interest expense on lease liability against right of use assets	584,330	503,459
Gain on sale of operating fixed assets - net	(50,191)	(33,273)
Gain on sale of ijarah assets - net	(548)	(629)
Gain on sale of associate	-	(75,294)
Gain on sale of non-banking asset	(223,054)	(32,747)
Bad debts written-off directly	38,618	31,612
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(14,504)	8,640
Realization of exchange translation reserve - UBL New York branch	-	(1,332,626)
Other provisions / (reversals) & write-offs	282,115	(175,161)
	13,680,192	7,003,698
	31,691,622	24,234,361
Decrease / (Increase) in operating assets		
Lendings to financial institutions	12,027,104	13,534,646
Held for trading securities	62,512,826	(32,521,499)
Advances	41,777,254	72,414,990
Other assets (excluding advance taxation)	2,562,798	(12,095,477)
	118,879,982	41,332,660
Increase / (Decrease) in operating liabilities		
Bills payable	4,297,093	2,620,048
Borrowings	1,097,319	(44,114,476)
Deposits and other accounts	121,613,145	81,842,141
Other liabilities (excluding current taxation)	(13,089,564)	(348,171)
	113,917,993	39,999,542
	264,489,597	105,566,563
Payments on account of staff retirement benefits	(1,218,999)	(2,526,557)
Income taxes paid	(1,167,349)	(3,739,573)
Net cash flows generated from / (used in) operating activities	262,103,249	99,300,433
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(267,130,129)	(61,288,335)
Net investments in held to maturity securities	28,505,850	20,818,722
Net investments in subsidiaries and associates	-	(58,708)
Dividend income received	667,607	617,604
Investment in fixed assets and intangible assets	(1,671,800)	(1,751,325)
Sale proceeds from disposal of fixed assets	163,871	145,373
Sale proceeds from disposal of ijarah assets	952	20,866
Effect of translation of net investment in foreign branches	2,771,342	7,169,378
Net cash flows (used in) / generated from investing activities	(236,692,307)	(34,326,425)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from subordinated debts	-	1,000,000
Payment of lease liability against right of use assets	(1,006,745)	(1,653,486)
Dividends paid	(6,494,483)	(6,197,419)
Net cash used in financing activities	(7,501,228)	(6,850,905)
Increase in cash and cash equivalents	17,909,714	58,123,103
Cash and cash equivalents at the beginning of the period	256,590,772	206,813,056
Cash and cash equivalents at the end of the period	274,500,486	264,936,159

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020

	Share Capital	Capital reserve - exchange translation	Statutory reserve	Surplus / (Deficit) on revaluation			Unappro-priated profit	Total
				Investments	Fixed assets	Non-banking assets		
	(Rupees in '000)							
Balance as at December 31, 2018 (Audited)	12,241,798	23,176,890	31,262,348	(9,070,713)	25,551,923	105,856	68,001,846	151,269,948
Total comprehensive income for the six months ended June 30, 2019								
Profit after taxation for the six months ended June 30, 2019	-	-	-	-	-	-	9,542,777	9,542,777
Other comprehensive income - net of tax	-	7,169,378	-	1,448,705	(81,629)	(15,026)	679,587	9,201,015
Total comprehensive income for the six months ended June 30, 2019	-	7,169,378	-	1,448,705	(81,629)	(15,026)	10,222,364	18,743,792
Transfer to statutory reserve	-	-	954,278	-	-	-	(954,278)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(27,701)	-	27,701	-
Transactions with owners for the six months ended June 30, 2019								
Final cash dividend - December 31, 2018 declared subsequent to the year end at Rs. 3.0 per share	-	-	-	-	-	-	(3,672,539)	(3,672,539)
Interim cash dividend - March 31, 2019 declared at Rs.2.5 per share	-	-	-	-	-	-	(3,060,449)	(3,060,449)
Realization of exchange translation reserve	-	(1,332,626)	-	-	-	-	-	(1,332,626)
Balance as at June 30, 2019 (Un-audited)	12,241,798	29,013,642	32,216,626	(7,622,008)	25,442,593	90,830	70,564,645	161,948,126
Total comprehensive income for the six months ended December 31, 2019								
Profit after taxation for the six months ended December 31, 2019	-	-	-	-	-	-	9,590,997	9,590,997
Other comprehensive income - net of tax	-	(2,869,756)	-	8,275,510	(1,520)	54,625	(1,196,111)	4,262,748
Total comprehensive income for the six months ended December 31, 2019	-	(2,869,756)	-	8,275,510	(1,520)	54,625	8,394,886	13,853,745
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	(262,309)	(114,384)	376,693	-
Transfer to statutory reserve	-	-	959,099	-	-	-	(959,099)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(26,194)	-	26,194	-
Transactions with owners for the six months ended December 31, 2019								
Interim cash dividend - June 30, 2019 declared at Rs.2.5 per share	-	-	-	-	-	-	(3,060,449)	(3,060,449)
Interim cash dividend - September 30, 2019 declared at Rs.3.0 per share	-	-	-	-	-	-	(3,672,539)	(3,672,539)
	-	-	-	-	-	-	(6,732,988)	(6,732,988)
Balance as at December 31, 2019 (Audited)	12,241,798	26,143,886	33,175,725	653,502	25,152,570	31,071	71,670,331	169,068,883
Total comprehensive income for the six months ended June 30, 2020					-	-		
Profit after taxation for the six months ended June 30, 2020	-	-	-	-	-	-	11,400,778	11,400,778
Other comprehensive income - net of tax	-	2,771,342	-	1,905,668	1,123	(920)	(1,355,438)	3,321,775
Total comprehensive income for the six months ended June 30, 2020	-	2,771,342	-	1,905,668	1,123	(920)	10,045,340	14,722,553
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	(110,838)	(13,897)	124,735	-
Transfer to statutory reserve	-	-	1,140,078	-	-	-	(1,140,078)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(25,774)	-	25,774	-
Transactions with owners for the half year ended June 30, 2020								
Final cash dividend - December 31, 2019 declared subsequent to the year end at Rs. 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
Interim cash dividend - March 31, 2020 declared at Rs.2.5 per share	-	-	-	-	-	-	(3,060,449)	(3,060,449)
Balance as at June 30, 2020 (Un-audited)	12,241,798	28,915,228	34,315,803	2,559,170	25,017,081	16,254	72,768,934	175,834,268

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

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 1363 (December 31, 2019: 1,362) branches inside Pakistan including 100 (December 31, 2019: 100) Islamic Banking branches and 2 (December 31, 2018: 2) branches in Export Processing Zones. The Bank also operates 14 (December 31, 2019: 14) branches outside Pakistan. The Bank is a subsidiary of Bestway (Holdings) Limited and Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited which is incorporated in the United Kingdom.

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

2.1 These unconsolidated condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 5 dated March 22, 2019.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, 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 mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark - up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.

2.3 Key financial figures of the Islamic Banking branches are disclosed in note 38 to these unconsolidated condensed interim financial statements.

3. STATEMENT OF COMPLIANCE

3.1 These unconsolidated condensed interim financial statements 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 Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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 prevail.

3.2 The SBP vide BSD Circular letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. 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. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 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.

3.4 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. 5 dated March 22, 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2019.

3.5 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.

3.6 Standards, interpretations and amendments to accounting standards that have become 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 1, 2020. These are considered either to not be relevant or to not have any significant impact on these condensed interim financial statements.

3.7 Standards, interpretations and amendments to accounting standards that are not yet effective

IFRS 9 has been applicable in several overseas jurisdictions from January 1, 2018 and is progressively being adopted in others. The requirements of this standard are incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 1, 2021. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

4. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

4.1 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, 2019.

4.2 Regulatory reliefs due to COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 625 basis points to 7 percent and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent; (ii) increasing the regulatory limit on extension of credit to SMEs by 44 percent to Rs 180 million; (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent; (iv) allowing banks to defer clients' payment of principal on loan obligations by one year; and (v) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year and / or mark-up with no reflection on credit history; and Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

4.3 Operational Risk Management

The Bank is closely monitoring the situation and has invoked required actions to ensure safety and security of Bank staff and an uninterrupted service to our customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. Business Continuity Plans (BCP) for respective areas are in place and tested. The Bank has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Bank has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

4.4 Credit Risk Management

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

IFRS 9 is applicable to the overseas branches of the Bank and requires the estimation of Expected Credit Loss (ECL) based on current and forecast economic conditions. The Bank has reviewed the potential impact of the COVID-19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in ECL estimates. The Bank is assessing the situation as it develops and is in the process of accounting for the same in its ECL estimates.

4.5 Liquidity Risk Management

In view of the relaxation granted by SBP for deferral of principal and markup and rescheduling of loans there will be an impact on the maturity profile of the Bank. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

4.6 Equity Risk Management

The carrying value of the Bank's investment in listed equity securities classified as available-for-sale, amounts to Rs. 11.346 billion as at June 30, 2020. During the period, SBP via BPRD Circular Letter No. 13 of 2020 Para 4 (c) has provided regulatory relief to Banks / DFIs to recognize impairment losses resulting from the valuation of listed equity securities held as "Available for Sale" (AFS), in a phased manner equally on quarterly basis during calendar year ending on December 31, 2020. Pursuant to the circular, a portion of the impairment loss, amounting to Rs. 413.351 million, resulting from the valuation of listed equity securities held under the AFS category as of June 30, 2020 has not been recognised in the unconsolidated condensed interim profit and loss account and has been taken to 'Deficit arising on revaluation of available for sale securities' as disclosed in note 21 of these unconsolidated condensed interim financial statements.

The recognition of remaining impairment loss based on market values as at June 30, 2020 would have had the following effect on these unconsolidated condensed interim financial statements:

	June 30, 2020 (Rupees in '000)
Impact on Unconsolidated Condensed Interim Statement of Financial Position	
- Increase in provision for diminution in value of investments	413,351
- Decrease in deficit arising on revaluation of Available for sale securities - net of tax	252,144
- Decrease in Unappropriated Profit	226,930
Impact on Unconsolidated Condensed Interim Profit and Loss account	
- Decrease in Profit after tax	252,144
- Decrease in taxation charge	161,207

Earnings per share for the period ended June 30, 2020 would have been lower by Re. 0.21 per share.

4.7 Capital Adequacy Ratio (CAR)

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

4.8 Suspension of Dividends

The SBP through its Circular Letter No. BPRD/BA & CPD/006315-2/20 dated April 22, 2020 has advised that banks which had declared dividend for the quarter ended March 31, 2020 should suspend cash dividend distribution for the next two quarters.

5. BASIS OF MEASUREMENT

5.1 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets / non-banking assets acquired in satisfaction of claims have been stated at revalued amounts, certain investments and derivative financial instruments have been stated at fair value and net obligations in respect of defined benefit schemes and lease liability under IFRS 16 are carried at their present values.

5.2 Critical accounting estimates and judgments

The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards 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 recognized 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, 2019.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	---------- (Rupees in '000) ----------	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	16,520,546	12,394,957
Foreign currency	7,906,494	5,095,923
	24,427,040	17,490,880
With State Bank of Pakistan in		
Local currency current accounts	88,976,287	77,855,915
Foreign currency current accounts	3,583,962	3,431,095
Foreign currency deposit account	6,718,138	10,081,214
	99,278,387	91,368,224
With other central banks in		
Foreign currency current accounts	23,696,487	28,806,149
Foreign currency deposit accounts	17,595,634	8,694,038
	41,292,121	37,500,187
With National Bank of Pakistan in local currency current accounts	82,376,679	89,136,038
Prize Bonds	30,665	366,438
	247,404,892	235,861,767
7. BALANCES WITH OTHER BANKS		
Outside Pakistan		
In current accounts	13,109,012	9,401,214
In deposit accounts	13,986,582	11,327,791
	27,095,594	20,729,005
	27,095,594	20,729,005
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lending	2,000,000	-
Repurchase agreement lendings (Reverse Repo)	-	9,450,000
Bai Muajjal receivable		
- with State Bank of Pakistan	6,156,014	-
- with other financial institutions	-	10,733,118
Lendings to Financial Institutions	8,156,014	20,183,118

9. INVESTMENTS

9.1 Investments by type

	Note	(Un-audited) June 30, 2020				(Audited) December 31, 2019			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)							
Held for trading (HFT) securities									
Market Treasury Bills		8,622,547	-	14,504	8,637,051	71,095,652	-	(7,121)	71,088,531
Pakistan Investment Bonds		-	-	-	-	47,107	-	(265)	46,842
		8,622,547	-	14,504	8,637,051	71,142,759	-	(7,386)	71,135,373
Available for sale (AFS) securities									
Market Treasury Bills		319,537,688	-	2,517,756	322,055,444	182,898,327	-	149,496	183,047,823
Pakistan Investment Bonds		124,567,508	-	925,524	125,493,032	107,776,079	-	(8,446,273)	99,329,806
Pakistan Investment Bonds - Floaters		197,319,845	-	(679,410)	196,640,435	96,937,574	-	1,772,076	98,709,650
Government of Pakistan Eurobonds		23,829,041	(97,520)	(116,046)	23,615,475	19,657,993	(271,160)	1,291,623	20,678,456
Government of Pakistan Sukuk		15,106,875	(19,167)	(12,140)	15,075,568	9,056,189	(32,577)	23,973	9,047,585
Corporate Sukuks		1,220,000	-	-	1,220,000	1,220,000	-	-	1,220,000
Ordinary shares of listed companies		15,459,513	(5,537,930)	1,424,824	11,346,407	15,583,291	(5,372,540)	3,199,996	13,410,747
Preference shares		106,842	(70,174)	-	36,668	101,365	(64,698)	-	36,667
Ordinary shares of unlisted companies		754,181	(129,827)	-	624,354	753,900	(129,779)	-	624,121
Investment in REIT		458,590	-	(4,586)	454,004	458,590	-	62,118	520,708
Investment in Mutual Fund		250,000	-	(59,336)	190,664	250,000	-	2,931	252,931
Term Finance Certificates		662,336	(97,278)	-	565,058	791,519	(97,278)	-	694,241
Foreign bonds - sovereign		46,104,381	(342,476)	97,174	45,859,079	43,173,559	(582,836)	2,767,552	45,358,275
Foreign bonds - others		7,424,286	(16,350)	101,601	7,509,537	6,875,693	(39,741)	247,823	7,083,775
		752,801,086	(6,310,722)	4,195,361	750,685,725	485,534,079	(6,590,609)	1,071,315	480,014,785
Held to maturity (HTM) securities									
Market Treasury Bills		2,438,511	-	-	2,438,511	3,458,029	-	-	3,458,029
Pakistan Investment Bonds		174,234,764	-	-	174,234,764	206,994,945	-	-	206,994,945
Government of Pakistan Eurobonds		9,896,666	(244,538)	-	9,652,128	9,147,510	(147,920)	-	8,999,590
Government of Pakistan Sukuk		868,082	(4,240)	-	863,842	800,728	(12,536)	-	788,192
Bai Muajjal with Government of Pakistan	38.2.1	27,998,123	-	-	27,998,123	26,443,679	-	-	26,443,679
Term Finance Certificates		5,322,440	(8,835)	-	5,313,605	5,355,210	(8,835)	-	5,346,375
Corporate Sukuks		12,879,273	(78,149)	-	12,801,124	13,725,143	(87,870)	-	13,637,273
Participation Term Certificates		437	(437)	-	-	437	(437)	-	-
Debentures		2,266	(2,266)	-	-	2,266	(2,266)	-	-
Foreign bonds - sovereign		21,402,073	(246,033)	-	21,156,040	17,762,050	(332,446)	-	17,429,604
Foreign bonds - others		1,433,115	(38,879)	-	1,394,236	1,321,635	(61,085)	-	1,260,550
Recovery note		64,148	(64,148)	-	-	59,157	(59,141)	-	16
CDC SAARC Fund		366	-	-	366	336	-	-	336
		256,540,264	(687,525)	-	255,852,739	285,071,125	(712,536)	-	284,358,589
Associates									
UBL Financial Sector Fund		150,000	-	-	150,000	150,000	-	-	150,000
UBL Insurers Limited		240,000	-	-	240,000	240,000	-	-	240,000
Khushhali Bank Limited	9.4	832,485	-	-	832,485	832,485	-	-	832,485
DHA Cogen Limited	9.5	-	-	-	-	-	-	-	-
		1,222,485	-	-	1,222,485	1,222,485	-	-	1,222,485
Subsidiaries									
United National Bank Limited (UBL UK)		2,855,223	-	-	2,855,223	2,855,223	-	-	2,855,223
UBL (Switzerland) AG		589,837	-	-	589,837	589,837	-	-	589,837
UBL Fund Managers Limited		100,000	-	-	100,000	100,000	-	-	100,000
United Executors and Trustees Company Limited	9.7	30,100	-	-	30,100	30,100	-	-	30,100
		3,575,160	-	-	3,575,160	3,575,160	-	-	3,575,160
Discontinued operation									
UBL Bank (Tanzania) Limited	9.8	1,831,006	(1,688,911)	-	142,095	1,831,006	(1,688,911)	-	142,095
Total Investments		1,024,592,548	(8,687,158)	4,209,865	1,020,115,255	848,376,614	(8,992,056)	1,063,929	840,448,487

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
9.1.1	**Investments given as collateral - at market value**		------- (Rupees in '000) -------	
	Market Treasury Bills		75,677,764	67,189,682
	Pakistan Investment Bonds		14,977,955	13,499,874
	Foreign bonds - sovereign		972,058	-
			91,627,777	80,689,556
9.2	**Provision for diminution in value of investments**			
9.2.1	Opening balance		8,992,056	6,481,656
	Exchange adjustments		111,867	241,816
	Charge / (reversals)			
	Charge for the period / year		548,535	4,820,819
	Reversals for the period / year		(965,300)	(1,621,808)
			(416,765)	3,199,011
	Amounts written off		-	(930,427)
	Closing balance	9.6	8,687,158	8,992,056

9.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2020		(Audited) December 31, 2019	
	Non performing investment (NPI)	Provision	Non performing investment (NPI)	Provision
	---------- (Rupees in '000) ----------			
Domestic				
Loss	312,800	186,965	714,023	196,685
Overseas				
Overdue by:				
> 365 days	85,453	85,453	78,784	78,784
Total	398,253	272,418	792,807	275,469

9.3 The market value of securities classified as held-to-maturity as at June 30,2020 amounted to Rs. 262,204.054 million (December 31, 2019: Rs. 281,380.415 million).

9.4 This represents the Bank's subscription towards the paid-up capital of Khushhali Bank Limited. Pursuant to section 10 of the Khushhali Bank Ordinance, 2000 strategic investors including the Bank cannot sell or transfer their investment before a period of five years that has expired on October 10, 2005. Thereafter, such sale / transfer would be subject to the prior approval of the SBP. However, these shares are still appearing as frozen as no approval has been obtained by the Bank to unfreeze these shares.

9.5 The Bank held 20.99% of the issued and paid up capital of DHA Cogen Limited without any consideration paid. DHA Cogen Limited which has been sold during the period for a consideration of Rs. 152.755 million.

9.6 Provision against investments includes collective impairment under IFRS 9 amounting to Rs: 987.946 million (December 31 2019 Rs. 1,460.657 million).

9.7 The Board of Directors in their meeting held on February 19, 2020 have resolved to wind up “United Executors and Trustees Company Limited”, a wholly owned subsidiary of the Bank. The Company is inactive, and will have no impact on the overall profitability of the Bank.

9.8 UBL Bank (Tanzania) Limited (‘UBTL’) is a wholly owned subsidiary of United Bank Limited. UBTL sold materially all of its assets and liabilities at October 31, 2019, including the loans and advances and deposit book to EXIM Bank Tanzania Limited (‘Exim’), in line with the Asset and Liabilities Purchase Agreement signed on May 22, 2019. The control of these assets and liabilities was transferred to Exim effective from November 1, 2019. The purchase consideration for the sale of assets and liabilities to Exim was Tanzanian Shillings (TZs) 3.3 billion (equivalent to PKR 237.039 million) compared to the book value of equivalent Rs. 142.095 million.The Banking operations of the subsidiary ceased on November 1, 2019. UBTL is currently under winding up and voluntary liquidation.

10. ADVANCES

	Note	Performing		Non-performing		Total	
		(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		520,132,849	573,118,818	84,404,417	73,288,099	604,537,266	646,406,917
Islamic financings and related assets	38.3	26,829,229	9,027,259	109,038	94,043	26,938,267	9,121,302
Bills discounted and purchased		27,015,697	44,205,242	2,850,608	3,218,030	29,866,305	47,423,272
Advances - gross		573,977,775	626,351,319	87,364,063	76,600,172	661,341,838	702,951,491
Provision against advances	10.3						
- Specific		-	-	(70,147,924)	(63,230,361)	(70,147,924)	(63,230,361)
- General		(6,225,481)	(3,501,359)	-	-	(6,225,481)	(3,501,359)
		(6,225,481)	(3,501,359)	(70,147,924)	(63,230,361)	(76,373,405)	(66,731,720)
Advances - net of provision		567,752,294	622,849,960	17,216,139	13,369,811	584,968,433	636,219,771

10.1 Particulars of advances - gross

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
In local currency	489,232,364	516,928,931
In foreign currencies	172,109,474	186,022,560
	661,341,838	702,951,491

10.2 Advances include Rs. 87,364.063 million (December 31, 2019: Rs. 76,600.172 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2020		(Audited) December 31, 2019	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned*	312,004	3,129	322,139	8,561
Substandard	3,103,909	768,360	764,745	188,848
Doubtful	695,663	356,097	325,325	169,274
Loss	23,927,633	22,833,352	25,767,409	24,656,008
	28,039,209	23,960,938	27,179,618	25,022,691
Overseas				
Not past due but impaired**	6,696,879	2,550,976	6,763,366	3,086,501
Overdue by:				
Upto 90 days	1,909,339	922,266	2,804,905	647,984
91 to 180 days	9,199,885	4,941,900	1,643,198	987,640
181 to 365 days	4,673,817	4,049,186	5,518,289	4,967,136
> 365 days	36,844,934	33,722,658	32,690,796	28,518,409
	59,324,854	46,186,986	49,420,554	38,207,670
Total	87,364,063	70,147,924	76,600,172	63,230,361

* The other assets especially mentioned category pertains to agricultural finance and advances to small enterprises.
** Not past due but impaired category mainly represents restructured exposure.

10.3 Particulars of provision against advances

	Note	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		63,230,361	3,501,359	66,731,720	55,893,025	4,442,585	60,335,610
Exchange adjustments		3,761,399	702,312	4,463,711	3,536,985	261,133	3,798,118
Charge / (reversals)							
Charge for the period / year		8,196,418	2,021,810	10,218,228	9,660,850	25,209	9,686,059
Reversals for the period / year		(629,887)	-	(629,887)	(3,521,386)	(1,220,012)	(4,741,398)
	31	7,566,531	2,021,810	9,588,341	6,139,464	(1,194,803)	4,944,661
Transfers in - net		-	-	-	415,504	(7,556)	407,948
Amounts written off		(4,410,367)	-	(4,410,367)	(2,754,617)	-	(2,754,617)
Closing balance		70,147,924	6,225,481	76,373,405	63,230,361	3,501,359	66,731,720

10.3.1 General provision represents provision amounting to Rs. 290.002 million (December 31, 2019: Rs. 328.342 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 5,935.479 million (December 31, 2019: Rs. 3,173.017 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches operate and on account of IFRS 9.

10.3.2 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 1 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. 19.748 million (December 31, 2019: Rs. 35.131 million). The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

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 regulation 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. 5,102.854 million (December 31, 2019: Rs. 5,180.474 million) for the overseas branches.

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
11.	**FIXED ASSETS**		(Rupees in '000)	
	Capital work-in-progress	11.1	602,372	541,722
	Property and equipment		44,029,191	44,765,179
	Right of use assets		6,530,878	7,089,976
			51,162,441	52,396,877
11.1	**Capital work-in-progress**			
	Civil works		340,466	370,308
	Equipment		261,906	171,414
			602,372	541,722

		(Un-audited) January - June 2020	January - June 2019
11.2	**Additions to fixed assets**		
	The following additions have been made to fixed assets during the period:	(Rupees in '000)	
	Capital work-in-progress - net	60,652	431,798
	Property and equipment		
	Building on leasehold land	-	1,206
	Leasehold Improvement	182,986	323,297
	Furniture and fixture	40,266	67,526
	Electrical office and computer equipment	490,618	555,083
	Vehicles	-	2,374
		713,870	949,486
	Total	774,522	1,381,284

		(Un-audited) January - June 2020	January - June 2019
11.3	**Disposal of fixed assets**	------- (Rupees in '000) -----	
	Leasehold land & Building on leasehold land	110,839	-
	Leasehold Improvement	1,352	9,063
	Furniture and fixture	755	1,420
	Electrical office and computer equipment	1,713	19,370
	Vehicles	422	51,802
		115,081	81,655
11.4	**Additions to right-of-use assets**	888,093	7,828,194
11.5	**Dercognition of right-of-use assets**	477,022	-

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
12.	**INTANGIBLE ASSETS**	------- (Rupees in '000) -------	
	Capital work-in-progress	169,661	262,404
	Intangible assets	1,843,924	1,688,598
		2,013,585	1,951,002

		(Un-audited) January - June 2020	January - June 2019
12.1	**Additions to intangible assets**	------- (Rupees in '000) -------	
	Capital work-in-progress - net	(92,743)	109,629
	Additions to directly purchased intangible assets during the period:	522,183	131,397

			(Un-audited) June 30, 2020	(Audited) December 31, 2019
13.	**DEFERRED TAX ASSETS**		------- (Rupees in '000) -------	
	Deferred tax assets	13.1	5,835,443	3,300,164

13.1 Movement in temporary differences during the period

	June 30, 2020 (Un-Audited)			
	At January 01, 2020	Recognized in profit and loss account	Recognized in OCI	At June 30, 2020
	---------- (Rupees in '000) ----------			
Deductible temporary differences on				
- Post retirement employee benefits	837,307	22,484	866,581	1,726,372
- Provision against advances, off balance sheet etc.	3,291,876	2,119,794	-	5,411,670
- Workers' Welfare Fund	1,495,858	194,717	-	1,690,575
- Others	(19,815)	-	106,729	86,914
	5,605,226	2,336,995	973,310	8,915,531
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets / non-banking assets	(739,593)	16,393	7,695	(715,505)
- Surplus on revaluation of investment	(417,813)	-	(1,218,378)	(1,636,191)
- Accelerated tax depreciation	(1,147,656)	419,264	-	(728,392)
	(2,305,062)	435,657	(1,210,683)	(3,080,088)
Net deferred tax assets	3,300,164	2,772,652	(237,373)	5,835,443

	December 31, 2019 (Audited)			
	At January 1, 2019	Recognized in profit and loss account	Recognized in OCI	At December 31, 2019
	(Rupees in '000)			
Deductible temporary differences on				
- Post retirement employee benefits	403,897	103,173	330,237	837,307
- Provision against advances, off balance sheet etc.	2,292,249	999,627	-	3,291,876
- Workers' Welfare Fund	1,083,350	412,508	-	1,495,858
	3,779,496	1,515,308	330,237	5,625,041
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets / non-banking assets	(734,307)	32,786	(38,072)	(739,593)
- Surplus on revaluation of investment	4,880,087	-	(5,297,900)	(417,813)
- Accelerated tax depreciation	(907,089)	(240,567)	-	(1,147,656)
- Others	788,897	(856,524)	47,812	(19,815)
	4,027,588	(1,064,305)	(5,288,160)	(2,324,877)
Net deferred tax assets	7,807,084	451,003	(4,957,923)	3,300,164

14. OTHER ASSETS

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		(Rupees in '000)	
Income / mark-up accrued in local currency - net of provision		30,697,130	28,748,779
Income / mark-up accrued in foreign currencies - net of provision		2,348,444	2,515,758
		33,045,574	31,264,537
Advance taxation - net of provision for taxation	14.1	10,567,241	19,595,118
Receivable from staff retirement fund		255,553	219,006
Receivable from other banks against telegraphic transfers and demand drafts		3,532,978	201,592
Unrealized gain on forward foreign exchange contracts		2,984,652	6,652,236
Rebate receivable - net		692,928	2,142,484
Unrealized gain on derivative financial instruments		999	15,216
Suspense accounts		801,483	682,903
Stationery and stamps on hand		425,180	287,313
Non-banking assets acquired in satisfaction of claims		586,252	1,040,517
Advances, deposits, advance rent and other prepayments		1,885,903	1,100,041
Acceptances		13,692,217	17,366,169
Dividend Receivable		338,733	213,012
Commission Receivable - Branchless Banking		638,957	650,685
Others		2,845,855	2,370,765
		72,294,505	83,801,594
Provision held against other assets	14.2	(1,211,198)	(1,271,877)
Other assets - net of provisions		71,083,307	82,529,717
(Deficit) / surplus on revaluation of non-banking assets acquired in satisfaction of claims		(29,717)	11,341
Other assets - total		71,053,590	82,541,058

14.1 The Income Tax returns of the Bank have been filed up to the tax year 2019 (accounting year ended December 31, 2018) 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 2019, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.11,610 million (2019: Rs.11,610 million) , which have been fully paid as required under the law. 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 2019 (financial year 2018) 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. 1,166 million (2019: Rs. 889 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 branches have been filed upto the year ended December 31, 2018 and for UAE and 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 Bank has received corrective tax assessment of QAR 1 M (Rs: 46.142 million) from the General tax Authority (GTA) in respect of tax year 2004 with no supporting calculations from GTA. Management has requested details for 2004 assessment from GTA, however to date no response has been received. Management is confident that the matters will be decided in favour of the Bank and the possibility of any outcome against it is remote.

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
		---------- (Rupees in '000) ---------	
14.2	**Provision held against other assets**		
	Advances, deposits, advance rent and other prepayments	546,886	547,536
	Non-banking assets acquired in satisfaction of claims	-	85,200
	Receivable from insurance companies against fraud and forgery	664,312	639,141
		1,211,198	1,271,877
14.2.1	**Movement of provision held against other assets**		
	Opening balance	1,271,877	1,086,072
	Exchange adjustments	4,282	3,093
	Charge / (reversals)		
	Charge for the period / year	19,355	326,647
	Reversals for the period / year	(85,200)	(72,670)
		(65,845)	253,977
	Transfers in - net	1,654	(17,000)
	Amounts written off	(770)	(54,265)
	Closing balance	1,211,198	1,271,877

15. CONTINGENT ASSETS

There were no contingent assets as at the statement of financial position date.

16. BILLS PAYABLE

In Pakistan	26,591,930	22,500,509
Outside Pakistan	631,759	426,087
	27,223,689	22,926,596

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	---------- (Rupees in '000) ----------	

17. BORROWINGS

17.1 Particulars of borrowings

Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	31,780,673	30,354,891
Refinance facility for modernization of SME	11,100	10,022
Long term financing facility	22,459,314	22,959,023
Other Borrowings	849,017	-
	55,100,104	53,323,936
Repurchase agreement borrowings	60,676,341	67,233,660
Bai Muajjal payable to other financial institutions	29,774,729	13,812,921
	145,551,174	134,370,517
Unsecured		
Call borrowings	4,882,159	4,680,579
Overdrawn nostro accounts	287,768	588,275
Money market deals	4,860,218	14,844,629
	10,030,145	20,113,483
	155,581,319	154,484,000

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	---------- (Rupees in '000) ----------					
Customers						
Fixed deposits	159,643,935	136,292,306	295,936,241	141,228,719	172,661,074	313,889,793
Savings deposits	487,109,387	48,195,099	535,304,486	450,464,549	33,040,464	483,505,013
Sundry deposits	21,831,668	1,006,782	22,838,450	12,592,638	848,530	13,441,168
Margin deposits	3,353,264	3,231,096	6,584,360	2,825,918	2,931,103	5,757,021
Current accounts - remunerative	1,258,827	4,858,908	6,117,735	1,799,190	6,026,771	7,825,961
Current accounts - non-remunerative	531,822,672	117,792,182	649,614,854	449,956,720	100,687,793	550,644,513
	1,205,019,753	311,376,373	1,516,396,126	1,058,867,734	316,195,735	1,375,063,469
Financial Institutions						
Current deposits	27,249,487	593,873	27,843,360	26,897,943	1,873,591	28,771,534
Savings deposits	27,669,104	33,603	27,702,707	36,132,073	25,334	36,157,407
Term deposits	15,231,338	1,503,075	16,734,413	25,783,802	1,287,249	27,071,051
	70,149,929	2,130,551	72,280,480	88,813,818	3,186,174	91,999,992
	1,275,169,682	313,506,924	1,588,676,606	1,147,681,552	319,381,909	1,467,063,461

18.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 959,189.083 million (December 31, 2019: Rs 854,722.801 million).

19. 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 ADT 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 JCR-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	Profit / 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) June 30, 2020	(Audited) December 31, 2019
		------- (Rupees in '000) -------	
20. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		12,189,770	8,964,301
Mark-up / return / interest payable in foreign currencies		1,424,387	2,142,257
		13,614,157	11,106,558
Accrued expenses		3,447,024	3,969,499
Branch adjustment account		67,941	227,950
Deferred income		1,177,849	878,547
Unearned commission and income on bills discounted		578,958	847,295
Provision against off - balance sheet obligations	20.1	753,731	622,264
Unrealized loss on forward foreign exchange contracts		1,913,245	6,962,186
Trading liabilities		-	6,120,767
Payable to staff retirement fund		2,276,205	736,313
Deferred liabilities		3,842,471	3,743,711
Unrealized loss on derivative financial instruments		7,420	18,155
Workers' Welfare Fund payable		4,334,808	3,835,534
Liabilities against IBFT, ATM and other settlements - net		256,827	1,308,571
Insurance payable against consumer assets		606,928	449,263
Dividend payable		2,001,569	538,884
Acceptances		13,692,217	17,366,169
Charity fund balance		2,424	3,494
Lease liability under IFRS 16		7,417,799	7,761,350
Withholding tax on interest / profit paid on deposits		1,247,925	1,140,866
Others		3,249,867	2,450,933
		60,489,365	70,088,309

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
20.1	**Provision against off-balance sheet obligations**		------- (Rupees in '000) -------	
	Opening balance		622,264	833,397
	Exchange adjustment		49,361	81,237
	Charge for the period / year		214,965	288,288
	Reversals		-	(240,850)
		31	214,965	47,438
	Transfer out		(132,859)	(339,808)
	Closing balance		753,731	622,264
21.	**SURPLUS ON REVALUATION OF ASSETS**			
	Surplus / (deficit) arising on revaluation of assets			
	Available for sale securities	9.1	4,195,361	1,071,315
	Fixed assets		25,722,194	25,872,298
	Non-banking assets acquired in satisfaction of claims		26,646	50,936
			29,944,201	26,994,549
	Less: Deferred tax (asset) / liability on revaluation of:			
	Available for sale securities		1,636,191	417,813
	Fixed assets		705,113	719,728
	Non-banking assets acquired in satisfaction of claims		10,392	19,865
			2,351,696	1,157,406
			27,592,505	25,837,143
22.	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	22.1	169,296,385	170,495,301
	Commitments	22.2	800,392,518	1,206,093,067
	Other contingent liabilities	22.3	15,670,254	15,075,981
			985,359,157	1,391,664,349
22.1	**Guarantees:**			
	Financial guarantees		43,687,693	41,184,047
	Performance guarantees		125,608,692	129,311,254
			169,296,385	170,495,301
22.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		107,868,330	148,263,814
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.2	583,825,659	910,616,840
	- forward government securities transactions	22.2.3	957,509	14,307,720
	- derivatives			
	Interest rate swaps	22.2.4	316,500	316,500
	FX options	22.2.4	318,382	122,594
	- forward lending	22.2.5	106,595,380	130,389,022
	- operating leases	22.2.6	39,852	38,278
	Commitments for acquisition of operating fixed assets			
	- Fixed assets		465,572	2,031,196
	- Intangible		5,334	7,103
			800,392,518	1,206,093,067

22.2.1 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.

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		------- (Rupees in '000) -------	
22.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		312,745,322	482,798,387
Sale		271,080,337	427,818,453
22.2.3 Commitments in respect of forward government securities transactions			
Purchase		815,169	3,043,541
Sale		142,340	11,264,179
22.2.4 Commitments in respect of derivatives			
Interest rate swaps		316,500	316,500
FX options - purchased		159,191	61,297
FX options - sold		159,191	61,297
22.2.5 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.5.1	59,263,446	71,503,628
Others		47,331,934	58,885,394
		106,595,380	130,389,022

22.2.5.1 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) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
22.2.6 Commitments in respect of operating leases		
Not later than one year	39,594	31,887
Later than one year and not later than five years	22	3,136
Later than five years	236	3,255
	39,852	38,278
22.2.7 Commitments in respect of capital expenditure	470,906	2,038,299
22.3 Other contingent liabilities		
22.3.1 Claims against the Bank not acknowledged as debts	11,580,950	10,986,678

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.

22.3.2 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.

22.3.3 For contingencies relating to taxation, refer note 14.1.

23. DERIVATIVE INSTRUMENTS

Product analysis

	June 30, 2020 (Un-Audited)									
	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total	
Counterparties	Notional principal	Mark to Market Gain / (Loss)	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain / (Loss)
	---------- (Rupees in '000) ----------									
Total										
Hedging	-	-	159,191	-	815,169	1,101	-	-	974,360	1,101
Market making	316,500	(7,532)	159,191	-	-	-	(142,340)	10	333,351	(7,522)
	316,500	(7,532)	318,382	-	815,169	1,101	(142,340)	10	1,307,711	(6,421)

	December 31, 2019 (Audited)									
	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total	
Counterparties	Notional principal	Mark to Market Gain / (Loss)	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain / (Loss)
	---------- (Rupees in '000) ----------									
Total										
Hedging	-	-	61,297	-	-	-	-	-	61,297	-
Market making	316,500	(17,107)	61,297	-	3,043,541	(94)	11,264,179	14,262	14,685,517	(2,939)
	316,500	(17,107)	122,594	-	3,043,541	(94)	11,264,179	14,262	14,746,814	(2,939)

	Note	------- (Un-audited) -------	
		January - June 2020	January - June 2019
		------- (Rupees in '000) -------	
24. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		32,357,771	30,510,792
Investments		52,367,899	31,282,540
Lendings to financial institutions		1,370,790	4,011,578
Balances with banks		248,173	759,871
		86,344,633	66,564,781
25. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		35,175,008	28,508,168
Borrowings		8,870,607	5,465,672
Subordinated debts		652,061	591,819
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,941,817	1,572,879
Lease liability against right-of-use assets		584,330	503,459
		47,223,823	36,641,997

	Note	------- (Un-audited) ------- January - June 2020	January - June 2019
		------- (Rupees in '000) -------	
26. FEE AND COMMISSION INCOME			
Branch banking customer fee		815,312	981,870
Consumer finance related fee		425,798	460,146
Card related fees (debit and credit cards)		688,227	799,557
Investment banking fee		85,319	163,070
Financial Institution rebate / commission		139,349	161,021
Corporate service charges / facility fee		185,604	427,552
Commission on trade		348,756	469,245
Commission on guarantees		356,906	447,552
Commission on cash management		373,443	382,502
Commission on remittances including home remittances - net		1,092,127	1,503,136
Commission on bancassurance		478,967	685,942
Commission on Benazir Income Support Program		38,359	374,057
Others		124,189	220,613
		5,152,356	7,076,263
27. GAIN ON SECURITIES - NET			
Realised	27.1	661,833	112,366
Unrealised - held for trading	9.1	14,504	(8,640)
		676,337	103,726
27.1 Realised gain on:			
Federal Government securities		342,531	73,562
Shares		(164,582)	28,718
Foreign securities		487,498	14,975
Other Securities		(3,614)	(4,889)
		661,833	112,366
28. OTHER INCOME			
Charges recovered		115,912	142,496
Rent on lockers / properties		119,557	112,272
Gain on sale of operating fixed assets - net		50,191	33,273
Gain on sale of associate		-	75,294
Gain on sale of Ijarah assets - net		548	629
Gain on disposal of non-banking assets - net		223,054	32,747
Gain on trading liabilities - net		76,068	52,304
Realization of exchange translation reserve - UBL New York branch		-	1,332,626
		585,330	1,781,641

		------- (Un-audited) -------	
		January - June 2020	January - June 2019
29.	**OPERATING EXPENSES**	------- (Rupees in '000) -------	
	Total compensation expense	7,970,879	7,261,632
	Property expense		
	Rent and taxes	498,705	478,077
	Insurance	92,220	93,299
	Utilities cost	603,043	707,411
	Security	509,719	471,914
	Repair and maintenance	65,150	156,998
	Depreciation	391,604	372,464
	Depreciation - Right-of-Use Assets	977,682	1,018,176
	Others	27,729	28,425
		3,165,852	3,326,764
	Information technology expenses		
	Software maintenance	675,495	596,452
	Hardware maintenance	136,081	105,196
	Depreciation	388,336	334,374
	Amortisation	383,908	284,111
	Network charges	352,267	340,941
		1,936,087	1,661,074
	Other operating expenses		
	Directors' fees and allowances	49,749	40,241
	Fees and allowances to Shariah Board	4,560	2,400
	Legal and professional charges	290,252	281,380
	Commission paid to Branch less banking agents	186,004	572,690
	Commission paid to sales force	482,679	765,819
	Outsourced service costs	670,712	554,530
	Travelling and conveyance	48,115	105,447
	Clearing charges	119,870	93,510
	Depreciation	590,284	572,758
	Depreciation on Islamic financing against leased assets	124,174	105,115
	Training and development	19,022	39,453
	Postage and courier charges	127,037	162,639
	Communication	223,969	208,717
	Stationery and printing	258,914	327,626
	Marketing, advertisement and publicity	196,733	459,234
	Donations	240,980	89,515
	Auditors' remuneration	41,397	63,972
	Insurance	96,534	66,451
	Deposit Protection Premium	683,778	651,139
	Cash transportation and sorting charges	372,220	474,658
	Entertainment	61,800	78,185
	Vehicle expenses	46,365	49,498
	Subscription	48,359	49,897
	Office running expenses	83,908	79,346
	Banking service charges	762,299	777,144
	Repairs and maintenance	207,062	199,794
	Cartage, freight and conveyance	19,336	31,386
	Zakat paid by overseas branch	7,369	2,599
	Brokerage expenses	13,296	8,417
	Miscellaneous expenses	11,488	49,689
		6,088,265	6,963,249
		19,161,083	19,212,719
30.	**OTHER CHARGES**		
	Penalties imposed by the SBP	152,252	2,022
	Other penalties	81	196
		152,333	2,218

		Note	------- (Un-audited) -------	
			January - June 2020	January - June 2019
31.	**PROVISIONS AND WRITE-OFFS - NET**		------- (Rupees in '000) -------	
	Provision against loans and advances - net	10.3	9,588,341	1,641,715
	(Reversal) / Provision for diminution in value of investments - net	9.2	(416,765)	3,129,015
	Bad debts written off directly		38,618	31,612
	Reversal of provision against other assets - net		(65,845)	(4,429)
	Provision of / (Reversal) against off - balance sheet obligations	20.1	214,965	(126,747)
	Recovery of written-off / charged off bad debts		(277,453)	(104,421)
	Other provisions / (reversals)& write-offs		347,960	(170,732)
			9,429,821	4,396,013
32.	**TAXATION**			
	Current		10,176,632	6,539,623
	Prior years		-	1,649,756
	Deferred		(2,772,652)	272,432
			7,403,980	8,461,811
33.	**EARNINGS PER SHARE**			
	Profit after taxation for the period		11,400,778	9,542,777
			------- (Number of shares) -------	
	Weighted average number of ordinary shares		1,224,179,687	1,224,179,687
			---------- (Rupees) ----------	
	Earnings per share - basic and diluted		9.31	7.80

There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2020 and June 30, 2019.

34. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in 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.

34.1 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).

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:

	June 30, 2020 (Un-audited)				
	Carrying /	Fair value			
On balance sheet financial instruments	Notional value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets measured at fair value					
- Investments					
Government Securities (T-bills, PIBs, GoP Sukuks and Eurobonds)	691,517,005	-	691,517,005	-	691,517,005
Foreign Bonds - Sovereign	45,859,079	-	45,859,079	-	45,859,079
Foreign Bonds - others	7,509,537	-	7,509,537	-	7,509,537
Ordinary shares of listed companies	11,346,407	11,346,407	-	-	11,346,407
Investment in Mutual funds	190,664	-	190,664	-	190,664
Debt securities (TFCs , Sukuks)	1,785,058	-	1,785,058	-	1,785,058
Investment in REIT	454,004	454,004	-	-	454,004
	758,661,754	11,800,411	746,861,343	-	758,661,754
Financial assets not measured at fair value					
- Investments (HTM, unlisted ordinary shares, preference shares, subsidiaries and associates)	261,453,501	-	-	-	-
	1,020,115,255	11,800,411	746,861,343	-	758,661,754
Off-balance sheet financial instruments -measured at fair value					
Forward purchase and sale of foreign exchange contracts	583,825,659	-	1,071,407	-	1,071,407
Interest rate swaps	316,500	-	(7,532)	-	(7,532)
FX options - purchased and sold	318,382	-	-	-	-
Forward purchase of government securities	815,169	-	1,101	-	1,101
Forward sale of government securities	142,340	-	10	-	10
Fair Value of non-financial assets					
Fixed Assets	39,032,742	-	-	39,032,742	39,032,742
Non-banking assets acquired in satisfaction of claims	556,535	-	-	556,535	556,535
	39,589,277	**-**	**-**	**39,589,277**	**39,589,277**

	December 31, 2019 (Audited)				
	Carrying /	Fair value			
On balance sheet financial instruments	Notional value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets measured at fair value					
- Investments					
Government Securities (T-bills, PIBs, GoP Sukuks and Eurobonds)	481,948,693	-	481,948,693	-	481,948,693
Foreign Bonds - Sovereign	45,358,275	-	45,358,275	-	45,358,275
Foreign Bonds - others	7,083,775	-	7,083,775	-	7,083,775
Ordinary shares of listed companies	13,410,747	13,410,747	-	-	13,410,747
Investment in Mutual funds	252,931	-	252,931	-	252,931
Debt securities (TFCs)	1,914,241	-	1,914,241	-	1,914,241
Investment in REIT	520,708	520,708	-	-	520,708
	550,489,370	13,931,455	536,557,915	-	550,489,370
Financial assets not measured at fair value					
- Investments (HTM, unlisted ordinary shares, preference shares, subsidiaries and associates)	289,959,117	-	-	-	-
	840,448,487	13,931,455	536,557,915	-	550,489,370
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	910,616,840	-	(309,950)	-	(309,950)
Interest rate swaps	316,500	-	(17,107)	-	(17,107)
FX options - purchased and sold	122,594	-	-	-	-
Forward purchase of government securities	3,043,541	-	(94)	-	(94)
Forward sale of government securities	11,264,179	-	14,262	-	14,262
Fair Value of non-financial assets					
Fixed Assets	37,003,125	-	-	37,003,125	37,003,125
Non-banking assets acquired in satisfaction of claims	1,051,858	-	-	1,051,858	1,051,858
	38,054,983	**-**	**-**	**38,054,983**	**38,054,983**

34.2 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.

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

Debt Securities

The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) and the fair value of other corporate and foreign government securities is determined using the rates from Reuters / Bloomberg.

Units of mutual fund

The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

Derivatives

The 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.

35. SEGMENT INFORMATION

35.1 Segment details with respect to business activities

	January - June 2020 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Profit and Loss Account							
Net mark-up / return / profit	22,272,329	33,140,708	(22,017,921)	2,007,256	4,050,078	(331,640)	39,120,810
Inter segment (expense) / revenue - net	(17,209,296)	(30,836,837)	44,442,279	-	-	3,603,854	-
Non mark-up / return / interest income	1,100,359	1,843,874	3,488,818	105,713	1,181,587	1,206,109	8,926,460
Total Income	6,163,392	4,147,745	25,913,176	2,112,969	5,231,665	4,478,323	48,047,270
Segment direct expenses	719,583	243,183	11,854,156	882,422	2,754,969	3,358,378	19,812,691
Inter segment expense allocation	247,653	34,880	2,250,467	-	255,361	(2,788,361)	-
Total expenses	967,236	278,063	14,104,623	882,422	3,010,330	570,017	19,812,691
Provision reversals / (charge)	(700,994)	(155,374)	(243,262)	(4,939)	(8,310,916)	(14,336)	(9,429,821)
Profit / (loss) before tax	4,495,162	3,714,308	11,565,291	1,225,608	(6,089,581)	3,893,970	18,804,758

	January - June 2019 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Profit and Loss Account							
Net mark-up / return / profit	21,314,310	23,253,355	(19,713,299)	1,550,232	4,492,447	(974,261)	29,922,784
Inter segment (expense) / revenue - net	(18,497,541)	(27,608,236)	43,352,145	-	-	2,753,632	-
Non mark-up / return / interest income	1,143,413	2,559,381	4,800,664	123,574	1,638,891	1,779,936	12,045,859
Total Income	3,960,182	(1,795,500)	28,439,510	1,673,806	6,131,338	3,559,307	41,968,643
Segment direct expenses	707,468	103,520	11,911,642	785,942	2,988,904	3,070,566	19,568,042
Inter segment expense allocation	293,522	37,177	2,263,694	-	337,204	(2,931,597)	-
Total expenses	1,000,990	140,697	14,175,336	785,942	3,326,108	138,969	19,568,042
Provision reversals / (charge)	582,588	(2,145,281)	269,576	(5,828)	(2,325,215)	(771,853)	(4,396,013)
Profit / (loss) before tax	3,541,780	(4,081,478)	14,533,750	882,036	480,015	2,648,485	18,004,588

	As at June 30, 2020 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Statement of financial position							
Cash & Bank balances	198,748	95,545,912	103,267,033	14,586,576	60,061,964	840,253	274,500,486
Investments	5,673,872	839,793,334	-	51,572,462	117,628,345	5,447,242	1,020,115,255
Net inter segment lending	-	-	1,078,901,445	-	455,891	62,913,150	1,142,270,486
Lendings to financial institutions	-	-	-	8,156,014	-	-	8,156,014
Advances - performing	404,928,020	18,307	30,858,757	26,811,295	99,440,899	5,695,016	566,679,037
Advances - non-performing net of provision	2,972,312	46,002	1,002,225	18,190	13,137,868	39,542	17,216,139
Others	22,588,220	21,247,637	16,650,707	7,949,957	13,130,286	48,498,252	130,065,059
Total Assets	436,361,172	956,651,192	1,230,680,167	109,094,494	303,855,253	123,433,455	3,159,002,476
Borrowings	51,796,715	93,759,763	363,957	2,939,432	6,721,452	-	155,581,319
Subordinated debts	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	65,909,102	207,554	1,180,223,887	97,533,014	244,390,612	412,437	1,588,676,606
Net inter segment borrowing	290,020,831	852,249,655	-	-	-	-	1,142,270,486
Others	25,510,249	5,668,404	44,510,895	4,325,691	6,062,873	1,634,942	87,713,054
Total Liabilities	433,236,897	951,885,376	1,225,098,739	104,798,137	257,174,937	12,047,379	2,984,241,465
Equity	3,124,274	4,765,816	5,581,428	4,296,357	46,680,316	111,386,077	175,834,268
Total Equity & liabilities	436,361,171	956,651,192	1,230,680,167	109,094,494	303,855,253	123,433,456	3,160,075,733
Contingencies and Commitments	322,983,547	218,357,859	12,091,710	5,051,865	426,413,960	460,216	985,359,157

	As at December 31, 2019 (Audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Statement of financial position							
Cash & Bank balances	81,167	81,316,915	103,752,613	13,897,123	56,768,716	774,238	256,590,772
Investments	5,709,986	674,283,210	-	46,726,238	108,281,811	5,447,242	840,448,487
Net inter segment lending	-	-	974,507,707	-	-	54,818,509	1,029,326,216
Lendings to financial institutions	-	9,450,000	-	10,733,118	-	-	20,183,118
Advances - performing	447,169,097	18,964	35,585,623	9,013,624	125,319,182	5,743,470	622,849,960
Advances - non-performing net of provision	1,385,064	44,946	698,151	3,751	11,212,859	25,040	13,369,811
Others	25,309,420	23,500,715	14,110,975	8,344,406	14,826,735	54,096,850	140,189,101
Total Assets	479,654,734	788,614,750	1,128,655,069	88,718,260	316,409,303	120,905,349	2,922,957,465
Borrowings	52,023,960	95,592,358	-	1,299,975	5,567,707	-	154,484,000
Subordinated debts	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	60,853,339	131,140	1,073,587,125	81,432,150	250,442,809	616,898	1,467,063,461
Net inter segment borrowing	334,356,582	694,764,203	-	-	205,431	-	1,029,326,216
Others	28,237,436	7,443,210	37,156,146	2,457,259	7,619,847	10,101,007	93,014,905
Total Liabilities	475,471,317	797,930,911	1,110,743,271	85,189,384	263,835,794	20,717,905	2,753,888,582
Equity	4,183,417	(9,316,161)	17,911,798	3,528,876	52,573,509	100,187,444	169,068,883
Total Equity & liabilities	479,654,734	788,614,750	1,128,655,069	88,718,260	316,409,303	120,905,349	2,922,957,465
Contingencies and Commitments	380,667,280	586,312,922	11,794,242	5,118,239	405,700,848	2,070,818	1,391,664,349

36. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its associates, subsidiary companies, employee benefit plans and its Directors and Key Management Personnel.

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 with related parties during the period / year, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	June 30, 2020 (Un-Audited)						December 31, 2019 (Audited)					
	Parent	Directors	Key manage-ment personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key manage-ment personnel	Subsidiaries	Associates	Other related parties
Statement of financial position	(Rupees in '000)											
Balances with other banks												
In current accounts	-	-	-	1,368,315	-	-	-	-	-	1,614,178	-	-
In deposit accounts	-	-	-	4,201,267	-	-	-	-	-	3,871,626	-	-
	-	-	-	5,569,582	-	-	-	-	-	5,485,804	-	-
Investments												
Opening balance	-	-	-	5,406,166	1,582,485	3,943,527	-	-	-	5,406,166	1,238,483	4,183,880
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	360,000	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	(15,998)	(240,353)
Closing balance	-	-	-	5,406,166	1,582,485	3,943,527	-	-	-	5,406,166	1,582,485	3,943,527
Provision for diminution in value of investments	-	-	-	1,688,911	-	1,540,280	-	-	-	1,688,911	-	1,126,954
Advances												
Opening balance	-	4,624	220,133	-	2,155,149	12,715,998	-	2,221	160,405	-	2,155,149	6,747,749
Addition during the period / year	-	665	15,760	-	-	15,260,203	-	15,958	145,417	-	-	6,591,282
Repaid during the period / year	-	(5,130)	(41,047)	-	(152,755)	(10,860,457)	-	(13,555)	(85,689)	-	-	(623,033)
Transfer out - net / (write-off)	-	-	(65)	-	(2,002,394)	-	-	-	-	-	-	-
Closing balance	-	159	194,781	-	-	17,115,744	-	4,624	220,133	-	2,155,149	12,715,998
Provision held against advances	-	-	-	-	-	-	-	-	-	-	2,155,149	-

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2020

	June 30, 2020 (Un-Audited)						December 31, 2019 (Audited)					
	Parent	Directors	Key manage-ment personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key manage-ment personnel	Subsidiaries	Associates	Other related parties
Statement of financial position	(Rupees in '000)											
Other Assets												
Interest mark-up accrued	-	-	-	9,608	6,536	459,489	-	-	-	-	7,289	325,704
Receivable from staff retirement fund	-	-	-	-	-	255,553	-	-	-	-	-	219,006
Advances, Deposits & Prepayments	-	-	-	-	-	113,634	-	-	-	-	-	113,634
Prepaid insurance	-	-	-	-	263,879	-	-	-	-	-	2,167	-
Dividend Receivable	-	-	-	163,176	-	104,215	-	-	-	-	-	-
Other receivable	-	-	-	12,672	1,505	30,164	-	-	-	21,989	1,505	30,164
Provision against other assets	-	-	-	-	-	30,164	-	-	-	-	-	30,164
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	1,364,695	-	12,400
Borrowings during the period / year	-	-	-	113,839	-	1,494,300	-	-	-	613,492	-	579,400
Settled during the period / year	-	-	-	-	-	(1,380,600)	-	-	-	(1,978,187)	-	(591,800)
Closing balance	-	-	-	113,839	-	113,700	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	-	8,679,450	49,368	211,870	6,502,931	11,346,752	-	6,245,367	66,302	312,882	11,638,644	8,488,923
Received during the period / year	-	12,120,384	769,340	7,851,766	77,788,859	83,932,714	-	38,666,071	913,271	14,227,866	160,641,938	267,658,066
Withdrawn during the period / year	-	(14,840,982)	(703,532)	(7,865,623)	(81,203,509)	(80,138,137)	-	(36,231,988)	(930,205)	(14,328,878)	(165,777,647)	(264,800,237)
Transfer (out) / in - net	-	-	(2,865)	-	-	-	-	-	-	-	(4)	-
Closing balance	-	5,958,852	112,311	198,013	3,088,281	15,141,329	-	8,679,450	49,368	211,870	6,502,931	11,346,752
Other Liabilities												
Interest / mark-up payable on deposits and borrowings	-	27,362	210	-	26,599	118,743	-	35,257	-	-	72,233	94,554
Payable to staff retirement fund	-	-	-	-	-	2,276,205	-	-	-	-	-	736,313
Deferred performance bonus – MRTs / MRCs	-	-	95,095	-	-	-	-	-	-	-	-	-
Dividend Payable	1,579,322	52,965	-	-	-	-	-	-	-	-	-	-
Unearned income	-	-	-	1,019	-	5,548	-	-	-	-	-	13,869
Other Payable	-	25,800	-	-	-	-	-	-	-	-	-	-
Contingencies and Commitments												
Letter of guarantee	-	-	-	236,715	-	4,675	-	-	-	220,092	-	-
Forward foreign exchange contracts purchase	-	-	-	1,839,523	-	-	-	-	-	2,035,238	-	-
Forward foreign exchange contracts sale	-	-	-	1,848,557	-	-	-	-	-	2,028,078	-	-

	June 30, 2020 (Un-Audited)						June 30, 2019 (Un-Audited)					
	Parent	Directors	Key manage-ment personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key manage-ment personnel	Subsidiaries	Associates	Other related parties
Profit and loss account	(Rupees in '000)											
Income												
Mark-up / return / interest earned	-	-	8,299	61,733	25,598	792,973	-	-	5,635	66,119	7,696	340,059
Commission / charges recovered	-	46	1,687	475	11,170	10,137	-	64	645	375	3,925	2,794
Dividend income	-	-	-	379,039	18,472	139,868	-	-	-	134,311	91,518	134,775
Net gain on sale of securities	-	-	-	-	-	-	-	-	-	-	-	28,515
Other income	-	-	7,166	-	-	9,215	-	-	-	745	3,996	-
Reserval of Provision	-	-	-	-	152,755	-	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	104,302	-	-	-	-	-	137,164
Management fee	-	-	-	689	-	-	-	-	-	3,637	-	-
Expense												
Mark-up / return / interest paid	-	99,948	458	7,489	277,728	192,264	-	117,147	653	39,690	406,458	145,933
Remuneration paid	-	-	356,803	-	-	-	-	-	257,730	-	-	-
Post employment benefits	-	-	11,376	-	-	-	-	-	10,125	-	-	-
Non-executive directors' fee and allowances	-	49,749	-	-	-	-	-	40,241	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	180,145	-	-	-	-	-	168,170
Charge for defined benefit plans	-	-	-	-	-	167,442	-	-	-	-	-	138,720
Other expenses	-	-	-	-	-	21,942	-	-	-	2,195	-	966
Clearing Charges	-	-	-	-	-	64,874	-	-	-	-	-	68,451
Seminar and Membership fees	-	-	-	-	-	1,298	-	-	-	-	-	3,421
Membership, Subscription , Sponsorship and maintenance charges	-	-	-	-	-	400	-	-	-	-	-	13,231
Custody Charges	-	-	-	-	-	2,189	-	-	-	-	-	3,112
Insurance premium paid	-	-	-	-	514,302	-	-	-	-	-	259,681	-
Insurance claims settled	-	-	-	-	183,804	-	-	-	-	-	123,197	-

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,798	12,241,798
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	116,923,523	114,847,818
Eligible Additional Tier 1 (ADT 1) Capital	9,834,770	9,834,770
Total Eligible Tier 1 Capital	126,758,293	124,682,588
Eligible Tier 2 Capital	40,450,749	33,900,041
Total Eligible Capital (Tier 1 + Tier 2)	167,209,042	158,582,629
Risk Weighted Assets (RWAs):		
Credit Risk	591,265,824	641,690,286
Market Risk	55,483,747	48,583,248
Operational Risk	146,919,473	146,919,473
Total	793,669,044	837,193,007
Common Equity Tier 1 Capital Adequacy Ratio	14.73%	13.72%
Tier 1 Capital Adequacy Ratio	15.97%	14.89%
Total Capital Adequacy Ratio	21.07%	18.94%

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 year ended December 31, 2019 stood at Rs.12,241.798 million (2018: Rs.12,241.798 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% and High Loss Absorbency Requirement of 1.0% 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 2.50% to 1.50%, 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 June 30, 2020. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 21.07% whereas CET 1 and Tier 1 ratios stood at 14.73% and 15.97% 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. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level during 2019. As per SBP's designation of D-SIBs for the year 2019, the HLA capital charge required to be maintained by UBL has been reduced from 1.5% to 1.0%. The revised HLA capital charge will be applicable from March 31, 2020 and will remain effective till next D-SIB designation is announced by the State Bank of Pakistan.

Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are also applied against the Bank's exposures based on eligible collateral under comprehensive approach.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	126,758,293	124,682,588
Total Exposures	2,449,532,903	2,377,100,067
Leverage Ratio	5.17%	5.25%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	774,581,094	530,454,588
Total Net Cash Outflow	290,724,025	206,998,861
Liquidity Coverage Ratio	266.43%	256.26%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,726,327,966	1,598,050,689
Total Required Stable Funding	1,115,617,217	1,170,120,900
Net Stable Funding Ratio	154.74%	136.57%

38. ISLAMIC BANKING BUSINESS

The Bank operates 100 (December 31, 2019: 100) Islamic Banking branches and 162 (December 31, 2019: 162) Islamic Banking windows.

The statement of financial position of the Bank's Islamic Banking branches as at June 30, 2020 is as follows:

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		--------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks		10,123,786	13,092,570
Balances with other banks		4,462,790	804,553
Due from financial institutions	38.1	8,156,014	10,733,118
Investments	38.2	51,572,462	46,726,238
Islamic financing and related assets	38.3	26,829,485	9,017,375
Fixed assets		956,740	1,038,809
Intangible assets		5,950	7,263
Due from Head Office		6,273,598	6,824,821
Other assets		713,669	473,513
Total Assets		109,094,494	88,718,260
LIABILITIES			
Bills payable		1,643,784	924,527
Due to financial institutions		2,939,432	1,299,975
Deposits and other accounts	38.4	97,533,014	81,432,150
Other liabilities		2,681,907	1,532,732
		104,798,137	85,189,384
NET ASSETS		4,296,357	3,528,876
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Deficit on revaluation of assets		(40,000)	(59,860)
Accumulated profit		2,155,357	1,407,736
		4,296,357	3,528,876
CONTINGENCIES AND COMMITMENTS	38.5		

The profit and loss account of the Bank's Islamic Banking branches for the six months ended June 30 is as follows:

		-------(Un-audited)-------	
		January - June 2020	January - June 2019
		--------- (Rupees in '000) ---------	
Profit / return earned	38.6	4,606,068	3,564,688
Profit / return expensed	38.7	(2,598,812)	(2,014,456)
Net profit / return		2,007,256	1,550,232
Other income			
Fee and Commission Income		102,446	113,821
Foreign Exchange Income		1,058	288
Loss on securities		(5,197)	(4,888)
Other Income		7,406	14,353
Total Other Income		105,713	123,574
Total Income		2,112,969	1,673,806
Operating expenses		(882,422)	(785,942)
Profit before provisions		1,230,547	887,864
Provisions and write-offs - net		(4,939)	(5,828)
Profit before taxation		1,225,608	882,036
Taxation		(477,987)	(343,994)
Profit after taxation		747,621	538,042

38.1 Due from Financial Institutions

	June 30, 2020 (Un-Audited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Call money lending	2,000,000	-	2,000,000	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	10,733,118	-	10,733,118
Bai Muajjal Receivable from State Bank of Pakistan	6,156,014	-	6,156,014	-	-	-
	8,156,014	-	8,156,014	10,733,118	-	10,733,118

38.2 Investments by segments

		June 30, 2020 (Un-Audited)				December 31, 2019 (Audited)			
		Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value
		(Rupees in '000)							
Federal Government Securities									
-Ijarah Sukuks		10,000,000	-	(40,000)	9,960,000	5,900,860	-	(59,860)	5,841,000
-Bai muajjal with Govt. of Pakistan	38.2.1	27,998,123	-	-	27,998,123	26,443,679	-	-	26,443,679
		37,998,123	-	(40,000)	37,958,123	32,344,539	-	(59,860)	32,284,679
Non Government Debt Securities									
-Listed		450,000	-	-	450,000	450,000	-	-	450,000
-Unlisted		13,164,339	-	-	13,164,339	13,991,559	-	-	13,991,559
		13,614,339	-	-	13,614,339	14,441,559	-	-	14,441,559
Total Investments		51,612,462	-	(40,000)	51,572,462	46,786,098	-	(59,860)	46,726,238

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
38.2.1 Bai Muajjal with Government of Pakistan		
Bai Muajjal Investment	33,031,000	33,031,000
Less: Deferred Income	(5,032,877)	(6,587,321)
Bai Muajjal Investment - net	27,998,123	26,443,679

38.3 Islamic financing and related assets

Ijarah	550,810	654,998
Murabaha	278,968	421,509
Musharaka	14,992,781	64,199
Diminishing Musharaka	6,600,322	5,554,909
Istisna	-	139,105
Islamic Export Refinance scheme - Musharakah	2,639,544	999,544
Islamic Export Refinance scheme - Murabaha	303,754	303,449
Advances against Islamic assets		
Advances against Ijara	-	18,939
Advances for Diminishing Musharika	68,075	114,776
Advances for Murabaha	55,026	153,105
Advances for Istisna	715,571	416,601
Inventory related to Islamic financing		
Istisna	159,534	166,760
Profit and other receivables against financings	573,882	113,408
Gross Islamic financing and related assets	26,938,267	9,121,302
Less: Provision against Islamic financings		
- Specific	(90,848)	(85,346)
- General	(17,934)	(18,581)
	(108,782)	(103,927)
Islamic financing and related assets - net of provision	26,829,485	9,017,375

38.1 Due from Financial Institutions

	June 30, 2020 (Un-Audited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Call money lending	2,000,000	-	2,000,000	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	10,733,118	-	10,733,118
Bai Muajjal Receivable from State Bank of Pakistan	6,156,014	-	6,156,014	-	-	-
	8,156,014	-	8,156,014	10,733,118	-	10,733,118

38.2 Investments by segments

		June 30, 2020 (Un-Audited)				December 31, 2019 (Audited)			
		Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value
		(Rupees in '000)							
Federal Government Securities									
-Ijarah Sukuks		10,000,000	-	(40,000)	9,960,000	5,900,860	-	(59,860)	5,841,000
-Bai muajjal with Govt. of Pakistan	38.2.1	27,998,123	-	-	27,998,123	26,443,679	-	-	26,443,679
		37,998,123	-	(40,000)	37,958,123	32,344,539	-	(59,860)	32,284,679
Non Government Debt Securities									
-Listed		450,000	-	-	450,000	450,000	-	-	450,000
-Unlisted		13,164,339	-	-	13,164,339	13,991,559	-	-	13,991,559
		13,614,339	-	-	13,614,339	14,441,559	-	-	14,441,559
Total Investments		51,612,462	-	(40,000)	51,572,462	46,786,098	-	(59,860)	46,726,238

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
38.2.1 Bai Muajjal with Government of Pakistan		
Bai Muajjal Investment	33,031,000	33,031,000
Less: Deferred Income	(5,032,877)	(6,587,321)
Bai Muajjal Investment - net	27,998,123	26,443,679

38.3 Islamic financing and related assets

Ijarah	550,810	654,998
Murabaha	278,968	421,509
Musharaka	14,992,781	64,199
Diminishing Musharaka	6,600,322	5,554,909
Istisna	-	139,105
Islamic Export Refinance scheme - Musharakah	2,639,544	999,544
Islamic Export Refinance scheme - Murabaha	303,754	303,449
Advances against Islamic assets		
Advances against Ijara	-	18,939
Advances for Diminishing Musharika	68,075	114,776
Advances for Murabaha	55,026	153,105
Advances for Istisna	715,571	416,601
Inventory related to Islamic financing		
Istisna	159,534	166,760
Profit and other receivables against financings	573,882	113,408
Gross Islamic financing and related assets	26,938,267	9,121,302
Less: Provision against Islamic financings		
- Specific	(90,848)	(85,346)
- General	(17,934)	(18,581)
	(108,782)	(103,927)
Islamic financing and related assets - net of provision	26,829,485	9,017,375

38.4 Deposits and other accounts

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Customers		
Current deposits	40,267,498	33,257,380
Savings deposits	17,059,473	13,018,167
Term deposits	8,122,836	8,414,762
	65,449,807	54,690,309
Financial Institutions		
Current deposits	2,752,412	2,488,822
Savings deposits	14,802,357	8,772,019
Term deposits	14,528,438	15,481,000
	32,083,207	26,741,841
	97,533,014	81,432,150

38.4.1 Deposits eligible to be covered under insurance arrangements amounting to Rs. 44,217.224 million (December 31, 2019: Rs. 39,534.355 million).

38.5 Contingencies and commitments

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
- Guarantees	59,267	10,602
- Commitments	4,992,598	5,107,637
	5,051,865	5,118,239

38.6 Profit / Return Earned on Financing, Investments and Placements

	-------(Un-audited)------- January - June 2020	January - June 2019
	------- (Rupees in '000) -------	
Financing	1,069,129	501,252
Investments	2,648,665	2,176,443
Placements	731,028	759,226
Rental Income from Ijarah	157,246	127,767
	4,606,068	3,564,688

38.7 Profit on Deposits and other Dues Expensed

Deposits and other accounts	2,519,427	1,951,983
Due to Financial Institutions	21,114	14,180
Return expense on leases	58,271	48,293
	2,598,812	2,014,456

38.8 Islamic Banking Business Unappropriated Profit

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Opening Balance	1,407,736	483,189
Add: Islamic Banking profit for the period / year	1,225,608	1,551,564
Taxation	(477,987)	(627,017)
Closing Balance	2,155,357	1,407,736

38.9 Disclosures for profit and loss distribution and pool management

UBL Ameen (the Mudarib) Operates different pools which accept deposits on the basis of Mudaraba from depositors (Rabbulmaal) and accepts funds from inter-bank under Mudaraba, Musharakah and Wakalah modes. Pool funds are invested in Islamic modes of financing and investments.

Ameen Daily Munafa Account (ADMA) Pool

The ADMA pool consists of deposits for the ADMA product. 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)

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.

Islamic Export Refinance Pool(s)

Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan for Islamic Export Refinance to the Bank's customers and liquidity management respectively under the Musharakah / Modaraba modes.

Treasury Pool(s)

Treasury Pools are managed on the basis of Musharakah, Mudarabah and Wakalah, wherein UBL Ameen and FI share actual return earned by the pool according to pre-defined profit sharing ratio and Wakalah fee.

General Pool

The General pool consists of all other remunerative deposits. UBL Ameen (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The Bank managed following pools during the period.

	June 30, 2020 (Un-Audited)								
	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharkah share / Wakala 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	6	Mudarbaha	Monthly	5.29%	50.00%	3,713	3%	16.55%	615
Special Pools	60	Mudarbaha	Monthly	12.45%	28.45%	355,547	9.94%	31.50%	112,006
IERS Pools	12	Musharkah	Monthly	4.94%	86.89%	139,090	2.00%	0.00%	-
General Pools	6	Mudarbaha	Monthly	11.90%	50.00%	1,087,379	7.71%	29.62%	322,032

	June 30, 2019 (Un- Audited)								
	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharkah share / Wakala 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	6	Mudarbaha	Monthly	5.03%	50.00%	3,958	3%	11.35%	449
Special Pools	70	Mudarbaha	Monthly	10.80%	7.80%	101,927	10.10%	17.38%	17,713
IERS Pools	19	Musharkah	Monthly	3.95%	73.97%	29,804	2.00%	0.00%	-
General Pools	6	Mudarbaha	Monthly	10.95%	50.00%	586,111	6.73%	22.86%	133,972
Treasury Pools	2	Musharkah	As required	12.93%	25.77%	1,278,366	9.60%	0.00%	-

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	-------Rupees in '000-----	
38.10 Deployment of Mudaraba based deposits by class of business		
Chemical and pharmaceuticals	2,634,359	881,578
Agri business	15,850,653	341,340
Textile	1,629,244	1,795,124
Financial	7,258,390	12,480,670
Food industries	473,969	508,003
Plastic	296,346	290,050
Individuals	1,410,467	1,460,332
Production and Transmission of energy	13,917,223	15,341,872
Government of Pakistan Securities	44,114,136	32,284,679
Others	3,544,744	2,065,022
	91,129,531	67,448,670

39. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In compliance with the SBP's instructions as disclosed in note 4.8 to the condensed interim unconsolidated financial statements, the Board of Directors, in its meeting held on August 05, 2020 has not declared any cash dividend in respect of the quarter ended June 30, 2020 (June 30, 2019: Rs 2.50 per share). Therefore, there is no non-adjusting event after the balance sheet date.

40. GENERAL

40.1 Comparatives

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

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

41. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements were authorised for issue on August 05, 2020 by the Board of Directors of the Bank.

Aameer Karachiwalla	Shazad G. Dada	Haider Zameer Choudrey	Arshad Ahmad Mir	Sir Mohammed Anwar Pervez, OBE, HPk
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

where you come first

UNITED BANK LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		---------- (Rupees in '000) ----------	
ASSETS			
Cash and balances with treasury banks	6	252,996,659	243,370,701
Balances with other banks	7	48,700,802	42,722,227
Lendings to financial institutions	8	12,836,424	21,692,946
Investments	9	1,055,134,273	874,561,737
Advances	10	648,062,327	694,934,463
Fixed assets	11	56,898,709	58,276,411
Intangible assets	12	2,158,472	2,070,938
Deferred tax assets	13	4,247,939	1,723,553
Assets classified as held for sale	14	245,615	236,450
Other assets	15	72,176,236	84,085,440
		2,153,457,456	2,023,674,866
LIABILITIES			
Bills payable	17	27,227,388	22,929,220
Borrowings	18	163,601,669	170,405,060
Deposits and other accounts	19	1,692,864,733	1,557,995,306
Liabilities against assets subject to finance lease	20	16,067	19,095
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities		-	-
Liabilities directly associated with assets classified as held for sale	14	23,408	17,936
Other liabilities	22	62,168,034	71,436,378
		1,955,901,299	1,832,802,995
NET ASSETS		197,556,157	190,871,871
REPRESENTED BY:			
Share capital		12,241,798	12,241,798
Reserves		71,388,155	66,676,411
Surplus on revaluation of assets	23	29,015,599	27,404,558
Unappropriated profit		77,959,824	77,335,249
Total equity attributable to the equity holders of the Bank		190,605,376	183,658,016
Non-controlling interest		6,950,781	7,213,855
		197,556,157	190,871,871
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	Note	April - June 2020	April - June 2019	January - June 2020	January - June 2019
		------ (Rupees in '000) ------			
Mark-up / return / interest earned	26	43,965,382	36,103,904	88,339,565	68,241,685
Mark-up / return / interest expensed	27	21,685,691	20,485,522	48,270,433	37,656,138
Net mark-up / interest income		22,279,691	15,618,382	40,069,132	30,585,547
Non mark-up / interest income					
Fee and commission income	28	2,595,330	3,968,195	6,056,639	8,099,318
Dividend income		218,133	413,192	395,832	639,614
Foreign exchange income		1,050,376	1,334,101	1,821,352	2,286,903
(Loss) / income from derivatives		(2,234)	33,944	(13,508)	85,426
Gain on securities - net	29	400,209	268,589	858,261	309,937
Other income	30	359,363	1,619,155	582,766	1,727,373
Total non mark-up / interest income		4,621,177	7,637,176	9,701,342	13,148,571
Total income		26,900,868	23,255,558	49,770,474	43,734,118
Non mark-up / interest expenses					
Operating expenses	31	10,629,619	11,139,601	20,944,433	20,902,009
Workers' Welfare Fund		283,511	172,581	502,933	356,662
Other charges	32	(28,706)	233	152,333	2,218
Total non mark-up / interest expenses		10,884,424	11,312,415	21,599,699	21,260,889
Share of profit of associates		191,665	105,153	44,129	348,724
Profit before provisions		16,208,109	12,048,296	28,214,904	22,821,953
Provisions and write-offs - net	33	6,251,277	2,794,920	9,952,594	3,677,940
Profit before taxation from continuing operations		9,956,832	9,253,376	18,262,310	19,144,013
Taxation	34	4,125,432	3,594,048	7,525,752	8,646,392
Profit after taxation from continuing operations		5,831,400	5,659,328	10,736,558	10,497,621
Discontinued operations					
Loss from discontinued operations - net of tax	14	(16,776)	(544,772)	(10,271)	(1,330,512)
Profit after taxation		5,814,624	5,114,556	10,726,287	9,167,109
Attributable to:					
Equity holders of the Bank					
from continuing operations		6,085,264	5,678,251	10,956,381	10,506,813
from discontinued operations		(16,776)	(544,772)	(10,271)	(1,330,512)
		6,068,488	5,133,479	10,946,110	9,176,301
Non-controlling interest		(253,864)	(18,923)	(219,823)	(9,192)
		5,814,624	5,114,556	10,726,287	9,167,109
		---------- (Rupees) ----------			
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Bank					
Basic and diluted		4.97	4.64	8.95	8.58
Earnings per share for profit attributable to the ordinary equity holders of the Bank					
Basic and diluted	35	4.96	4.19	8.94	7.50

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	April - June 2020	April - June 2019	January - June 2020	January - June 2019
	------- (Rupees in '000) -------			
Profit after tax for the period attributable to:				
Equity holders of the Bank				
from continuing operations	6,085,264	5,678,251	10,956,381	10,506,813
from discontinued operations	(16,776)	(544,772)	(10,271)	(1,330,512)
	6,068,488	5,133,479	10,946,110	9,176,301
Non-controlling interest	(253,864)	(18,923)	(219,823)	(9,192)
	5,814,624	5,114,556	10,726,287	9,167,109
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods				
Effect of translation of net investment in foreign branches and subsidiaries				
Equity holders of the Bank	331,151	7,698,165	3,551,806	9,106,339
Non-controlling interest	(748,363)	575,546	83,099	767,010
	(417,212)	8,273,711	3,634,905	9,873,349
Movement in surplus / (deficit) on revaluation of investments - net of tax				
Equity holders of the Bank	8,666,397	(687,930)	1,833,004	1,805,768
Non-controlling interest	698,613	37,629	(65,869)	292,056
	9,365,010	(650,301)	1,767,135	2,097,824
	8,947,798	7,623,410	5,402,040	11,971,173
Items that will not be reclassified to profit and loss account in subsequent periods				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(835,581)	679,587	(1,355,438)	679,587
Movement in (deficit) / surplus on revaluation of fixed assets - net of tax				
Equity holders of the Bank	(60,788)	183,188	(70,034)	227,042
Non-controlling interest	(49,697)	147,842	(58,631)	251,797
	(110,485)	331,030	(128,665)	478,839
Movement in deficit on revaluation of non-banking assets - net of tax	(920)	(14,786)	(920)	(15,026)
	(946,986)	995,831	(1,485,023)	1,143,400
Total comprehensive income for the period	13,815,436	13,733,797	14,643,304	22,281,682
Attributable to:				
Equity holders of the Bank				
from continuing operations	14,185,523	13,536,475	14,914,799	22,310,523
from discontinued operations	(16,776)	(544,772)	(10,271)	(1,330,512)
	14,168,747	12,991,703	14,904,528	20,980,011
Non-controlling interest	(353,311)	742,094	(261,224)	1,301,671
	13,815,436	13,733,797	14,643,304	22,281,682

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	January - June 2020	January - June 2019
	---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including discontinuing operations	18,251,089	18,049,858
Less: Dividend income	(395,832)	(639,614)
Less: Share of profit of associates	(44,129)	(348,724)
	17,811,128	17,061,520
Adjustments:		
Depreciation on fixed assets	1,410,119	1,344,178
Depreciation on Islamic financing against leased assets (Ijarah)	124,174	105,115
Depreciation on right of use assets	977,682	1,018,176
Amortization	418,805	310,792
Workers' Welfare Fund	502,933	356,662
Provision for retirement benefits	587,684	542,116
Provision for compensated absences	99,118	87,325
Provision against loans and advances - net	9,607,327	2,136,665
Provision for diminution in value of investments - net	86,153	2,688,954
Interest expense on lease liability	584,330	503,459
Gain on sale of fixed assets - net	(50,191)	(33,292)
Gain on sale of ijarah assets - net	(548)	(629)
Bad debts written off directly	39,487	31,260
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(14,504)	8,641
Realization of exchange translation reserve - UBL New York branch	-	(1,332,626)
Other provisions / (reversals) and write-offs	282,115	(38,471)
	14,654,684	7,728,325
	32,465,812	24,789,845
(Increase) / decrease in operating assets		
Lendings to financial institutions	8,856,522	12,751,847
Held for trading securities	62,512,826	(32,512,858)
Advances	37,100,744	68,985,880
Other assets (excluding advance taxation)	2,702,238	(13,424,899)
	111,172,330	35,799,970
Increase / (decrease) in operating liabilities		
Bills payable	4,298,168	2,610,524
Borrowings	(6,803,391)	(44,017,903)
Deposits and other accounts	134,869,427	87,527,119
Other liabilities (excluding current taxation)	(12,303,040)	(415,265)
	120,061,164	45,704,475
	263,699,306	106,294,290
Payments on account of staff retirement benefits	(1,437,990)	(2,641,510)
Income taxes paid	(1,312,720)	(3,904,733)
Net cash flows generated from operating activities	260,948,596	99,748,047
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(268,965,808)	(59,697,852)
Net investments in held to maturity securities	28,091,919	20,657,866
Net investments in associates	502,479	439,980
Dividend income received	433,287	483,293
Investment in fixed assets and intangible assets	(1,700,152)	(1,924,559)
Sale proceeds from disposal of fixed assets	163,871	145,373
Sale proceeds from disposal of ijarah assets	952	20,866
Exchange differences on translation of net investment in foreign branches and subsidiaries attributable to:		
- Equity holders of the Bank	3,551,806	9,106,339
- Non-controlling interest	83,099	767,010
Net cash flows used in investing activities	(237,838,547)	(30,001,684)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from subordinated debt	-	1,000,000
Payment of lease liability against right of use assets	(1,003,574)	(1,653,486)
Dividends paid to:		
- Equity holders of the Bank	(6,494,483)	(6,198,959)
- Non-controlling interest	(2,260)	(1,540)
Net cash flows used in financing activities	(7,500,317)	(6,853,985)
Increase in cash and cash equivalents during the period	15,609,732	62,892,378
Cash and cash equivalents at the beginning of the period	286,329,378	229,662,731
Cash and cash equivalents at the end of the period	301,939,110	292,555,109

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020

	Attributable to equity shareholders of the Bank									Non-controlling Interest	Total
	Share Capital	General reserve	Statutory reserve	Capital reserve - Exchange translation	Surplus/(Deficit) on revaluation of Investments	Fixed Assets	Non Banking Assets	Unappro-priated profit	Sub total		
	(Rupees in '000)										
Balance as at December 31, 2018 (Audited)	12,241,798	3,000	31,353,522	28,722,348	(10,230,277)	27,117,327	105,856	73,749,955	163,063,529	5,560,330	168,623,859
Total comprehensive income for the six months ended June 30, 2019											
Profit after taxation for the six months ended June 30, 2019	-	-	-	-	-	-	-	9,176,301	9,176,301	(9,192)	9,167,109
Other comprehensive income - net of tax	-	-	-	9,106,339	1,805,768	227,042	(15,026)	679,587	11,803,710	1,310,863	13,114,573
Total comprehensive income for the six months ended June 30, 2019	-	-	-	9,106,339	1,805,768	227,042	(15,026)	9,855,888	20,980,011	1,301,671	22,281,682
Ordinary dividend relating to Non-controlling shareholders	-	-	-	-	-	-	-	-	-	(1,540)	(1,540)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(28,621)	-	28,207	(414)	414	-
Transfer to statutory reserve	-	-	978,549	-	-	-	-	(978,549)	-	-	-
Transactions with owners for the six months ended June 30, 2019											
Final cash dividend - December 31, 2018 declared subsequent to the year end at Rs.3.0 per share	-	-	-	-	-	-	-	(3,672,539)	(3,672,539)	-	(3,672,539)
Interim cash dividend - March 31, 2019 declared subsequent to the period end at Rs.2.5 per share	-	-	-	-	-	-	-	(3,060,449)	(3,060,449)	-	(3,060,449)
Realization of exchange translation reserve	-	-	-	(1,332,626)	-	-	-	-	(1,332,626)	-	(1,332,626)
Balance as at June 30, 2019 (Un-audited)	12,241,798	3,000	32,332,071	36,496,061	(8,424,509)	27,315,748	90,830	75,922,513	175,977,512	6,860,875	182,838,387
Total comprehensive income for the six months ended December 31, 2019											
Profit after taxation for the six months ended December 31, 2019	-	-	-	-	-	-	-	9,918,840	9,918,840	(37,651)	9,881,189
Other comprehensive income - net of tax	-	-	-	(3,111,433)	8,613,991	156,828	54,624	(1,219,772)	4,494,238	391,853	4,886,091
Total comprehensive income for the six months ended December 31, 2019	-	-	-	(3,111,433)	8,613,991	156,828	54,624	8,699,068	14,413,078	354,202	14,767,280
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	-	(262,309)	(114,383)	376,692	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(26,262)	-	26,676	414	(1,222)	(808)
Transfer to statutory reserve	-	-	956,712	-	-	-	-	(956,712)	-	-	-
Transactions with owners for the six months ended December 31, 2019											
Interim cash dividend - June 30, 2019 declared at Rs.2.5 per share	-	-	-	-	-	-	-	(3,060,449)	(3,060,449)	-	(3,060,449)
Interim cash dividend - September 30, 2019 at Rs.3.0 per share	-	-	-	-	-	-	-	(3,672,539)	(3,672,539)	-	(3,672,539)
	-	-	-	-	-	-	-	(6,732,988)	(6,732,988)	-	(6,732,988)
Balance as at December 31, 2019 (Audited)	12,241,798	3,000	33,288,783	33,384,628	189,482	27,184,005	31,071	77,335,249	183,658,016	7,213,855	190,871,871
Total comprehensive income for the six months ended June 30, 2020											
Profit after taxation for the six months ended June 30, 2020	-	-	-	-	-	-	-	10,946,110	10,946,110	(219,823)	10,726,287
Other comprehensive income - net of tax	-	-	-	3,551,806	1,833,004	(70,034)	(920)	(1,355,438)	3,958,418	(41,401)	3,917,017
Total comprehensive income for the six months ended June 30, 2020	-	-	-	3,551,806	1,833,004	(70,034)	(920)	9,590,672	14,904,528	(261,224)	14,643,304
Ordinary dividend relating to Non-controlling shareholders	-	-	-	-	-	-	-	-	-	(2,260)	(2,260)
Transfer from surplus on revaluation on disposal to unappropriated profit - net of tax	-	-	-	-	-	(110,838)	(13,897)	124,735	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(26,274)	-	26,274	-	410	410
Transfer to statutory reserve	-	-	1,159,938	-	-	-	-	(1,159,938)	-	-	-
Transactions with owners for the six months ended June 30, 2020											
Final cash dividend - December 31, 2019 declared subsequent to the year end at Rs.4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Interim cash dividend - March 31, 2020 declared at Rs.2.5 per share	-	-	-	-	-	-	-	(3,060,449)	(3,060,449)	-	(3,060,449)
Balance as at June 30, 2020 (Un-audited)	12,241,798	3,000	34,448,721	36,936,434	2,022,486	26,976,859	16,254	77,959,824	190,605,376	6,950,781	197,556,157

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Haider Zameer Choudrey**	**Arshad Ahmad Mir**	**Sir Mohammed Anwar Pervez, OBE, HPk**
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

1. STATUS AND NATURE OF BUSINESS

The Group consists of:

Holding Company
- United Bank Limited (the Bank)

Subsidiary Companies
- United National Bank Limited, United Kingdom (UBL UK) - 55% holding
- UBL (Switzerland) AG, Switzerland (USAG) - 100% holding
- UBL Bank (Tanzania) Limited, Tanzania (UBTL) - 100% holding
- United Executors and Trustees Company Limited, Pakistan (UET) - 100% holding
- UBL Fund Managers Limited, Pakistan (UBLFM) - 98.87% holding
- Al Ameen Financial Services (Pvt.) Limited (AFSL) - effective holding 98.87%

The Group is engaged in commercial banking, asset management, investment advisory and investments 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 1363 (December 31, 2019: 1,362) branches inside Pakistan including 100 (December 31, 2019: 100) Islamic Banking branches and 2 (December 31, 2018: 2) branches in Export Processing Zones. The Bank also operates 14 (December 31, 2019: 14) branches outside Pakistan. The Bank is a subsidiary of Bestway (Holdings) Limited and Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited which is incorporated in the United Kingdom.

The Bank's ordinary shares are listed on Pakistan Stock Exchange. 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.

Non-controlling interest represents National Bank of Pakistan's 45% share in the net asset value of UBL UK and 1.13% shares held by past and present employees of UBLFM in the net asset value of UBLFM.

The Board of Directors in their meeting held on February 19, 2020 have resolved to wind up "United Executors and Trustees Company Limited", a wholly owned subsidiary of the Bank. The Company is inactive, and will have no impact on the overall profitability of the Group.

2. BASIS OF PRESENTATION

These consolidated condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 5 dated March 22, 2019.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Act, 2017.

Key financial figures of the Islamic Banking branches are disclosed in note 40 to these consolidated condensed interim financial statements.

3. STATEMENT OF COMPLIANCE

3.1 These consolidated condensed interim financial statements of the Group 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 Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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).

Wherever 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 prevail.

3.2 The SBP vide BSD Circular letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. 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. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from 30 June 2014. However, vide its notification SRO 56 (I)/2016 dated 28 January 2016, it has been notified that the requirements of IFRS 10 and section 237 of the repealed Companies Ordinance 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.

3.4 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. 5 dated March 22, 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2019.

3.5 Standards, interpretations and amendments to accounting and reporting standards that have become 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 1, 2020. These are considered either to not be relevant or to not have any significant impact on these condensed interim financial statements.

3.6 Standards, interpretations and amendments to accounting standards that are not yet effective

IFRS 9 has been applicable in several overseas jurisdictions from January 1, 2018 and is progressively being adopted in others. The requirements of this standard are incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted. As per the SBP's BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 1, 2021. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

4. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

4.1 The accounting policies adopted in the preparation of these unconsolidated 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, 2019.

4.2 Regulatory reliefs due to COVID 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 625 basis points to 7 percent and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent; (ii) increasing the regulatory limit on extension of credit to SMEs by 44 percent to Rs 180 million; (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent; (iv) allowing banks to defer clients' payment of principal on loan obligations by one year; and (v) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year and / or mark-up with no reflection on credit history; and Introduction of refinancing schemes for payment of wages and salaries.

COVID-19 will impact banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

4.3 Operational Risk Management

The Bank is closely monitoring the situation and has invoked required actions to ensure safety and security of Bank staff and an uninterrupted service to our customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. Business Continuity Plans (BCP) for respective areas are in place and tested. The Bank has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Bank has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

4.4 Credit Risk Management

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

IFRS 9 is applicable to the overseas branches of the Bank and requires the estimation of Expected Credit Loss (ECL) based on current and forecast economic conditions. The Bank has reviewed the potential impact of the COVID-19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in ECL estimates. The Bank is assessing the situation as it develops and is in the process of accounting for the same in its ECL estimates.

4.5 Liquidity Risk Management

In view of the relaxation granted by SBP for deferral of principal and markup and rescheduling of loans there will be an impact on the maturity profile of the Bank. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

4.6 Equity Risk Management

The carrying value of the Bank's investment in listed equity securities classified as available-for-sale, amounts to Rs. 11.346 billion as at June 30, 2020. During the period, SBP via BPRD Circular Letter No. 13 of 2020 Para 4 (c) has provided regulatory relief to Banks / DFIs to recognize impairment losses resulting from the valuation of listed equity securities held as "Available for Sale" (AFS), in a phased manner equally on quarterly basis during calendar year ending on December 31, 2020. Pursuant to the circular, a portion of the impairment loss, amounting to Rs. 413.351 million, resulting from the valuation of listed equity securities held under the AFS category as of June 30, 2020 has not been recognised in the unconsolidated condensed interim profit and loss account and has been taken to 'Deficit arising on revaluation of available for sale securities' as disclosed in note 23 of these consolidated condensed interim financal statements.

The recognition of remaining impairment loss based on market values as at June 30, 2020 would have had the following effect on these consolidated condensed interim financial statements:

	June 30, 2020 (Rupees in '000)
Impact on Consolidated Condensed Interim Statement of Financial Position	
- Increase in provision for diminution in value of investments	413,351
- Decrease in deficit arising on revaluation of Available for sale securities - net of tax	252,144
- Decrease in Unappropriated Profit	226,930
Impact on Consolidated Condensed Interim Profit and Loss account	
- Decrease in Profit after tax	252,144
- Decrease in taxation charge	161,207

Earnings per share for the period ended June 30, 2020 would have been lower by Re. 0.21 per share.

4.7 Capital Adequacy Ratio (CAR)

In order to encourage Banks to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

4.8 Suspension of Dividends

The SBP through its Circular Letter No. BPRD/BA & CPD/006315-2/20 dated April 22, 2020 has advised that banks which had declared dividend for the quarter ended March 31, 2020 should suspend cash dividend distribution for the next two quarters.

5. BASIS OF MEASUREMENT

5.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets / non-banking assets acquired in satisfaction of claims have been stated at revalued amounts, certain investments and derivative financial instruments have been stated at fair value and net obligations in respect of defined benefit schemes and lease liability under IFRS 16 are carried at their present values.

5.2 Critical accounting estimates and judgements

The preparation of these consolidated condensed interim financial statements in conformity with accounting and reporting standards 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 recognized 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 Group for the year ended December 31, 2019.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	16,520,546	12,394,957
Foreign currency	7,968,167	5,155,165
	24,488,713	17,550,122
With State Bank of Pakistan in		
Local currency current accounts	88,976,287	77,855,915
Foreign currency current accounts	3,583,962	3,431,095
Foreign currency deposit account	6,718,138	10,081,214
	99,278,387	91,368,224
With other central banks in		
Foreign currency current accounts	29,226,581	36,255,841
Foreign currency deposit accounts	17,595,634	8,694,038
	46,822,215	44,949,879
With National Bank of Pakistan in local currency current accounts	82,376,679	89,136,038
Prize Bonds	30,665	366,438
	252,996,659	243,370,701
7. BALANCES WITH OTHER BANKS		
Inside Pakistan		
In current accounts	6	17
In deposit accounts	2,871	3,458
	2,877	3,475
Outside Pakistan		
In current accounts	27,282,415	19,811,273
In deposit accounts	21,415,510	22,907,479
	48,697,925	42,718,752
	48,700,802	42,722,227
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lending	2,000,000	-
Repurchase agreement lendings (Reverse Repo)	-	9,450,000
Bai Muajjal receivable		
- with State Bank of Pakistan	6,156,014	-
- with other financial institutions	-	10,733,118
Other lendings to financial institutions	4,680,410	1,509,828
	12,836,424	21,692,946

9. INVESTMENTS

9.1 Investments by type	Note	(Un-audited) June 30, 2020 Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	(Audited) December 31, 2019 Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)							
Held for trading securities									
Market Treasury Bills		8,622,547	-	14,504	8,637,051	71,095,652	-	(7,121)	71,088,531
Pakistan Investment Bonds		-	-	-	-	47,107	-	(265)	46,842
		8,622,547	-	14,504	8,637,051	71,142,759	-	(7,386)	71,135,373
Available for sale securities									
Market Treasury Bills		319,537,688	-	2,517,756	322,055,444	182,898,327	-	149,496	183,047,823
Pakistan Investment Bonds		124,567,508	-	925,524	125,493,032	107,776,079	-	(8,446,273)	99,329,806
Pakistan Investment Bonds - Floaters		197,319,845	-	(679,410)	196,640,435	96,937,574	-	1,772,076	98,709,650
Government of Pakistan Eurobonds		25,190,836	(97,520)	(87,766)	25,005,550	19,657,993	(271,160)	1,291,623	20,678,456
Government of Pakistan Sukuk		16,834,381	(19,166)	(83,103)	16,732,112	9,056,189	(32,577)	23,973	9,047,585
Corporate Sukuk		1,220,000	-	-	1,220,000	1,220,000	-	-	1,220,000
Ordinary shares of listed companies		15,459,549	(5,537,953)	1,424,824	11,346,420	15,583,327	(5,372,566)	3,199,996	13,410,757
Preference shares		106,842	(70,174)	-	36,668	101,365	(64,698)	-	36,667
Ordinary shares of unlisted companies		754,431	(130,077)	-	624,354	754,150	(130,029)	-	624,121
Investment in REIT		458,590	-	(4,586)	454,004	458,590	-	62,118	520,708
Investment in Mutual Fund		250,000	-	(59,336)	190,664	250,000	-	2,931	252,931
Term Finance Certificates		662,336	(97,278)	-	565,058	791,519	(97,278)	-	694,241
Foreign bonds - sovereign		68,741,234	(857,928)	(568,162)	67,315,144	62,394,975	(582,836)	2,370,837	64,182,976
Foreign bonds - others		12,237,073	(16,350)	(223,236)	11,997,487	16,580,570	(39,741)	(241,305)	16,299,524
		783,340,313	(6,826,446)	3,162,505	779,676,372	514,460,658	(6,590,885)	185,472	508,055,245
Held to maturity securities									
Market Treasury Bills		2,438,511	-	-	2,438,511	3,458,029	-	-	3,458,029
Pakistan Investment Bonds		174,234,764	-	-	174,234,764	206,994,945	-	-	206,994,945
Government of Pakistan Eurobonds		11,298,540	(244,538)	-	11,054,002	10,448,042	(147,920)	-	10,300,122
Government of Pakistan Sukuk		1,361,421	(4,240)	-	1,357,181	1,252,731	(12,536)	-	1,240,195
Bai Muajjal Government of Pakistan	40.2.1	27,998,123	-	-	27,998,123	26,443,679	-	-	26,443,679
Term Finance Certificates		5,322,439	(8,834)	-	5,313,605	5,355,210	(8,835)	-	5,346,375
Corporate Sukuks		12,879,274	(78,150)	-	12,801,124	13,725,143	(87,870)	-	13,637,273
Participation Term Certificates		437	(437)	-	-	437	(437)	-	-
Debentures		2,266	(2,266)	-	-	2,266	(2,266)	-	-
Foreign bonds - sovereign		25,290,545	(246,033)	-	25,044,512	21,379,268	(332,446)	-	21,046,822
Foreign bonds - others		1,433,115	(38,879)	-	1,394,236	1,321,635	(61,085)	-	1,260,550
Recovery note		64,148	(64,148)	-	-	59,157	(59,141)	-	16
CDC SAARC Fund		365	-	-	365	336	-	-	336
		262,323,948	(687,525)	-	261,636,423	290,440,878	(712,536)	-	289,728,342
Associates									
UBL Liquidity Plus Fund		910,969	-	-	910,969	1,460,128	-	-	1,460,128
UBL Stock Advantage Fund		197,738	-	-	197,738	180,936	-	-	180,936
UBL Financial Sector Fund		210,619	-	-	210,619	359,485	-	-	359,485
Al Ameen Islamic Cash Fund		1,001	-	-	1,001	-	-	-	-
UBL Cash Fund		-	-	-	-	106,456	-	-	106,456
UBL Exchange Traded Fund		2,566	-	-	2,566	-	-	-	-
UBL Special Savings Fund VIII		101,683	-	-	101,683	-	-	-	-
Al Ameen Islamic Energy Fund		104,879	-	-	104,879	101,395	-	-	101,395
Al Ameen Special Savings Plan II		69,752	-	-	69,752	-	-	-	-
Al-Ameen Islamic Cash Plan I		60,203	-	-	60,203	-	-	-	-
UBL Insurers Limited		517,607	-	-	517,607	499,786	-	-	499,786
Khushhali Bank Limited	9.4	3,007,410	-	-	3,007,410	2,934,591	-	-	2,934,591
DHA Cogen Limited	9.5	-	-	-	-	-	-	-	-
		5,184,427	-	-	5,184,427	5,642,777	-	-	5,642,777
Total Investments		1,059,471,235	(7,513,971)	3,177,009	1,055,134,273	881,687,072	(7,303,421)	178,086	874,561,737

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
9.2	**Investments given as collateral - at market value**		------- (Rupees in '000) -------	
	Market Treasury Bills		75,677,764	67,189,682
	Pakistan Investment Bonds		14,977,955	13,499,874
	Foreign bonds - sovereign		972,058	-
			91,627,777	80,689,556
9.3	**Provision for diminution in value of investments**			
9.3.1	Opening balance		7,303,421	5,599,293
	Exchange adjustments		124,397	241,868
	Charge / (reversals)			
	Charge for the period / year		1,051,453	4,014,497
	Reversals for the period / year		(965,300)	(1,621,810)
			86,153	2,392,687
	Amounts written off		-	(930,427)
	Closing balance	9.7	7,513,971	7,303,421

9.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2020		(Audited) December 31, 2019	
	Non-Performing Investment	Provision	Non-Performing Investment	Provision
	---------- (Rupees in '000) ----------			
Domestic				
Loss	312,800	186,965	714,023	196,685
Overseas				
Overdue by:				
> 365 days	601,205	601,205	78,784	78,784
Total	914,005	788,170	792,807	275,469

9.4 This represents the Bank's subscription towards the paid-up capital of Khushhali Bank Limited. Pursuant to section 10 of the Khushhali Bank Ordinance, 2000 strategic investors including the Bank cannot sell or transfer their investment before a period of five years that has expired on October 10, 2005. Thereafter, such sale / transfer would be subject to the prior approval of the SBP. However these shares are still appearing as frozen as no approval has been obtained by the Bank to unfreeze these shares.

9.5 The Bank held 20.99% of the issued and paid up capital of DHA Cogen Limited without any consideration paid. DHA Cogen Limited which has been sold during the period for a consideration of Rs. 152.755 million.

9.6 The market value of securities classified as held-to-maturity as at June 30, 2020 amounted to Rs. 268,135.452 million (December 31, 2019: Rs. 286,750.415 million).

9.7 Provision against investments includes expected credit loss (ECL) under IFRS 9 amounting to Rs. 987.946 million (December 31, 2019: Rs. 1,460.657 million).

10. ADVANCES

	Note	Performing		Non-performing		Total	
		(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		579,196,708	629,557,092	86,090,121	74,134,966	665,286,829	703,692,058
Islamic financings and related assets	40.3	26,829,229	9,027,259	109,038	94,043	26,938,267	9,121,302
Bills discounted and purchased		29,774,491	46,023,954	2,850,608	3,218,030	32,625,099	49,241,984
Advances - gross		635,800,428	684,608,305	89,049,767	77,447,039	724,850,195	762,055,344
Provision against advances	10.3						
- Specific		-	-	(70,479,182)	(63,502,361)	(70,479,182)	(63,502,361)
- General		(6,308,686)	(3,618,520)	-	-	(6,308,686)	(3,618,520)
		(6,308,686)	(3,618,520)	(70,479,182)	(63,502,361)	(76,787,868)	(67,120,881)
Advances - net of provision		629,491,742	680,989,785	18,570,585	13,944,678	648,062,327	694,934,463

10.1 Particulars of advances - gross

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
		(Rupees in '000)	
10.1.1	In local currency	489,232,364	516,928,932
	In foreign currencies	235,617,831	245,126,412
		724,850,195	762,055,344

10.2 Advances include Rs. 89,049.767 million (December 31, 2019: Rs. 77,447.039 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2020		(Audited) December 31, 2019	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned*	312,004	3,129	322,139	8,561
Substandard	3,103,909	768,360	764,745	188,848
Doubtful	695,663	356,097	325,325	169,274
Loss	23,927,633	22,833,352	25,767,409	24,656,008
	28,039,209	23,960,938	27,179,618	25,022,691
Overseas				
Not past due but impaired**	6,696,879	2,550,976	6,763,366	3,086,501
Overdue by:				
Upto 90 days	1,909,339	922,266	2,804,905	647,984
91 to 180 days	9,199,885	4,941,900	1,643,198	987,640
181 to 365 days	6,079,090	4,104,361	5,518,289	4,967,136
> 365 days	37,125,365	33,998,741	33,537,663	28,790,409
	61,010,558	46,518,244	50,267,421	38,479,670
Total	89,049,767	70,479,182	77,447,039	63,502,361

* The Other Assets Especially Mentioned category pertains to agricultural finance and advances to small enterprises.
** Not past due but impaired category mainly represents restructured exposure.

10.3 Particulars of provision against advances

	(Un-audited)			(Audited)		
	June 30, 2020			December 31, 2019		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	63,502,361	3,618,520	67,120,881	56,377,680	4,642,931	61,020,611
Exchange adjustments	3,766,824	703,203	4,470,027	3,575,975	280,401	3,856,376
Charge / (reversals)						
Charge for the period / year	8,250,251	1,986,963	10,237,214	9,660,851	25,209	9,686,060
Reversals for the period / year	(629,887)	-	(629,887)	(3,568,092)	(1,273,203)	(4,841,295)
	7,620,364	1,986,963	9,607,327	6,092,759	(1,247,994)	4,844,765
Transfers in - net	-	-	-	210,565	(56,818)	153,747
Amounts written off	(4,410,367)	-	(4,410,367)	(2,754,618)	-	(2,754,618)
Closing balance	70,479,182	6,308,686	76,787,868	63,502,361	3,618,520	67,120,881

10.3.1 General provision represents provision amounting to Rs. 290.002 million (December 31, 2019: Rs. 328.342 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 6,018.684 million (December 31, 2019: Rs. 3,290.178 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches and subsidiaries operate and on account of IFRS 9.

10.3.2 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 1 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. 19.748 million (December 31, 2019: Rs. 35.131 million). The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

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 regulation 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. 5,102.854 million (December 31, 2019: Rs. 5,180.474 million) for the overseas branches.

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
11. FIXED ASSETS		(Rupees in '000)	
Capital work-in-progress	11.1	602,372	541,722
Property and equipment		49,765,459	50,589,131
Right-of-use Assets		6,530,878	7,145,558
		56,898,709	58,276,411

11.1 Capital work-in-progress

Civil works	340,466	370,308
Equipment	261,906	171,414
	602,372	541,722

		(Un-audited) January - June 2020	January - June 2019
11.2	**Additions to fixed assets**	------- (Rupees in '000) -----	
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress - net	60,650	544,417
	Property and equipment		
	Building on leasehold land	-	1,206
	Leasehold Improvement	182,986	323,297
	Furniture and fixture	40,266	83,364
	Electrical office and computer equipment	490,618	560,430
	Vehicles	-	2,374
		713,870	970,671
	Total	774,520	1,515,088
11.3	**Disposal of fixed assets**		
	The net book value of fixed assets disposed off during the period is as follows:		
	Building on leasehold land	110,838	-
	Leasehold Improvement	1,352	9,063
	Furniture and fixture	755	1,420
	Electrical office and computer equipment	1,713	19,384
	Vehicles	422	51,802
		115,080	81,669
11.4	**Additions to Right-of-use assets**	888,093	7,828,194
11.5	**Dercognition of right-of-use assets**	477,022	-

		(Un-audited) June 30, 2020	(Audited) December 31, 2019
12.	**INTANGIBLE ASSETS**	------- (Rupees in '000) -----	
	Capital work-in-progress	177,784	262,404
	Intangible assets	1,980,688	1,808,534
		2,158,472	2,070,938

		(Un-audited) January - June 2020	January - June 2019
12.1	**Additions to intangible assets**	------- (Rupees in '000) -----	
	Capital work-in-progress - net	(92,743)	109,629
	Additions to directly purchased intangible assets during the period:	571,545	112,653

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		------- (Rupees in '000) -----	
13. DEFERRED TAX ASSETS			
Deferred tax assets	13.1	4,247,939	1,723,553

13.1 Movement in temporary differences during the year

	June 30, 2020 (Un-audited)			
	At January 1, 2020	Recognised in profit and loss account	Recognised in OCI	At June 30, 2020
	---------- (Rupees in '000) ----------			
Deductible temporary differences on				
- Tax losses carried forward	-	-		-
- Post retirement employee benefits	837,426	22,484	866,581	1,726,491
- Provision against advances, off balance sheet etc.	3,291,876	2,128,001	-	5,419,877
- Workers' Welfare Fund	1,495,858	186,510	-	1,682,368
	5,625,160	2,336,995	866,581	8,828,736
Taxable temporary differences on				
- Surplus on revaluation of fixed assets / non-banking assets	(1,339,305)	(718)	18,761	(1,321,262)
- Surplus on revaluation of investments	(375,338)	-	(1,217,740)	(1,593,078)
- Share of profit from Associates	(922,114)	(20,673)	-	(942,787)
- Accelerated tax depreciation and others	(744,233)	419,264	-	(324,969)
- Others	(520,617)	10,300	111,616	(398,701)
	(3,901,607)	408,173	(1,087,363)	(4,580,797)
	1,723,553	2,745,168	(220,782)	4,247,939

	December 31, 2019 (Audited)			
	At January 1, 2019	Recognised in profit and loss account	Recognised in OCI	At December 31, 2019
	---------- (Rupees in '000) ----------			
Deductible temporary differences on				
- Tax losses carried forward	233,360	-	(233,360)	-
- Post-retirement employee benefits	404,016	103,173	330,237	837,426
- Provision against advances, off-balance sheet etc.	2,292,249	999,627	-	3,291,876
- Workers' Welfare Fund	1,083,350	412,508	-	1,495,858
	4,012,975	1,515,308	96,877	5,625,160
Taxable temporary differences on				
- Surplus on revaluation of fixed assets / non-banking assets	(1,412,044)	32,786	39,953	(1,339,305)
- Surplus on revaluation of investments	4,960,471	43,339	(5,379,148)	(375,338)
- Share of profit from Associates	(680,832)	(241,282)	-	(922,114)
- Accelerated tax depreciation and others	(503,666)	(240,567)	-	(744,233)
- Others	309,048	(864,398)	34,733	(520,617)
	2,672,977	(1,270,122)	(5,304,462)	(3,901,607)
	6,685,952	245,186	(5,207,585)	1,723,553

14. DISCONTINUED OPERATION

UBL Bank (Tanzania) Limited ('UBTL') is a wholly owned subsidiary of United Bank Limited. UBTL sold materially all of its assets and liabilities at October 31, 2019, including the loans and advances and deposit book to EXIM Bank Tanzania Limited ('Exim'), in line with the Asset and Liabilities Purchase Agreement signed on May 22, 2019. The control of these assets and liabilities was transferred to Exim effective from November 1, 2019. The purchase consideration for the sale of assets and liabilities to Exim was Tanzanian Shillings (TZs) 3.3 billion (equivalent to PKR 237.039 million) compared to the book value of equivalent Rs. 142.095 million.The Banking operations of the subsidiary ceased on November 1, 2019. UBTL is currently under winding up and voluntary liquidation.

14.1 Assets and liabilities under discontinued operation

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Assets		
Balances with other banks	241,649	236,450
Other assets	3,966	-
	245,615	236,450
Liabilities		
Other liabilities	23,408	17,936

14.2 Discontinued operation

	Note	(Un-audited) January - June 2020	(Un-audited) January - June 2019
		------- (Rupees in '000) -------	
Mark-up / return / interest earned		-	235,877
Mark-up / return / interest expensed		-	93,054
Net mark-up / interest income		-	142,823
Non mark-up / interest income			
Fee and commission income		-	9,081
Foreign exchange loss		-	(5,263)
Loss on securities - net		-	(14,462)
Other income		124	1,556
Total non mark-up / interest income		124	(9,088)
Total income		124	133,735
Non mark-up / interest expenses			
Operating expenses		11,345	214,169
Total non mark-up / interest expenses		11,345	214,169
Loss before provisions		(11,221)	(80,434)
Provisions and write-offs - net		-	1,013,721
Loss before taxation		(11,221)	(1,094,155)
Taxation		(950)	236,357
Loss after taxation		(10,271)	(1,330,512)

15. OTHER ASSETS

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		------- (Rupees in '000) -------	
Income / mark-up accrued in local currency - net of provision		30,696,580	28,748,779
Income / mark-up accrued in foreign currency - net of provision		2,468,977	2,599,478
		33,165,557	31,348,257
Advance taxation - net of provision for taxation	15.1	10,725,937	19,684,137
Receivable from staff retirement fund		288,437	217,633
Receivable from other banks against telegraphic transfers and demand drafts		3,532,978	201,592
Unrealized gain on forward foreign exchange contracts		3,143,430	7,376,206
Rebate receivable - net		692,928	2,142,484
Unrealized gain on derivative financial instruments		1,763	15,216
Suspense accounts		1,065,808	871,766
Stationery and stamps on hand		425,180	287,314
Non-banking assets acquired in satisfaction of claims		617,227	1,071,034
Advances, deposits, advance rent and other prepayments		2,408,404	1,345,735
Acceptances		13,692,217	17,366,169
Dividend Receivable		175,557	213,012
Commission Receivable - Branchless Banking		638,957	650,685
Others		2,842,934	2,554,736
		73,417,314	85,345,976
Provision held against other assets	15.2	(1,211,361)	(1,271,877)
Other assets - net of provision		72,205,953	84,074,099
(Deficit) / surplus on revaluation of non-banking assets acquired in satisfaction of claims		(29,717)	11,341
Other assets - net of provision		72,176,236	84,085,440

15.1 The Income Tax returns of the Bank have been filed up to the tax year 2019 (accounting year ended December 31, 2018) 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 2019, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.11,610 million (2019: Rs.11,610 million) , which have been fully paid as required under the law. 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 hve been filed upto the tax year 2019 (financial year 2018) 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. 1,166 million (2019: Rs. 889 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 branches have been filed upto the year ended December 31, 2018 and for UAE and 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 Bank has received corrective tax assessment of QAR 1 M (Rs: 46.142 million) from the General tax Authority (GTA) in respect of tax year 2004 with no supporting calculations from GTA. Management has requested details for 2004 assessment from GTA, however to date no response has been received. Management is confident that the matters will be decided in favour of the Bank and the possibility of any outcome against it is remote.

For UBL UK, USAG, UBL FM and UET income tax returns have been filed up to the accounting year ended December 31, 2018 under the provisions of the laws prevailing in the respective countries and are deemed as assessed unless opened for reassessment by the tax authorities. Additionally, tax clearance has been issued for USAG, UBL UK, and UBTL till the accounting year 2018, 2017 and 2016. There are no material tax contingencies in any of the subsidiaries.

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
15.2 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	547,049	547,536
Non banking assets acquired in satisfaction of claims	-	85,200
Receivable from insurance companies against fraud and forgery	664,312	639,141
	1,211,361	1,271,877

16. CONTINGENT ASSETS

There were no contingent assets as at the statement of financial position date.

17. BILLS PAYABLE

In Pakistan	26,591,930	22,500,509
Outside Pakistan	635,458	428,711
	27,227,388	22,929,220

18. BORROWINGS

18.1 Details of borrowings

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	31,780,673	30,354,891
Refinance facility for modernization of SME	11,100	10,022
Long term financing facility	22,459,314	22,959,023
Other Borrowings	849,017	-
	55,100,104	53,323,936
Repurchase agreement borrowings	62,804,725	74,748,710
Bai Muajjal payable to other financial institutions	29,774,729	13,812,921
	147,679,558	141,885,567
Unsecured		
Call borrowings	4,882,159	4,680,579
Overdrawn nostro accounts	287,771	591,123
Money market deals	10,752,181	23,247,791
	15,922,111	28,519,493
	163,601,669	170,405,060

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	---------- (Rupees in '000) ----------					
Customers						
Fixed deposits	159,643,935	206,842,982	366,486,917	141,228,719	235,996,785	377,225,504
Savings deposits	486,959,464	50,813,895	537,773,359	450,326,401	35,690,677	486,017,078
Sundry deposits	21,831,668	1,216,025	23,047,693	12,592,638	1,289,671	13,882,309
Margin deposits	3,353,264	3,262,775	6,616,039	2,825,918	2,960,268	5,786,186
Current accounts - remunerative	1,258,827	8,087,298	9,346,125	1,799,190	8,392,401	10,191,591
Current accounts - non-remunerative	531,759,361	142,180,549	673,939,910	449,952,467	119,035,082	568,987,549
	1,204,806,519	412,403,524	1,617,210,043	1,058,725,333	403,364,884	1,462,090,217
Financial Institutions						
Current deposits	27,249,487	5,142,269	32,391,756	26,897,943	4,743,731	31,641,674
Savings deposits	27,669,104	33,603	27,702,707	36,132,073	25,334	36,157,407
Term deposits	15,231,338	328,889	15,560,227	25,783,802	2,322,206	28,106,008
	70,149,929	5,504,761	75,654,690	88,813,818	7,091,271	95,905,089
	1,274,956,448	417,908,285	1,692,864,733	1,147,539,151	410,456,155	1,557,995,306

19.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 959,189.083 million (December 31, 2019: Rs 854,722.801 million).

20. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2020 (Un-audited)		
	Minimum lease payments	Finance charges for future periods	Principal Outstanding
	---------- (Rupees in '000) ----------		
Not later than one year	5,258	595	4,663
Later than one year and not later than five years	11,836	432	11,404
	17,094	1,027	16,067

	December 31, 2019 (Audited)		
	Minimum lease payments	Finance charges for future periods	Principal Outstanding
	---------- (Rupees in '000) ----------		
Not later than one year	5,180	832	4,348
Later than one year and not later than five years	15,549	802	14,747
	20,729	1,634	19,095

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 ADT 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 JCR-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	Profit / 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.

22. OTHER LIABILITIES

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		------- (Rupees in '000) -------	
Mark-up / return / interest payable in local currency		12,192,468	8,964,544
Mark-up / return / interest payable in foreign currency		1,459,339	2,195,349
		13,651,807	11,159,893
Accrued expenses		3,616,205	4,197,747
Branch adjustment account		67,941	227,951
Deferred income		1,177,849	878,547
Unearned commission and income on bills discounted		605,661	921,121
Provision against off-balance sheet obligations	22.1	753,731	632,785
Unrealized loss on forward foreign exchange contracts		2,298,772	6,979,761
Trading liability		21,097	6,120,767
Payable to staff retirement fund		2,286,782	736,313
Deferred liabilities		3,879,022	3,887,845
Unrealized loss on derivative financial instruments		7,420	18,155
Workers' Welfare Fund payable		4,381,259	3,878,370
Liabilities against IBFT, ATM and other settlements - net		521,330	1,308,571
Insurance payable against consumer assets		606,928	449,263
Dividend payable		2,001,569	538,884
Acceptances		13,692,217	17,366,169
Charity fund balance		2,424	3,494
Lease liability under IFRS 16		7,486,484	7,826,864
Withholding tax on interest / profit paid on deposits		1,247,925	1,140,866
Others		3,861,611	3,163,012
		62,168,034	71,436,378

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
22.1	**Provision against off-balance sheet obligations**		------- (Rupees in '000) -------	
	Opening balance		632,785	842,545
	Exchange adjustments		38,840	82,610
	Charge for the period / year - net		214,965	47,438
	Transfers out - net		(132,859)	(339,808)
	Closing balance		753,731	632,785
23.	**SURPLUS ON REVALUATION OF ASSETS**			
	Surplus / (deficit) arising on revaluation of assets			
	Fixed assets	23.1	26,976,859	27,184,005
	Available for sale securities	23.2	2,014,812	189,650
	Non-banking assets acquired in satisfaction of claims		16,254	31,071
	Surplus / (deficit) arising on revaluation of assets of associates		7,674	(168)
			29,015,599	27,404,558
23.1	**Surplus on revaluation of fixed assets**			
	Surplus on revaluation of fixed assets as at January 1		30,165,526	29,742,871
	Revaluation against fixed assets during the year		32,409	227,612
	Realised on disposal during the year		(110,838)	(263,135)
	Exchange adjustments		68,241	548,326
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(26,684)	(55,691)
	Related deferred tax liability on incremental depreciation charged during the period / year		(16,478)	(34,457)
			(53,350)	422,655
			30,112,176	30,165,526
	Less: Related deferred tax liability			
	Revaluation as on January 1		1,319,439	1,344,759
	Deficit / (surplus) realised on disposal of fixed assets during the year		1,423	(826)
	Impact of change of deferred tax rate		212,739	77,907
	Reversal of revaluation against fixed assets during the year		-	(179,746)
	Exchange adjustments		14,744	111,803
	Incremental depreciation charged on related assets		(16,478)	(34,457)
			1,531,867	1,319,440
			28,580,309	28,846,086
	Share of Non-controlling interest		(1,603,450)	(1,662,081)
	Group's share		26,976,859	27,184,005
23.2	**(Deficit) / surplus on revaluation of available for sale securities**			
	Market Treasury Bills		2,517,756	149,496
	Pakistan Investment Bonds		246,114	(6,674,197)
	Listed shares		1,401,640	3,202,927
	REIT Scheme		(4,586)	62,118
	Term Finance Certificates, Sukuks, other bonds etc.		(76,197)	23,973
	Foreign bonds		(922,222)	3,421,155
			3,162,505	185,472
	Related deferred tax		(1,593,078)	(375,338)
			1,569,427	(189,866)
	Share of Non-controlling interest		445,385	379,516
	Group's share		2,014,812	189,650

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
24.	**CONTINGENCIES AND COMMITMENTS**		------- (Rupees in '000) -------	
	- Guarantees	24.1	169,566,805	170,755,664
	- Commitments	24.2	861,150,797	1,278,107,824
	- Other contingent liabilities	24.3	15,684,733	15,089,090
			1,046,402,335	1,463,952,578
24.1	**Guarantees**			
	Financial guarantees		43,958,113	41,444,410
	Performance guarantees		125,608,692	129,311,254
			169,566,805	170,755,664
24.2	**Commitments**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		116,236,717	168,383,418
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.2	636,014,450	962,345,777
	- forward government securities transactions	24.2.3	957,509	14,307,720
	- derivatives			
	Interest rate swaps	24.2.4	316,500	316,500
	FX options	24.2.4	318,382	122,594
	- forward lending	24.2.5	106,649,969	130,389,022
	- operating leases	24.2.6	186,364	190,863
	Commitments for acquisition of:			
	- operating fixed assets	24.2.7	465,572	2,038,299
	- intangibles		5,334	-
	Others		-	13,631
			861,150,797	1,278,107,824

24.2.1 Commitments to extend credit

The Group 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.

		Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
24.2.2	**Commitments in respect of forward foreign exchange contracts**		------- (Rupees in '000) -------	
	Purchase		338,748,142	508,996,241
	Sale		297,266,308	453,349,536
24.2.3	**Commitments in respect of forward government securities transactions**			
	Forward purchase of government securities		815,169	3,043,541
	Forward sale of government securities		142,340	11,264,179
24.2.4	**Commitments in respect of derivatives**			
	Interest rate swaps		316,500	316,500
	FX options - purchased		159,191	61,297
	FX options - sold		159,191	61,297
24.2.5	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.5.1	59,318,035	71,503,628
	Others		47,331,934	58,885,394
			106,649,969	130,389,022

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.

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		------- (Rupees in '000) -------	
24.2.6 Commitments in respect of operating leases			
Not later than one year		56,321	48,366
Later than one year and not later than five years		66,928	69,053
Later than five years		63,115	73,444
		186,364	190,863
24.2.7 Commitments in respect of capital expenditure		470,906	2,038,299
24.3 Other contingent liabilities			
Claims against the Group not acknowledged as debts	24.3.1	11,595,430	10,999,787

24.3.1 These mainly represent counter claims filed by the borrowers for restricting the Group 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 favour of the Group and the possibility of any outcome against the Group 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 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 Punjab Revenue Authority issued show cause notice to UBL Fund Managers Limited requiring them to pay sales tax under Punjab sales tax on service act 2012 on management fee earned in Punjab from May 22, 2013. The Company has filed a petition on July 8, 2015 in the High Court of Sindh. A favorable outcome of this petition is expected.

24.4 For contingencies relating to taxation, refer note 15.1.

25. DERIVATIVE INSTRUMENTS

25.1 Product analysis

	June 30, 2020 (Un-Audited)									
Counterparties	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total	
	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)
	---------- (Rupees in 000) ----------									
Total										
Hedging	-	-	159,191	-	815,169	1,101	-	-	974,360	1,101
Market making	316,500	(7,532)	159,191	-	-	-	(142,340)	10	333,351	(7,522)
	316,500	(7,532)	318,382	-	815,169	1,101	(142,340)	10	1,307,711	(6,421)

	December 31, 2019 (Audited)									
Counterparties	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total	
	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)	Notional principal	Mark to Market Gain / (loss)
	---------- (Rupees in 000) ----------									
Total										
Hedging	-	-	61,297	-	-	-	-	-	61,297	-
Market making	316,500	(17,107)	61,297	-	3,042,465	(94)	11,260,446	14,262	14,680,708	(2,939)
	316,500	(17,107)	122,594	-	3,042,465	(94)	11,260,446	14,262	14,742,005	(2,939)

		Note	(Un-audited) January - June 2020	(Un-audited) January - June 2019
26.	**MARK-UP / RETURN / INTEREST EARNED**		------- (Rupees in '000) -------	
	On:			
	Loans and advances		33,779,193	31,373,082
	Investments		52,914,161	32,018,388
	Lendings to financial institutions		1,412,262	4,171,602
	Balances with banks		233,949	678,613
			88,339,565	68,241,685
27.	**MARK-UP / RETURN / INTEREST EXPENSED**			
	On:			
	Deposits		35,879,814	29,035,145
	Borrowings		9,064,368	5,679,851
	Subordinated Debt		652,061	591,819
	Cost of foreign currency swaps against foreign currency deposits / borrowings		2,089,860	1,845,864
	Lease liability against right of use assets		584,330	503,459
			48,270,433	37,656,138
28.	**FEE AND COMMISSION INCOME**			
	Branch banking customer fee		865,126	1,039,960
	Consumer finance related fee		477,722	508,400
	Card related fees (debit and credit cards)		1,055,901	1,191,360
	Investment banking fee		85,319	163,070
	Financial Institution rebate / commission		143,105	161,021
	Corporate service charges / facility fee		193,585	427,552
	Commission on trade		349,318	472,662
	Commission on guarantees		357,132	447,646
	Commission on cash management		373,443	382,502
	Commission on remittances including home remittances - net		1,139,659	1,556,815
	Commission on bancassurance		478,967	685,942
	Commission on Benazir Income Support Program		38,359	374,057
	Management fee		345,344	434,316
	Others		153,659	254,015
			6,056,639	8,099,318
29.	**GAIN ON SECURITIES - NET**			
	Realised	29.1	843,757	318,577
	Unrealised - held for trading		14,504	(8,640)
			858,261	309,937
29.1	**Realised gain on:**			
	Federal Government Securities		350,660	76,879
	Shares		(164,582)	126,730
	Foreign Securities		661,293	119,857
	Other Securities		(3,614)	(4,889)
			843,757	318,577
30.	**OTHER INCOME**			
	Charges recovered		116,012	138,756
	Rent on properties		119,975	137,019
	Gain on sale of operating fixed assets - net		47,109	33,292
	Gain on sale of Ijarah assets		548	629
	Income from sale of non-banking asset		223,054	32,747
	Gain on trading liabilities - net		76,068	52,304
	Realization of exchange translation reserve - UBL New York branch		-	1,332,626
			582,766	1,727,373

	(Un-audited) January - June 2020	(Un-audited) January - June 2019
	------- (Rupees in '000) -------	
31. OPERATING EXPENSES		
Total compensation expense	9,006,037	8,276,536
Property expense		
Rent and taxes	579,307	552,213
Insurance	98,837	100,056
Utilities cost	603,289	707,651
Security (including guards)	509,719	471,915
Repair and maintenance (including janitorial charges)	84,470	170,154
Depreciation	407,180	407,942
Depreciation - Right of Use Assets	977,682	1,018,176
Others	33,412	37,859
	3,293,896	3,465,966
Information technology expenses		
Software maintenance	677,916	597,224
Hardware maintenance	242,914	203,455
Depreciation	401,344	350,434
Amortisation	418,805	310,792
Network charges	374,453	362,591
	2,115,432	1,824,496
Other operating expenses		
Directors' fees and allowances	49,749	39,565
Fees and allowances to Shariah Board	4,560	2,400
Legal and professional charges	346,664	324,985
Outsourced service costs including sales commission	1,373,726	1,933,746
Travelling and conveyance	51,564	114,741
Clearing charges	119,870	93,510
Depreciation others	601,595	585,802
Depreciation on Islamic financing against leased assets	124,174	105,115
Training and development	21,408	44,874
Postage and courier charges	127,991	162,639
Communication	254,355	232,724
Stationery and printing	267,196	333,411
Marketing, advertisement and publicity	209,329	476,797
Auditors' remuneration	58,744	78,844
Donations	240,980	89,891
Insurance	102,936	70,784
Deposit Protection Premium	683,778	651,139
Cash transportation and sorting charges	376,023	478,990
Entertainment	67,794	86,071
Vehicle expenses	46,365	49,498
Subscription	102,771	105,972
Office running expenses	83,908	79,346
Banking service charges	834,762	854,246
Repairs and maintenance	232,927	229,479
Cartage, freight and conveyance	19,829	32,175
Zakat paid by overseas branch	7,369	2,599
Brokerage expenses	13,442	8,490
Miscellaneous expenses	105,259	67,178
	6,529,068	7,335,011
	20,944,433	20,902,009

32. OTHER CHARGES		
Penalties imposed by the SBP	152,252	2,022
Other penalties	81	196
	152,333	2,218

		Note	(Un-audited) January - June 2020	(Un-audited) January - June 2019
33.	**PROVISIONS AND WRITE-OFFS - NET**		------- (Rupees in '000) -------	
	Provision against loans and advances - net	10.3	9,607,327	1,591,619
	Provision for diminution in value of investments - net	9.3	86,153	2,461,227
	Bad debts written off directly		39,487	31,260
	Reversal of provision against other assets - net		(65,845)	(4,429)
	Provision against off-balance sheet obligations	22.1	214,965	(126,747)
	Recovery of written off / charged off bad debts		(277,453)	(104,421)
	(Other reversal) / other provisions & write-offs		347,960	(170,569)
			9,952,594	3,677,940
34.	**TAXATION**			
	Current		10,276,888	6,619,858
	Prior years		(5,968)	1,592,429
	Deferred		(2,745,168)	434,105
			7,525,752	8,646,392

		(Un-audited) June 2020	(Un-audited) June 2019
35.	**EARNINGS PER SHARE**	------- (Rupees in '000) -------	
	Profit after tax attributable to equity shareholders of the Bank	10,946,110	9,176,301
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	1,224,179,687	1,224,179,687
		------- (Rupees) -------	
	Earnings per share - basic and diluted	8.94	7.50

35.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2020 and June 30, 2019.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates, 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.

36.1 The Group 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).

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:

	June 30, 2020 (Un-audited)				
	Carrying / Notional value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
On-balance sheet financial instruments					
Financial assets measured at fair value					
- Investments					
Government Securities (T-bills, PIBs, GoP Sukuks and Eurobonds)	694,563,624	-	694,563,624	-	694,563,624
Foreign Bonds - Sovereign	67,315,144	-	67,315,144	-	67,315,144
Foreign Bonds - others	11,997,487	-	11,997,487	-	11,997,487
Ordinary shares of listed companies	11,346,420	11,346,420	-	-	11,346,420
Investment in Mutual Fund	190,664	-	190,664	-	190,664
Debt securities (TFCs and Sukuks)	1,785,058	-	1,785,058	-	1,785,058
Investment in REIT	454,004	454,004	-	-	454,004
	787,652,401	11,800,424	775,851,977	-	787,652,401
Financial assets not measured at fair value					
- Investments (HTM, unlisted ordinary shares, preference shares and associates)	267,481,872	-	-	-	-
	1,055,134,273	11,800,424	775,851,977	-	787,652,401
Off-balance sheet financial instruments					
Forward purchase and sale of foreign exchange contracts	636,014,450	-	844,658	-	844,658
Interest rate swaps	316,500	-	(7,532)	-	(7,532)
FX options - purchased and sold (net)	318,382	-	-	-	-
Forward purchase of government securities	815,169	-	1,101	-	1,101
Forward sale of government securities	142,340	-	10	-	10

	December 31, 2019 (Audited)				
	Carrying / Notional value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
On-balance sheet financial instruments					
Financial assets measured at fair value					
- Investments					
Government Securities (T-bills, PIBs, GoP Sukuks and Eurobonds)	481,948,693	-	481,948,693	-	481,948,693
Foreign Bonds - Sovereign	64,182,976	-	64,182,976	-	64,182,976
Foreign Bonds - others	16,299,524	-	16,299,524	-	16,299,524
Ordinary shares of listed companies	13,410,757	13,410,757	-	-	13,410,757
Debt securities (TFCs)	694,241	-	694,241	-	694,241
Investment in REIT	520,708	520,708	-	-	520,708
	577,056,899	13,931,465	563,125,434	-	577,056,899
Financial assets not measured at fair value					
- Investments (HTM, unlisted ordinary shares,preference shares and associates)	297,504,838	-	-	-	-
	874,561,737	13,931,465	563,125,434	-	577,056,899
Off-balance sheet financial instruments					
Forward purchase and sale of foreign exchange contracts	962,345,777	-	396,445	-	396,445
Interest rate swaps	316,500	-	-	-	-
FX options - purchased and sold (net)	122,594	-	-	-	-
Forward purchase of government securities	3,043,541	-	-	-	-
Forward sale of government securities	11,264,179	-	-	-	-

36.2 Fair Value of non-financial assets

	June 30, 2020 (Un-audited)				
	Carrying / Notional value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	59,057,181	-	-	59,057,181	59,057,181
Non-banking assets acquired in satisfaction of claims	587,510	-	-	587,510	587,510
	59,644,691	-	-	59,644,691	59,644,691

	December 31, 2019 (Audited)				
	Carrying / Notional value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	60,347,349	-	-	60,347,349	60,347,349
Non-banking assets acquired in satisfaction of claims	1,082,375	-	-	1,082,375	1,082,375
	61,429,724	-	-	61,429,724	61,429,724

36.3 Certain categories of fixed assets (land and buildings) and non-banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 11 and note 15.

36.4 Valuation techniques used in determination of fair values within level 2 and level 3 are as follows.

Debt Securities

The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) and the fair value of other corporate and foreign government securities is determined using the rates from Reuters / Bloomberg.

Units of mutual fund

The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

Derivatives

The 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. SEGMENT INFORMATION

37.1 Segment details with respect to business activities

Statement of profit and loss account	For the six months ended June 30, 2020 (Un-audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
Profit and Loss	(Rupees in '000)							
Net mark-up / return / profit (loss)	22,272,329	33,140,708	(22,017,921)	2,007,256	4,050,078	948,322	(331,640)	40,069,132
Inter segment (expense) / revenue - net	(17,209,296)	(30,836,837)	44,442,279	-	-	-	3,603,854	-
Non mark-up / return / interest income	1,100,359	1,800,720	3,488,818	105,713	1,181,587	1,156,536	911,738	9,745,471
Total Income	6,163,392	4,104,591	25,913,176	2,112,969	5,231,665	2,104,858	4,183,952	49,814,603
Segment direct expenses	719,583	243,183	11,852,992	882,422	2,754,969	1,788,172	3,358,378	21,599,699
Inter segment expense allocation	247,653	34,880	2,250,467	-	255,361	-	(2,788,361)	-
Total expenses	967,236	278,063	14,103,459	882,422	3,010,330	1,788,172	570,017	21,599,699
Provision reversals / (charge)	(700,994)	(155,374)	(243,262)	(4,939)	(8,310,916)	(522,773)	(14,336)	(9,952,594)
Profit before taxation from continuing operations	4,495,162	3,671,154	11,566,455	1,225,608	(6,089,581)	(206,087)	3,599,599	18,262,310

	For the six months ended June 30, 2019 (Un-audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
Profit and Loss	(Rupees in '000)							
Net mark-up / return / profit (loss)	21,314,310	23,253,355	(19,713,299)	1,550,232	4,492,447	662,763	(974,261)	30,585,547
Inter segment (expense) / revenue - net	(18,497,541)	(27,608,236)	43,352,145	-	-	-	2,753,632	-
Non mark-up / return / interest income	1,241,425	2,574,976	4,794,457	123,574	1,638,891	1,396,989	1,726,983	13,497,295
Total Income	4,058,194	(1,779,905)	28,433,303	1,673,806	6,131,338	2,059,752	3,506,354	44,082,842
Segment direct expenses	707,468	103,520	11,911,642	785,942	2,988,905	1,692,846	3,070,566	21,260,889
Inter segment expense allocation	293,522	37,177	2,263,694	-	337,204	-	(2,931,597)	-
Total expenses	1,000,990	140,697	14,175,336	785,942	3,326,109	1,692,846	138,969	21,260,889
Provision reversals / (charge)	582,588	(2,145,281)	269,576	(5,828)	(2,325,215)	50,285	(104,065)	(3,677,940)
Profit before taxation from continuing operations	3,639,792	(4,065,883)	14,527,543	882,036	480,014	417,191	3,263,320	19,144,013

Statement of financial position	As at June 30, 2020 (Un-audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
	(Rupees in '000)							
Balance Sheet								
Cash and Bank balances	198,748	95,545,912	102,310,555	14,586,576	55,448,859	32,766,558	840,253	301,697,461
Investments	5,673,872	839,758,201	-	51,572,462	117,628,345	36,318,883	4,182,510	1,055,134,273
Net inter segment lending	-	-	1,078,901,445	-	455,891	-	62,913,150	1,142,270,486
Lendings to financial institutions	-	-	-	8,156,014	-	4,680,410	-	12,836,424
Advances - performing	404,928,020	18,307	30,858,757	26,811,296	99,440,899	61,739,448	5,695,015	629,491,742
Advances - non-performing (net of provision)	2,972,311	46,002	1,002,225	18,190	13,137,868	1,354,446	39,543	18,570,585
Assets held for sale	-	-	-	-	-	245,615	-	245,615
Others	22,588,220	21,247,637	16,628,427	7,949,956	13,130,287	6,544,539	47,392,290	135,481,356
Total Assets	436,361,171	956,616,059	1,229,701,409	109,094,494	299,242,149	143,649,899	121,062,761	3,295,727,942
Borrowings	51,796,715	93,759,763	250,117	2,939,432	6,721,452	8,134,190	-	163,601,669
Subordinated debts	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	65,909,102	207,554	1,180,025,875	97,533,014	244,390,612	104,386,140	412,436	1,692,864,733
Net inter segment borrowing	290,020,831	852,249,655	-	-	-	-	-	1,142,270,486
Liabilities held for sale	-	-	-	-	-	23,408	-	23,408
Others	25,510,249	5,668,404	44,509,877	4,325,691	6,062,873	1,699,453	1,634,942	89,411,489
Total Liabilities	433,236,897	951,885,376	1,224,785,869	104,798,137	257,174,937	114,243,191	12,047,378	3,098,171,785
Equity	3,124,274	4,765,816	5,581,428	4,296,357	46,680,318	21,721,888	111,386,076	197,556,157
Total Equity and liabilities	436,361,171	956,651,192	1,230,367,297	109,094,494	303,855,255	135,965,079	123,433,454	3,295,727,942
Contingencies and Commitments	322,983,547	214,669,779	12,091,710	5,051,865	426,413,960	64,731,258	460,216	1,046,402,335

	As at December 31, 2019 (Audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
	(Rupees in '000)							
Balance Sheet								
Cash and Bank balances	81,168	81,316,916	102,634,796	13,897,123	52,400,729	34,987,958	774,238	286,092,928
Investments	5,709,986	674,283,210	-	46,726,238	108,281,811	35,466,122	4,094,370	874,561,737
Net inter segment lending	6,033,205	-	974,558,425	-	-	-	54,818,509	1,035,410,139
Lendings to financial institutions	-	9,450,000	-	10,733,118	-	1,509,828	-	21,692,946
Advances - performing	447,169,096	18,964	35,585,623	9,013,624	125,319,182	58,139,824	5,743,472	680,989,785
Advances - non-performing (net of provision)	1,385,177	44,946	698,152	3,751	11,212,859	574,868	24,925	13,944,678
Assets classified as held for sale	-	-	-	-	-	236,450	-	236,450
Others	25,309,421	23,500,715	14,088,571	8,344,406	14,826,734	6,911,760	53,174,735	146,156,342
Total Assets	485,688,053	788,614,751	1,127,565,567	88,718,260	312,041,315	137,826,810	118,630,249	3,059,085,005
Borrowings	52,023,960	95,592,358	-	1,299,975	5,567,707	15,921,060	-	170,405,060
Subordinated debts	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	60,853,339	131,140	1,073,376,469	81,432,150	250,441,596	91,143,714	616,898	1,557,995,306
Net inter segment borrowing	340,389,787	694,764,203	50,718	-	205,431	-	-	1,035,410,139
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	17,936	-	17,936
Others	28,237,436	7,443,210	37,156,146	2,457,259	7,619,847	1,369,788	10,101,007	94,384,693
Total Liabilities	481,504,522	797,930,911	1,110,583,333	85,189,384	263,834,581	108,452,498	20,717,905	2,868,213,134
Equity	4,183,416	(9,316,160)	18,670,613	3,528,876	52,573,508	21,802,989	99,428,629	190,871,871
Total Equity and liabilities	485,687,938	788,614,751	1,129,253,946	88,718,260	316,408,089	130,255,487	120,146,534	3,059,085,005
Contingencies and Commitments	380,667,280	582,249,607	11,794,242	5,118,239	405,700,848	76,351,544	2,070,818	1,463,952,578

38. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, employee benefit plans and its Directors and Key Management Personnel (including their associates).

The Group 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 with related parties during the period / year, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

38.1 RELATED PARTY TRANSACTIONS

	June 30, 2020 (Un-audited)					December 31, 2019 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	-	6,113,434	3,943,527	-	-	-	5,119,744	4,183,880
Investment made during the period / year	-	-	-	7,066,379	-	-	-	-	13,864,341	-
Investment redeemed / disposed off during the period / year	-	-	-	(7,646,367)	-	-	-	-	(13,491,052)	(240,353)
Equity method adjustments	-	-	-	10,981	-	-	-	-	620,401	-
Closing balance	-	-	-	5,544,427	3,943,527	-	-	-	6,113,434	3,943,527
Provision for diminution in value of investments	-	-	-	-	1,540,280	-	-	-	-	1,126,954
Advances										
Opening balance	-	4,624	287,618	2,155,149	12,715,998	-	2,221	280,911	2,155,149	6,747,749
Addition during the period / year	-	665	16,604	-	15,260,203	-	15,958	148,343	-	6,591,282
Repaid during the period / year	-	(5,130)	(57,705)	(152,755)	(10,860,457)	-	(13,555)	(88,857)	-	(623,033)
Transfer out - net / (write-off)	-	-	(65)	(2,002,394)	-	-	-	(52,779)	-	-
Closing balance	-	159	246,452	-	17,115,744	-	4,624	287,618	2,155,149	12,715,998
Provision held against advances	-	-	-	-	-	-	-	-	2,155,149	-
Other Assets										
Interest mark-up accrued	-	-	-	6,536	459,489	-	-	-	7,289	325,704
Receivable from staff retirement funds	-	-	-	-	288,437	-	-	-	-	217,633
Prepaid insurance	-	-	-	264,084	-	-	-	-	2,167	-
Remuneration receivable from management of funds	-	-	-	56,314	-	-	-	-	79,080	-
Sales load receivable	-	-	-	28,416	-	-	-	-	27,408	-
Formation cost receivable	-	-	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-	-	104,215	-	-	-	-	-
Other receivable	-	-	-	124,107	30,164	-	-	-	1,505	30,164
Provision against other assets	-	-	-	-	30,164	-	-	-	-	30,164
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	12,400
Borrowings during the year	-	-	-	-	1,494,300	-	-	-	-	579,400
Settled during the year	-	-	-	-	(1,380,600)	-	-	-	-	(591,800)
Closing balance	-	-	-	-	113,700	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	8,679,450	71,109	6,502,933	11,347,096	-	6,245,368	165,303	11,638,646	8,491,509
Received during the period / year	-	12,120,384	835,395	77,788,859	84,071,496	-	38,666,070	915,992	160,641,938	267,658,066
Withdrawn during the period / year	-	(14,840,982)	(699,734)	(81,203,511)	(80,138,087)	-	(36,231,988)	(996,873)	(165,777,647)	(264,802,479)
Transfer (out) / in - net	-	-	(2,865)	-	-	-	-	(13,313)	(4)	-
Closing balance	-	5,958,852	203,905	3,088,281	15,280,505	-	8,679,450	71,109	6,502,933	11,347,096
Other Liabilities										
Interest / mark-up payable on deposits and borrowings	-	27,362	-	26,599	118,743	-	35,257	-	72,233	94,554
Payable to staff retirement fund	-	-	-	-	2,286,782	-	-	-	-	736,313
Deferred performance bonus – MRT/ MRC	-	-	95,095	-	-	-	-	-	-	-
Dividend Payable	1,579,322	52,965	-	-	-	-	-	-	-	-
Unearned income	-	-	-	-	5,548	-	-	-	-	13,869
Other Payable	-	25,800	-	-	-	-	-	-	-	-

	June 30, 2020 (Un-audited)					June 30, 2019 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Income										
Mark-up / return / interest earned	-	-	9,544	25,598	793,661	-	-	8,251	7,696	340,059
Commission / charges recovered	-	46	1,687	11,170	10,137	-	64	645	3,925	2,794
Dividend income	-	-	-	62,952	139,868	-	-	-	-	134,775
Net gain on sale of securities	-	-	-	41,269	-	-	-	-	24,876	28,515
Remuneration from management of fund	-	-	-	375,803	-	-	-	-	477,929	-
Sales load	-	-	-	22,443	-	-	-	-	27,004	-
Other income	-	-	-	4,582	-	-	-	-	5,939	-
Reserval of Provision	-	-	-	152,755	-	-	-	-	-	-
Switch revenue	-	-	-	-	104,302	-	-	-	-	137,164
Expenses										
Mark-up / return / interest paid	-	99,948	757	277,728	192,264	-	117,147	746	406,458	146,399
Remuneration paid	-	-	607,884	-	-	-	-	487,997	-	-
Post employment benefits	-	-	18,413	-	-	-	-	10,125	-	-
Non-executive directors' fee	-	49,749	-	-	-	-	39,565	-	-	-
Net charge for defined contribution plans	-	-	-	-	272,431	-	-	-	-	260,698
Net charge for defined benefit plans	-	-	-	-	176,191	-	-	-	-	145,581
Other expenses	-	-	-	-	21,942	-	-	-	-	966
Clearing charges	-	-	-	-	64,874	-	-	-	-	68,451
Seminar and Membership fees	-	-	-	-	1,298	-	-	-	-	3,421
Membership, Subscription , Sponsorship and maintenance charges	-	-	-	-	400	-	-	-	-	13,231
Custody charges	-	-	-	-	2,189	-	-	-	-	3,112
Insurance premium paid	-	-	-	515,078	-	-	-	-	260,437	-
Insurance claims settled	-	-	-	183,804	-	-	-	-	123,197	-

39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,798	12,241,798
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	127,051,380	124,263,319
Eligible Additional Tier 1 (ADT 1) Capital	10,696,106	10,530,346
Total Eligible Tier 1 Capital	137,747,486	134,793,665
Eligible Tier 2 Capital	43,564,574	35,945,443
Total Eligible Capital (Tier 1 + Tier 2)	181,312,060	170,739,108
Risk Weighted Assets (RWAs):		
Credit Risk	671,982,650	729,515,624
Market Risk	74,439,466	67,581,408
Operational Risk	153,434,017	153,434,017
Total	899,856,133	950,531,049
Common Equity Tier 1 Capital Adequacy Ratio	14.12%	13.07%
Tier 1 Capital Adequacy Ratio	15.31%	14.18%
Total Capital Adequacy Ratio	20.15%	17.96%

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 Jun 30, 2020 stood at Rs.12,241.798 million (2019: Rs.12,241.798 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.00% plus Capital Conservation Buffer (CCB) of 2.50%. Furthermore, under the SBP's framework for Domestic Systematically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, the Bank is also required to maintain a High Loss Absorbency Requirement of 1.00% (2019: 1.50%) in the form of additional CET 1 capital on a standalone as well as consolidated basis with effect from March 2020 till the next announcement by the SBP.

In order to dampen the effects of Covid - 19, SBP via BPRD Circular Letter No. 12 of 2020 has given 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 2.50% to 1.50%, 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 6.00% and 7.50%, respectively, as at Jun 30, 2020. The Bank is fully compliant with prescribed ratios as the Group's CAR is 20.15% whereas the CET 1 and Tier 1 ratios stand at 14.12% and 15.31% respectively.

Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are also applied against the Bank's exposures based on eligible collateral under comprehensive approach.

	(Un-audited) June 30 2020	(Audited) December 31 2019
	------- (Rupees in '000) -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	137,747,486	134,793,665
Total Exposures	2,594,096,659	2,534,146,003
Leverage Ratio	5.31%	5.32%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	774,581,094	530,454,588
Total Net Cash Outflow	290,724,025	206,998,861
Liquidity Coverage Ratio	266.43%	256.26%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,726,327,966	1,598,050,689
Total Required Stable Funding	1,115,617,217	1,170,120,900
Net Stable Funding Ratio	154.74%	136.57%

40. ISLAMIC BANKING BUSINESS

The Bank operates 100 (December 31, 2019: 100) Islamic Banking branches and 162 (December 31, 2019: 162) Islamic Banking windows.

The statement of financial position of the Bank's Islamic Banking branches as at June 30, 2020 is as follows:

	Note	(Un-audited) June 30, 2020	(Audited) December 31, 2019
		--------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks		10,123,786	13,092,570
Balances with other banks		4,462,790	804,553
Due from financial institutions	40.1	8,156,014	10,733,118
Investments	40.2	51,572,462	46,726,238
Islamic financing and related assets	40.3	26,829,485	9,017,375
Fixed assets		956,740	1,038,809
Intangible assets		5,950	7,263
Due from Head Office		6,273,598	6,824,821
Other assets		713,669	473,513
Total Assets		109,094,494	88,718,260
LIABILITIES			
Bills payable		1,643,784	924,527
Due to financial institutions		2,939,432	1,299,975
Deposits and other accounts	40.4	97,533,014	81,432,150
Due to Head Office		-	-
Other liabilities		2,681,907	1,532,732
		104,798,137	85,189,384
NET ASSETS		4,296,357	3,528,876
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Deficit on revaluation of assets		(40,000)	(59,860)
Accumulated profit		2,155,357	1,407,736
		4,296,357	3,528,876
CONTINGENCIES AND COMMITMENTS	40.5		

The profit and loss account of the Bank's Islamic Banking branches for the six months ended June 30 is as follows:

		-------(Un-audited)-------	
		January - June 2020	January - June 2019
		--------- (Rupees in '000) ---------	
Profit / return earned	40.6	4,606,068	3,564,688
Profit / return expensed	40.7	(2,598,812)	(2,014,456)
Net profit / return		2,007,256	1,550,232
Other income			
Fee and Commission Income		102,446	113,821
Foreign Exchange Income		1,058	288
Loss on securities		(5,197)	(4,888)
Other Income		7,406	14,353
Total Other Income		105,713	123,574
Total Income		2,112,969	1,673,806
Operating expenses		(882,422)	(785,942)
Profit before provisions		1,230,547	887,864
Provisions and write-offs - net		(4,939)	(5,828)
Profit before taxation		1,225,608	882,036
Taxation		(477,987)	(343,994)
Profit after taxation		747,621	538,042

40.1 Due from Financial Institutions

	June 30, 2020 (Un-Audited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Call money lending	2,000,000	-	2,000,000	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	10,733,118	-	10,733,118
Bai Muajjal Receivable from State Bank of Pakistan	6,156,014	-	6,156,014	-	-	-
	8,156,014	-	8,156,014	10,733,118	-	10,733,118

40.2 Investments by segments

		June 30, 2020 (Un-Audited)				December 31, 2019 (Audited)			
		Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value
		(Rupees in '000)							
Federal Government Securities									
-Ijarah Sukuks		10,000,000	-	(40,000)	9,960,000	5,900,860	-	(59,860)	5,841,000
-Bai muajjal with Govt. of Pakistan	40.2.1	27,998,123	-	-	27,998,123	26,443,679	-	-	26,443,679
		37,998,123	-	(40,000)	37,958,123	32,344,539	-	(59,860)	32,284,679
Non Government Debt Securities									
-Listed		450,000	-	-	450,000	450,000	-	-	450,000
-Unlisted		13,164,339	-	-	13,164,339	13,991,559	-	-	13,991,559
		13,614,339	-	-	13,614,339	14,441,559	-	-	14,441,559
Total Investments		51,612,462	-	(40,000)	51,572,462	46,786,098	-	(59,860)	46,726,238

40.2.1 Bai Muajjal with Government of Pakistan

	(Un-audited) June30, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
Bai Muajjal Investment	33,031,000	33,031,000
Less: Deferred Income	(5,032,877)	(6,587,321)
Bai Muajjal Investment - net	27,998,123	26,443,679

40.3 Islamic financing and related assets

Ijarah	550,810	654,998
Murabaha	278,968	421,509
Musharaka	14,992,781	64,199
Diminishing Musharaka	6,600,322	5,554,909
Istisna	-	139,105
Islamic Export Refinance scheme - Musharakah	2,639,544	999,544
Islamic Export Refinance scheme - Murabaha	303,754	303,449
Advances against Islamic assets		
Advances against Ijara	-	18,939
Advances for Diminishing Musharika	68,075	114,776
Advances for Murabaha	55,026	153,105
Advances for Istisna	715,571	416,601
Inventory related to Islamic financing		
Istisna	159,534	166,760
Profit and other receivables against financings	573,882	113,408
Gross Islamic financing and related assets	26,938,267	9,121,302
Less: Provision against Islamic financings		
- Specific	(90,848)	(85,346)
- General	(17,934)	(18,581)
	(108,782)	(103,927)
Islamic financing and related assets - net of provision	26,829,485	9,017,375

40.4 Deposits and other accounts

	(Un-audited) June30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Customers		
Current deposits	40,267,498	33,257,380
Savings deposits	17,059,473	13,018,167
Term deposits	8,122,836	8,414,762
	65,449,807	54,690,309
Financial Institutions		
Current deposits	2,752,412	2,488,822
Savings deposits	14,802,357	8,772,019
Term deposits	14,528,438	15,481,000
	32,083,207	26,741,841
	97,533,014	81,432,150

40.4.1 Deposits eligible to be covered under insurance arrangements amounting to Rs. 44,217.224 million (December 31, 2019: Rs. 39,534.355 million).

40.5 Contingencies and commitments

	(Un-audited) June30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
- Guarantees	59,267	10,602
- Commitments	4,992,598	5,107,637
	5,051,865	5,118,239

40.6 Profit / Return Earned on Financing, Investments and Placements

	-------(Un-audited)------- January - June 2020	January - June 2019
	------- (Rupees in '000) -------	
On:		
Financing	1,069,129	501,252
Investments	2,648,665	2,176,443
Placements	731,028	759,226
Rental Income from Ijarah	157,246	127,767
	4,606,068	3,564,688

40.7 Profit on Deposits and other Dues Expensed

On:		
Deposits and other accounts	2,519,427	1,951,983
Due to Financial Institutions	21,114	14,180
Return expense on leases	58,271	48,293
	2,598,812	2,014,456

40.8 Islamic Banking Business Unappropriated Profit

	(Un-audited) June30, 2020	(Audited) December 31, 2019
	------- (Rupees in '000) -------	
Opening Balance	1,407,736	483,189
Add: Islamic Banking profit for the period / year	1,225,608	1,551,564
Less: Taxation	(477,987)	(627,017)
Closing Balance	2,155,357	1,407,736

40.9 Disclosures for profit and loss distribution and pool management

UBL Ameen (the Mudarib) Operates different pools which accept deposits on the basis of Mudaraba from depositors (Rabbulmaal) and accepts funds from inter-bank under Mudaraba, Musharakah and Wakalah modes. Pool funds are invested in Islamic modes of financing and investments.

Ameen Daily Munafa Account (ADMA) Pool

The ADMA pool consists of deposits for the ADMA product. 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)

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.

Islamic Export Refinance Pool(s)

Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan for Islamic Export Refinance to the Bank's customers and liquidity management respectively under the Musharakah / Modaraba modes.

Treasury Pool(s)

Treasury Pools are managed on the basis of Musharakah, Mudarabah and Wakalah, wherein UBL Ameen and FI share actual return earned by the pool according to pre-defined profit sharing ratio and Wakalah fee.

General Pool

The General pool consists of all other remunerative deposits. UBL Ameen (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The Bank managed following pools during the period.

June 30, 2020 (Un-Audited)

	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharkah share / Wakala 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	6	Mudarbaha	Monthly	5.29%	50.00%	3,713	3%	16.55%	615
Special Pools	60	Mudarbaha	Monthly	12.45%	28.45%	355,547	9.94%	31.50%	112,006
IERS Pools	12	Musharkah	Monthly	4.94%	86.89%	139,090	2.00%	0.00%	-
General Pools	6	Mudarbaha	Monthly	11.90%	50.00%	1,087,379	7.71%	29.62%	322,032

June 30, 2019 (Un- Audited)

	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharkah share / Wakala 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	6	Mudarbaha	Monthly	5.03%	50.00%	3,958	3%	11.35%	449
Special Pools	70	Mudarbaha	Monthly	10.80%	7.80%	101,927	10.10%	17.38%	17,713
IERS Pools	19	Musharkah	Monthly	3.95%	73.97%	29,804	2.00%	0.00%	-
General Pools	6	Mudarbaha	Monthly	10.95%	50.00%	586,111	6.73%	22.86%	133,972
Treasury Pools	2	Musharkah	As required	12.93%	25.77%	1,278,366	9.60%	0.00%	-

	(Un-audited) June 30, 2020	(Audited) December 31, 2019
	-------Rupees in '000-----	
40.10 Deployment of Mudaraba based deposits by class of business		
Chemical and pharmaceuticals	2,634,359	881,578
Agri business	15,850,653	341,340
Textile	1,629,244	1,795,124
Financial	7,258,390	12,480,670
Food industries	473,969	508,003
Plastic	296,346	290,050
Individuals	1,410,467	1,460,332
Production and Transmission of energy	13,917,223	15,341,872
Government of Pakistan Securities	44,114,136	32,284,679
Others	3,544,744	2,065,022
	91,129,531	67,448,670

41. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In compliance with the SBP's instructions as disclosed in note 4.8 to the condensed interim consolidated financial statements, the Board of Directors, in its meeting held on August 05, 2020 has not declared any cash dividend in respect of the quarter ended June 30, 2020 (June 30, 2019: Rs 2.50 per share). Therefore, there is no non-adjusting event after the balance sheet date.

42. GENERAL

42.1 Comparatives

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

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

43. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorised for issue on August 05, 2020 by the Board of Directors of the Bank.

Aameer Karachiwalla	Shazad G. Dada	Haider Zameer Choudrey	Arshad Ahmad Mir	Sir Mohammed Anwar Pervez, OBE, HPk
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

توقع کرتے ہیں کہ لاک ڈاؤن میں نرمی سے کریڈٹ کی مانگ میں بتدریج اضافہ ہوگا جس سے معیشت کا سفر بہتری کی جانب گامزن ہو گا۔ لاک ڈاؤن نے متبادل سروس چینلز کے استعمال کو عام کرنے کیلئے ایک منفرد موقع فراہم کیا ہے۔ ڈیجیٹل بینکاری کے شعبہ میں ایک لیڈر کا کردار ادا کرتے ہوئے، یو بی ایل ٹیکنالوجی میں بڑے پیمانے پر سرمایہ کاری کر رہا ہے اور اپنی بینکنگ ضروریات کو پورا کرنے کیلئے صارفین کو متبادل پلیٹ فارم استعمال کرنے کی حوصلہ افزائی کی جارہی ہے۔ اس کلچر کو بین الاقوامی اصولوں کے مطابق مرتب کرنے کیلئے ہم پرعزم ہیں۔ ہمارا عملہ ہمارے لیے قیمتی اثاثہ ہے اور ہم ان کی خوب سے خوب تربیت اور ترقی میں سرمایہ کاری کرتے رہیں گے اور تاکہ ہمارے کل کے لیڈروں کی راہ ہموار ہو۔

اظہارِ تشکر (Acknowledgements)

آخر میں ہم اپنے اسٹیک ہولڈرز کے تہ دل سے مشکور ہیں جو مسلسل ہم پر بھروسہ اور اعتماد کر رہے ہیں۔ ہم یو بی ایل ٹیم کے بھی شکر گزار ہیں جن کی شبانہ روز محنت اور لگن کی بدولت آج یو بی ایل مشکل کی اس گھڑی میں بھی اپنے صارفین کو بہترین خدمات فراہم کر رہا ہے۔ ہم حکومت پاکستان، سٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ضابطہ کار اداروں کے بھی شکر گزار ہیں جو بینک کو رہنمائی اور تعاون فراہم کرتے ہیں۔

برائے و از طرف بورڈ

شہزاد جی. دادا

صدر اور سی ای او (CEO)

کراچی

5 اگست، 2020

ارشد احمد میر

ڈائریکٹر

متعلق دیگر اخراجات بھی شامل ہیں۔28 مارچ،2019 کومنعقد ہونے والے سالانہ اجلاس عام میں شیئر ہولڈرز نے اس پالیسی کی منظوری دی۔اسٹیٹ بینک آف پاکستان کی 17 اگست،2019 کو جاری ہونے والے بی پی آر ڈی سرکولرنمبر 03 کی پالیسی گائیڈ لائن کی روشنی میں،19 فروری،2020 کومنعقد ہونے والے اجلاس میں بورڈ نے ڈائریکٹر کے لئے معاوضہ پالیسی کی منظوری دی۔پالیسی کے تحت،نان ایگزیکٹوڈائریکٹرز،بشمول چیئرمین کو بورڈ کے ہر اجلاس میں شرکت کیلئے مبلغ 750,000 روپے دیئے جائیں گے۔مزید یہ کہ اجلاس کی فیس کے علاوہ،چیئرمین،چیئرمین کے عہدے پر فائز ہونے پر بورڈ میٹنگ فیس کے 20 فیصد معاوضہ کے حقدار ہونگے۔اس پالیسی میں سفری،لاجسٹک اور رہائشی اخراجات کے ساتھ ساتھ یومیہ الاؤنس بھی شامل ہے۔25 مارچ،2020 کومنعقدہ اجلاس عام میں شیئر ہولڈرز نے اس پالیسی کی منظوری دی۔

ایوارڈ اور اعترافات (Award and Recognition)

یورومنی کے ایک ایسوسی ایٹ،ایشیامنی نے یو بی ایل کو 2020 کا بہترین ڈیجیٹل بینک قرار دیا ہے۔یہ ایوارڈ ڈیجیٹل چینلز کے ذریعے مالیاتی خدمات کے دائرہ کار کو بڑھانے اور ملک میں سب سے زیادہ ترقی پسند اور جدید بینکوں میں یو بی ایل کے قائدانہ کردار کا ثبوت ہے۔

بینک اپنی ڈیجیٹل حکمت عملی کے تحت اپنی پروڈکٹس،طریقہ کار اور کسٹمر کے ساتھ باہمی تعاون کو وسیع پیمانے پر ماحولیاتی نظام کی ادائیگی کیلئے کوشش کرتا ہے جس سے صارفین کی بینکاری کی ضروریات کو احسن طریقے سے پورا کیا جاسکے۔ہماری یو بی ایل ڈیجیٹل ایپ کو 30 جون،2020 تک عوام کی جانب سے بہت پذیرائی ملی اور ہمارے ڈیجیٹل صارفین کی تعداد 11 لاکھ 80 ہزار تک پہنچ گئی جبکہ ہمارے ڈیجیٹل بینکنگ پلیٹ فارم کے ذریعے تقریباً 30 فیصد صارفین نے بینک کی خدمات حاصل کیں۔

مستقبل کے امکانات (Future Outlook)

کوویڈ-19 کی وجہ سے عالمی معیشت کو شدید دھکا لگا جس کی وجہ سے دنیا بھر کی حکومتوں نے اپنے شہریوں کے تحفظ،انہیں بے روزگاری سے بچانے اور اپنی معیشتوں سہارا دینے کیلئے بڑے پیمانے پر مالی اور مالیاتی اقدامات اٹھائے۔یہ ایک غیر معمولی واقعہ تھا جس کی بڑی انسانی اور معاشی قیمت چکانا پڑی۔ہم پُر امید ہیں کہ ہم اس وباء کے خاتمے کے بہت قریب ہیں،تاہم،ہم اس حقیقت سے باخوبی آگاہ ہیں کہ کوویڈ-19 کی وباء کی وجہ سے دنیا ابھی تک غیر یقینی صورتحال سے دوچار ہے۔

پاکستان کے اولین اور بڑے بینکوں میں سے ایک اہم بینک ہونے کے ناطے،یو بی ایل اس مشکل گھڑی میں بھی اپنی صلاحیتوں کو بروئے کار لاتے ہوئے ملکی معاشی ترقی میں اپنا کردار ادا کرنے کیلئے پرعزم ہے۔ہم ریگولیٹر کے ساتھ مل کر معاشی انجن کو دوبارہ چلانے کیلئے مختلف اقدامات کو متعارف کرانے کیلئے فعال اور موثر انداز سے سرگرم عمل ہیں۔برانچ بینکنگ یو بی ایل فرنچائز کا بنیادی مرکز اور کلیدی ٹچ پوائنٹ ہے جہاں ہم بنیادی طور پر بہتر خدمات کو وسعت دینے کیلئے کوشاں ہیں تاکہ ہم اپنے صارفین کی توقعات پر پورا اتر سکیں۔ہم یہ

کرنے سے قبل قرض خواہوں کے کریڈٹ کے معیار کو باریک بینی سے پرکھا جاتا ہے۔ پاکستانی روپے کی قدر میں تیزی سے کمی کو مدنظر رکھتے ہوئے، سرمائے کو محفوظ اور زیادہ فائدہ مند بنانے کیلئے ہم نے غیر ملکی کرنسی کے حامل (Risk Weighted Assets) پر توجہ مرکوز رکھی ہے۔ مزید برآں، اسپیشل ایسٹس مینجمنٹ ڈویژن غیر فعال اکاؤنٹس سے زیادہ وصولیوں کیلئے موثر اقدامات کر رہا ہے۔ اضافی لیکویڈیٹی کا بنیادی مقصد خود مختار حکومتوں کو قرضوں اور تجارتی معاملات کیلئے مالی معاونت فراہم کرنا اور اچھے مالیاتی اداروں کو زیادہ قرض دینا ہے۔

ہم ڈیپازٹس کو مستحکم بنانے اور ڈیپازٹس کے ارتکاز میں بہتری لانے کیلئے ڈیپازٹ فرنچائز میں استحکام لا رہے ہیں ۔ پہلی ششماہی 2020 کے دوران اوسط ڈیپازٹس 1.5 ارب امریکی ڈالر رہے (ششماہی 2019: 1.8 ارب امریکی ڈالر)۔ ڈیپازٹس کی لاگت 2019 کی پہلی ششماہی میں 2.2 فیصد سے کم ہو کر 2020 کی پہلی ششماہی میں 1.8 فیصد رہی۔ فعال ایڈوانسز میں 756 ملین امریکی ڈالر کی اوسط رہی جس میں 2019 کی پہلی ششماہی کے مقابلے میں 29 فیصد کمی ہوئی۔ بنیادی طور پر (Sovereign Bonds) کی بدولت انویسٹمنٹ پورٹ فولیو کی اوسط 662 ملین امریکی ڈالر ہے جس سے بینک کو 5.9 فیصد منافع حاصل ہوا۔

صدر اور سی ای او کی تبدیلی (Change in President and CEO)

بورڈ آف ڈائریکٹرز نے محترمہ سیما کامل کی مدت ملازمت کی تکمیل کے بعد، جناب شہزاد جی دادا کو یو بی ایل کا نیا صدر اور چیف ایگزیکٹو آفیسر مقرر کیا ہے جنہوں نے 16 جولائی، 2020 سے اپنی ذمہ داریاں سنبھال لی ہیں۔ بورڈ نے سکبدوش ہونے والی صدر اور سی ای او کی بے مثال خدمات کو خراج تحسین پیش کرتے ہوئے کہا کہ محترمہ سیما کامل نے مشکل وقت میں بینک کی قیادت کرتے ہوئے ڈیجیٹل بینکنگ کے نئے دور کا آغاز کیا۔ بورڈ ان کے درخشاں مستقبل کیلئے نیک خواہشات کا اظہار کرتا ہے۔ بورڈ ممبران نئے صدر اور سی ای او کا پرتپاک خیر مقدم کرتے ہیں اور یو بی ایل کی قیادت کرتے ہوئے مستقبل میں ان کی کامیابی کیلئے دعا گو ہیں۔

کریڈٹ ریٹنگ (Credit Rating)

29 جون، 2020 کو کریڈٹ ریٹنگ کمپنی لمیٹڈ JCR-VIS نے یونائیٹڈ بینک لمیٹڈ (یو بی ایل) کی بطور ادارہ ریٹنگ AAA/A-1+ (ٹرپل اے، اے ون پلس) کی دوبارہ توثیق کی ہے۔ مزید برآں، یو بی ایل کے اضافی TFC (ADT-1) Tier-1 میں بھی 'AA+' (ڈبل اے پلس) کی دوبارہ توثیق کی ہے اس طرح ادارہ کو تفویض شدہ ریٹنگ مستحکم ہے۔

ڈائریکٹرز کا معاوضہ (Compensation of Directors)

02 اگست، 2018 کو منعقد ہونے والے 216 ویں اجلاس میں یو بی ایل کے بورڈ آف ڈائریکٹرز نے بورڈ اور بورڈ کی کمیٹی اجلاس میں شرکت کیلئے چیئرمین سمیت ڈائریکٹرز کو معاوضے کی ادائیگی سے متعلق ایک جامع پیکج منظور کیا ہے۔ اس دستاویز میں بورڈ کے اجلاس سے

کے ساتھ غیر فعال قرضہ جات کی تنظیم نو میں نرمی اور ڈیجیٹل ٹرانزیکشن کے چارجز کی چھوٹ شامل ہے۔

کورونا وباء کی وجہ سے عالمی اقتصادیات کی پیداوار اور کھپت میں زبردست خلل پیدا ہوا ہے۔ جس کی وجہ سے گھریلو طلب میں کمی کے ساتھ صنعتی پیداوار میں بھی نمایاں کمی آئی ہے۔ ان حالات کے باوجود کرنٹ اکاؤنٹ کا خسارہ (CAD) سال بہ سال بہتر ہوا، تاہم کرنٹ اکاؤنٹ خسارہ مالی سال 2020 میں 2.97 ارب امریکی ڈالر ریکارڈ کیا گیا جس میں سال بہ سال 78 فیصد کمی واقع ہوئی۔ درآمدات اور برآمدات کے شعبہ میں کمی ہوئی ہے۔ ملک کی برآمدات مالی سال 2019 کے مقابلے میں موجودہ مالی سال 2020 میں 6.8 فیصد کم ہوئی ہیں۔ تاہم اسی مدت کے دوران درآمدات میں 18.6 فیصد کمی ہوئی۔ سال 2020 کے دوران ملک کا تجارتی خسارہ 23.2 ارب امریکی ڈالر رہا جو سال 2019 کے مقابلے میں 27 فیصد کم ہے۔ مالی سال 2020 کے دوران ملکی ترسیلاتِ زر 23.1 ارب امریکی ڈالر ریکارڈ کیے گئے جو مالی سال 2019 کے مقابلے میں 6 فیصد زیادہ ہے۔

ملک کے زرِمبادلہ کے ذخائر جون 2020 میں 18.0 ارب امریکی ڈالر تھے، جو دسمبر 2019 کی سطح پر رہے، جس کی بڑی وجہ مختلف اداروں کی طرف سے بیرونی ادائیگیوں کیلئے مالی معاونت فراہم کرنا ہے۔ کورونا کی وباء کے باعث فارن ایکسچینج کی مارکیٹ دباؤ کا شکار رہی جس کی وجہ سے روپے کی قدر دسمبر 2019 سے 8.5 فیصد سے کم ہو کر 30 جون، 2020 میں 168.05 روپے فی امریکی ڈالر رہی۔ KSE-100 انڈیکس بھی 2020 کی پہلی ششماہی کے دوران اتار چڑھاؤ کا شکار رہا لیکن 2020 کی دوسری سہ ماہی میں 5,190 پوائنٹس بہتری ہوئی۔ 30 جون، 2020 میں انڈیکس 34,422 پوائنٹس پر بند ہوا جس میں دسمبر 2019 سے 16 فیصد کمی ہوئی۔

جون 2020 کے اختتام پر بینکنگ سیکٹر کے ڈپازٹس 16.2 ٹریلین روپے رہے جو دسمبر 2019 کے مقابلے میں 11 فیصد زیادہ ہیں۔ جون 2020 کے اختتام پر سیکٹر کے ایڈوانسز 8.2 ٹریلین روپے ریکارڈ کیے گئے جو دسمبر 2019 کی سطح سے زیادہ ہے۔ 31 مارچ 2020 کے دوران بینکنگ کی صنعت کیلئے غیر فعال قرضہ جات 806 ارب روپے رہے، جو دسمبر 2019 کے مقابلے میں 6 فیصد زائد ہے، جبکہ سیکٹر کے اثاثہ جات کا معیار دسمبر 2019 میں 8.6 فیصد تھا، جو 31 مارچ 2020 تک 9.1 فیصد ہو گیا۔

یو بی ایل انٹرنیشنل (UBL International)

کورونا کی وجہ سے خلیج تعاون کونسل (GCC) کے خطے میں کاروباری سرگرمیاں نہایت سست روی کا شکار ہیں۔ تیل کی قیمتوں میں کمی کی وجہ سے ان پر معاشی دباؤ مزید بڑھا ہے۔ (GCC) کی حکومتوں نے معاشی دباؤ کو کم کرنے کیلئے مختلف اقدامات اٹھائے ہیں، جن میں سرکاری شعبہ کے اخراجات میں اضافہ، دباؤ کو کم کرنے کیلئے بینکنگ سیکٹر کو مزید لیکویڈیٹی (Liquidity) کی فراہمی کے ساتھ ساتھ لاک ڈاؤن میں بھی بتدریج نرمی کے اقدامات شامل ہیں۔

یو بی ایل نے، اپنے انٹرنیشنل بزنس میں موجود اثاثوں کو ڈی رسک کرنے کا عمل جاری رکھا ہوا ہے۔ نئے اثاثوں کے حوالے سے فیصلہ

2020، یو بی ایل کے لیے مجموعی کیپیٹل ایڈوکیسی کی شرح (CAR) کی کم از کم حد 12.5 فیصد (بشمول 1.0 فیصد HLA سرچارج) درکار ہوگی۔ اس سے بینک کے لئے قابل اطلاق کم از کم ریگولیٹری CAR رکوائرمنٹ میں دسمبر 2019 کے 14 فیصد سے 150 بنیادی پوائنٹس تک کمی واقع ہوئی ہے (بشمول 1.5 فیصد HLA سرچارج)۔

کامن ایکویٹی ٹیئر 1 (CET-1) کا تناسب جون 2020 میں 14.7 فیصد رہا (دسمبر 2019: 13.7 فیصد)۔ مجموعی Tier 1 Ratio بمطابق جون 2020، 16.0 فیصد رہا (دسمبر 2019: 14.9 فیصد)۔ جون 2020 میں مجموعی CAR، 21.1 فیصد رہی جو 12.5 فیصد کی کم از کم ریگولیٹری رکوائرمنٹ سے 8.6 فیصد زائد ہے (دسمبر 2019: 18.9 فیصد)۔

یو بی ایل کے بورڈ آف ڈائریکٹرز نے کراچی میں 05 اگست 2020 کو منعقد ہونے والے اجلاس میں 0% فیصد نقد عبوری منافع (صفر روپے فی شیئر) کا اعلان کیا۔ اس اجلاس میں 30 جون 2020 کو ختم ہونے والی ششماہی کی کارکردگی کے نتائج کا بھی اعلان کیا گیا۔

معاشی جائزہ (Economy Review)

2020 کی دوسری سہ ماہی کے دوران خاص طور پر کوویڈ-19 کی وجہ سے ملکی معیشت زیادہ متاثر ہوئی۔ کورونا کی وبائی مرض کے منفی اثرات پر قابو پانے کیلئے وفاقی حکومت نے غیر معمولی اقدامات اٹھاتے ہوئے 1.2 ٹریلین روپے کا امدادی پیکج دیا اور اس کے علاوہ ایمرجنسی ریلیف فنڈ کی مد میں متاثرہ افراد کیلئے اضافی 100 ارب روپے مختص کیے گئے۔ ملک میں بتدریج لاک ڈاؤن میں نرمی کی جارہی ہے جس کی وجہ سے معاشی سرگرمیاں دوبارہ بحال ہورہی ہیں۔ تاہم، ڈیمانڈ میں کمی، مینوفیکچرنگ آؤٹ پٹ میں کمی ہونے، سروسز سیکٹر میں سست روی اور کھپت کی مجموعی سطح میں گراوٹ کی وجہ سے معیشت کے اب بھی متاثر رہنے کا خدشہ ہے۔

افراطِ زر کی شرح (CPI) جو جنوری 2020 کے مہینے کی بلند ترین سطح 14.6 فیصد پر تھی، جون 2020 میں کم ہوکر 8.6 فیصد ہوگئی۔ پہلی ششماہی کے دوران (CPI) کی اوسط شرح 10.4 فیصد رہی جو 2019 کی پہلی ششماہی میں 7.6 فیصد تھی۔ اس مشکل وقت میں افراط زر کی صورتحال میں بہتری اور گھریلو، کاروباری اداروں، معاشی نمو اور ملازمتوں کی سطح کے پیش نظر، اسٹیٹ بینک آف پاکستان نے 25 جون، 2020 کو اپنے تازہ ترین مالیاتی پالیسی بیان میں 100 bps کی مزید کمی کی جس کہ نتیجہ میں 2020 کی پہلی ششماہی کی شرح سود میں مجموعی طور پر 625 bps کمی ہوئی، جو دسمبر 2019 کی 13.25 فیصد کی شرح سود سے کم ہوکر جون 2020 میں 7.00 فیصد ہوگئی۔ اسٹیٹ بینک آف پاکستان نے پہلی ششماہی میں معیشت کو جاری رکھنے کیلئے بینکنگ سیکٹر کو سہولت فراہم کرنے کیلئے دیگر امدادی اقدامات اٹھائے ہیں۔ اس میں سرمائے کے (CCB) 1.5 فیصد کم کرکے سرمائے کی کم سے کم حد میں نرمی، اس کے علاوہ چند خاص کریڈٹ سہولیات کے پرنسپل اور سود کی ادائیگی کا التواء، متبادل بینکاری کے چینلز کے زیادہ سے زیادہ استعمال کی حوصلہ افزائی

میں 544 ارب روپے پر رہا، جبکہ فکسڈ ٹرم ڈپازٹس دسمبر 2019 کے مقابلے میں 5 فیصد کم ہوئے، اور جون 2020 میں 182 ارب روپے رہے۔ اس کے نتیجے میں، ڈومیسٹک CASA کی شرح دسمبر 2019 میں 84.3 فیصد سے جون 2020 میں بہتر ہو کر 86.5 فیصد ہوگئی۔ جون 2020 کے اختتام پر یو بی ایل انٹرنیشنل کے ڈیپازٹس 1.45 ارب امریکی ڈالر رہے (دسمبر 2019 میں 1.62 ارب امریکی ڈالر)۔

یو بی ایل کے نیٹ ایڈوانسز جون 2020 کو 585 ارب روپے رہے (دسمبر 2019 میں 636 ارب روپے)۔ جیسا کہ کووڈ-19 کی وجہ سے معاشی سرگرمیاں سست روی کا شکار رہی ہیں، اس لیے موثر سرمائے کو مختص کرتے ہوئے اثاثہ جات کے معیار کو مدنظر رکھتے ہوئے مزید قرضہ جات فراہم کیا جائے گا۔ بینک نے اپنی اوورسیز برانچز میں ڈی رسکنگ کی حکمت عملی کا نفاذ جاری رکھا جیسا کہ یو بی ایل انٹرنیشنل کے فعال ایڈوانسز میں پہلی ششماہی کے دوران 24 فیصد سے کمی ہوئی، جو جون 2020 کے اختتام پر 626 ملین امریکی ڈالر رہے۔

بینک کی جانب سے سرمایہ کاری جون 2020 کے اختتام پر 1.02 ٹریلین روپے رہی۔ اس طرح دسمبر 2019 کے مقابلے میں 21 فیصد اضافہ ہوا۔ فنڈنگ بنیادی طور پر سرکاری سکیورٹیز میں کی گئی۔ جس میں فکسڈ (Fixed) ریٹ PIBs میں 299 ارب روپے، فلوٹنگ (Floating) ریٹ PIBs میں 197 ارب روپے اور ٹریژری بلز میں 328 ارب روپے کی سرمایہ کاری شامل ہے۔ بینک کی حکمت عملی یہ ہے کہ وہ اپنی مختصر مدت کی سرمایہ کاری کی مستحکم سطح برقرار رکھے اور طویل مدتی سرمایہ کاری میں مستحکم منافع کا حصول برقرار رکھے۔

مالیاتی تناسب (Capital Ratios)

بینک مستقبل کے ترقی کے اقدامات واہداف کے لئے ٹھوس بنیاد فراہم کرنے کی غرض سے مستحکم مالی حیثیت کو برقرار رکھنا چاہتا ہے۔

اسٹیٹ بینک کی جانب سے یو بی ایل کو ڈومیسٹک نظام کا ایک اہم بینک (D-SIB) نامزد کیا گیا ہے۔ اس نامزدگی کے ابتدائی تقاضے کے تحت بینک کو 2019 میں غیر مجتمع اور مجتمع دونوں بنیادوں پر اضافی 1.5 فیصد کم سے کم سرمایہ جاتی تناسب (CAR) کی حد اور Higher Loss Absorbancy Surcharge (HLA) برقرار رکھنے کی ضرورت تھی۔ تاہم، اسٹیٹ بینک کی جانب سے اپنے تازہ ترین D-SIB کے مطابق مقررہ HLA سرچارج میں مارچ 2020 سے 50 بنیادی پوائنٹس کمی کر کے اسے 1.0 فیصد کر دیا ہے۔

اسٹیٹ بینک نے کووڈ-19 کے اثرات کو کم کرنے اور بینکاری کے شعبے میں اپنے صارفین کو قرضوں کی سہولیات کی توسیع میں مدد فراہم کرنے کے لئے بھی ریگولیٹری ریلیف فراہم کیا ہے۔ اس مقصد کے لئے، اسٹیٹ بینک نے کیپٹل کنزرویشن بفر (CCB) کو مزید ہدایات کے اجرا تک اپنی موجودہ سطح 2.5 فیصد سے کم کر کے 1.5 فیصد کر دیا ہے۔ مذکورہ بالا اقدام کے نتیجے میں بمطابق 30 جون

امریکی ڈالر سے بڑھ کر جون 20 میں 352.9 ملین امریکی ڈالر ہو گئے ۔پہلی ششماہی کے دوران 52.0 ملین امریکی ڈالر کا پرویژن چارج لیا گیا(گزشتہ سال کی پہلی ششماہی میں 16.3 ملین امریکی ڈالر) جس کا مقصد لون بک کے ریزرو میں مزید اضافہ کرنا تھا۔جون 2020 کے اختتام پر مخصوص کوریج 77.9 فیصد برقرار رہا(دسمبر 19 77.3 فیصد رہا)۔غیر فعال قرضوں کی مخصوص کوریج فورسڈ سیل ویلیو(FSV) اور کیش کولیٹرل(Cash Collateral) کے ساتھ بمطابق جون 2020 87.5 فیصد ریکارڈ کی گئی۔ (دسمبر 2019 میں یہ 90.9 فی صد تھی،(مالی گوشوارے میں بحوالہ نوٹ 10.3.2)۔

اخراجات کا نظم ونسق (Cost Management)

ہماری توجہ تمام شعبوں میں بہتر ہم آہنگی اور لاگت واخراجات میں اضافے پر قابو کے ساتھ اخراجات کی حد کو مناسب سطح پر رکھنے پر مرکوز رہی ۔2020 کی پہلی ششماہی کے دوران مجموعی انتظامی اخراجات 19.2 ارب روپے رہے جو گزشتہ سال کے مساوی ہیں ۔پہلی ششماہی کے دوران افرادی اخراجات 8.0 ارب روپے ریکارڈ کئے گئے جو گزشہ سال کی پہلی ششماہی کے مقابلے میں 10 فیصد زیادہ ہیں۔بینک نیٹ ورک میں نمو کے مطابق تقرریاں زیادہ تر صارفین کے ساتھ رابطہ کارٹیموں میں کی گئی۔عمارتی اخراجات کو کم سے کم سطح پر رکھنے کی بھرپور کوششوں کے سبب یہ اخراجات پہلی ششماہی 2020 کے دوران 3.2 ارب روپے ریکارڈ کئے گئے جو سال بہ سال کی نسبت 5 فیصد کم ہے۔انفارمیشن ٹیکنالوجی سے وابستہ اخراجات میں پہلی ششماہی کے دوران 17 فیصد اضافہ ہوا جس کی بنیادی وجہ انفارمیشن ٹیکنالوجی کے پلیٹ فارم میں مزید سرمایہ کاری، روپے کی قدر میں کمی کے باعث غیر ملکی کرنسی پر مبنی لائسنس کی اخراجات اضافہ شامل ہے۔2020 کی پہلی ششماہی کے دوران دیگر اخراجات 6.1 ارب روپے رہے، جو سال بہ سال 13 فیصد کم رہے،جس کی بنیادی وجہ پہلی ششماہی کے دوران کاروباری حجم متاثر ہونے کی وجہ سے سیلز کمیشن میں کمی ہے۔

بیلنس شیٹ کا نظم ونسق (Balance Sheet Managment)

بینک کی بیلنس شیٹ کا حجم جون 2020 کے اختتام پر 2.0 ٹریلین روپے ریکارڈ کیا گیا، جو دسمبر 2019 کے مقابلے میں 7 فیصد زیادہ ہے ۔ جون 2020 کے اختتام پر بینک کے ڈیپازٹ کی سطح 1.6 ٹریلین روپے رہی جو دسمبر 2019 کے مقابلے میں 8 فیصد زیادہ ہے۔موجودہ حالات میں ہماری توجہ تمام شعبوں میں لکیویڈیٹی کی سطح کو برقرار رکھتے ہوئے مستحکم ڈیپازٹس کی بنیاد پر بینک کے معاملات پر مرکوز رہی۔بینک کی ذمہ دارانہ حکمت عملی کا مقصد فنڈنگ کو مضبوط بنانا ہے تاکہ کسٹمرز سے تعلقات پر توجہ مرکوز رکھنے کے ساتھ ساتھ موجودہ کرنٹ اور سیونگ اکاؤنٹس میں مزید بہتری لائی جا سکے۔برانچ بینکنگ گروپ نے اپنی کارکردگی کا تسلسل بہتر کرتے ہوئے ڈومیسٹک ڈیپازٹس 1.34 ٹریلین روپے ریکارڈ کئے جو دسمبر 2019 کے مقابلے میں 10 فیصد کا اضافہ ہے، یعنی 128 ارب روپے کا اضافہ ہوا۔اس کارکردگی نے بینک کو اس قابل بنایا کہ جون 2020 میں بینکنگ سیکٹر کے ڈپازٹس میں مارکیٹ شیئر 8.3 فیصد برقرار رہا(دسمبر 2019 میں 8.3 فیصد)۔جون 2020 میں ڈومیسٹک کرنٹ ڈیپازٹس 619 ارب روپے رہے جو دسمبر 2019 کے مقابلے میں 19 فیصد اضافہ ہے۔دسمبر 2019 کے مقابلے میں سیونگ اکاؤنٹ کے ڈومیسٹک پورٹ فولیو میں 8 فیصد اضافہ ہوا جو جون 2020

رکھی، بینک نے 2020 کی پہلی ششماہی میں 670 ملین روپے کا کمیشن حاصل کیا (جو 2019 کی پہلی ششماہی میں 692 ملین روپے تھا)۔ کنزیومر فنانسنگ کی فیس سے آمدن 426 ملین روپے ریکارڈ کی گئی، جو کہ گزشتہ سال کی نسبت 7 فیصد کم ہے۔ کرونا وباء کی بدولت سست روی کی وجہ سے بین الاقوامی تجارت بھی متاثر ہوئی جس کی وجہ سے تجارت اور گارنٹی کی کمیشن کی آمدنی 706 ملین روپے رہی جو گزشتہ سال سے 23 فیصد کم ہے۔ کیش مینجمنٹ سے 373 ملین روپے کمیشن ریکارڈ کئے گئے جو کافی حد تک گزشتہ سال کے برابر رہے۔

2020 کی پہلی ششماہی کے دوران 1.7 ارب روپے بیرونی زرمبادلہ کی آمدن حاصل کی گئی (گزشتہ سال کی اسی مدت کے دوران 2.2 ارب روپے)۔ 2020 کی پہلی ششماہی کے دوران توانائی اور کھاد کے شعبوں کے ساتھ ساتھ بینک کے ذیلی اداروں میں سرمایہ کاری کی بدولت 793 ملین روپے کی زبردست آمدنی ہوئی جو کہ گزشتہ سال کی نسبت 3 فیصد زیادہ ہے۔ 2020 کی پہلی ششماہی میں بینک نے 676 ملین روپے کے کیپیٹل گینز بھی حاصل کیے (جو کہ 2019 کی پہلی ششماہی میں 104 ملین روپے تھے)، آمدنی میں یہ اضافہ خاص طور پہ ڈومیسٹک ٹیرژری سیکیورٹیز اور یو بی ایل انٹرنیشنل کے ذریعے اپنے فارن بانڈز پورٹ فولیو میں تجارت سے حاصل ہوا۔

قرضوں پر ممکنہ نادہندگی اور خسارہ کے لیے مختص رقوم (Provisions and loan losses)

یو بی ایل نے 2020 کی پہلی ششماہی میں پرویژن کے مد میں 9.4 ارب روپے ریکارڈ کیے، جو گزشتہ سال کی اسی مدت میں 4.4 ارب روپے تھے۔ بینک کے غیر فعال قرضہ جات دسمبر 2019 میں 76.6 ارب روپے سے بڑھ کر جون 2020 میں 87.4 ارب روپے تک ہو گئے ہیں۔ غیر فعال قرضہ جات میں اضافے کی ایک وجہ 30 جون 2020 کے اختتام تک روپے کی قدر میں کمی کے باعث 4.5 ارب روپے کا اضافہ شامل ہے۔ بینک کے اثاثوں کا معیار جون 2020 میں 13.2 فیصد ریکارڈ کیا گیا (جو دسمبر 2019 میں 10.9 فیصد تھا)۔

یو بی ایل ڈومیسٹک (UBL Domestic)

ڈومیسٹک بینک کے مجموعی ایڈوانسز جون 2020 تک 497 ارب روپے رہے (دسمبر 2019 میں 525 ارب روپے تھے)، جو کہ بینک کے مجموعی ایڈوانسز کا 75 فیصد حصہ ہیں۔ ڈومیسٹک غیر فعال قرضہ جات دسمبر 2019 میں 27.2 ارب روپے تھے جو کہ جون 2020 میں 28.0 ارب روپے تک پہنچ گئے۔ ڈومیسٹک فرنچائز کے اثاثوں کا معیار جون 2020 میں 5.6 فیصد ریکارڈ کیا گیا (جو کہ دسمبر 2019 میں 5.2 فیصد تھا) جبکہ جون 2020 میں مخصوص کوریج 85.5 فیصد رہی (جو کہ دسمبر 2019 میں 92.1 فیصد تھی)۔

یو بی ایل انٹرنیشنل (UBL International)

خلیج تعاون کونسل کے رکن ممالک میں موجودہ مالی سال کے دوران کووڈ-19 کی وجہ سے اقتصادی صورتحال سست روی کا شکار رہی جس کی وجہ سے خطے میں کیش فلو کو دھچکا لگا۔ موجودہ صورتحال کے پیش نظر قرضوں کے خسارے کے ریزرو میں مزید بہتری لانے کی ضرورت ہے تاکہ غیر فعال اکاؤنٹس سے زیادہ وصولیاں کی جا سکیں۔ یو بی ایل انٹرنیشنل کے غیر فعال قرضہ جات دسمبر 2019 میں 319.2 ملین

سود کافی بلند رہی۔ تاہم ڈیپازٹس کی لاگت میں 2020 کی دوسری سہ ماہی میں تیزی سے کمی آئی اور یہ 4.7 فیصد پر آ گئی جو کہ پہلی سہ ماہی میں 6.4 فیصد تھی۔ یہ سب رواں سال مارچ سے جون تک مالیاتی پالیسی میں نرمی کے اثرات ہیں۔

بینک کے اوسط فعال ایڈوانسز 2020 کی پہلی ششماہی میں 599 ارب روپے رہے (2019 کی پہلی ششماہی میں 630 ارب روپے)۔ پہلی ششماہی کے دوران ڈومیسٹک کارپوریٹ لونز کی اوسط 419 ارب روپے رہی جو کہ سال بہ سال 2 فی صد کمی کو ظاہر کرتے ہیں۔ 2020 کی پہلی ششماہی کے دوران کنزیومر لون پورٹ فولیو کی اوسط 17 ارب روپے رہی جس میں گزشتہ مالی سال کے مقابلے میں 3 فیصد اضافہ ہوا۔ اس میں سرفہرست حصہ آٹو لونز کا ہے۔ بینک نے انٹرنیشنل بزنس میں خطرات سے نمٹنے کی حکمت عملی جاری رکھتے ہوئے اپنی فعال لون بک میں سال بہ سال کی بنیاد پر 29 فیصد کمی کی اور 2020 کی پہلی ششماہی کے دوران اس کی اوسط 756 ملین امریکی ڈالر ریکارڈ کی گئی۔

2020 کی پہلی ششماہی کے دوران بینک کی منافع بخش سرمایہ کاری کی اوسط 981 ارب روپے ریکارڈ کی جس میں گزشتہ سال کی اسی مدت کے مقابلے میں 37 فیصد کا نمایاں اضافہ ہوا۔ 2020 کی پہلی ششماہی کے دوران گورنمنٹ سیکیورٹیز پورٹ فولیو کی اوسط 816 ارب روپے رہی جس سے بینک کو 11 فیصد کی پُرکشش آمدنی ہوئی۔ 2020 کی پہلی ششماہی کے دوران انٹرنیشنل فارن بانڈز پورٹ فولیو کی اوسط 662 ملین امریکی ڈالر رہی جس سے بینک کو 5.9 فیصد کی مستحکم آمدنی حاصل ہوئی۔

نان مارک اپ آمدن (Non-Markup Income)

سال 2020 کی پہلی ششماہی کے دوران بینک کو 8.9 ارب روپے کی نان مارک اپ آمدنی ہوئی (جو کہ گزشتہ سال کی اسی مدت میں 12.0 ارب روپے رہی)۔ نان مارک اپ آمدنی بینک کے کل ریونیو کا 19 فیصد رہی (گزشتہ سال کی اسی مدت کے دوران 29 فیصد)۔ گزشتہ سال کی نان مارک اپ آمدنی میں ایکسچینج ٹرانسلیشن ریزرو (Exchange Translation Reserve Realization) کا بھی نمایاں حصہ تھا۔

فیس اور کمیشن سے حاصل ہونے والی آمدنی 5.2 ارب روپے رہی، جو گزشتہ سال کی اسی مدت کی آمدنی سے 27 فیصد کم ہے۔ 2020 میں فیس سے حاصل ہونے والی آمدنی کل نان مارک اپ آمدنی کا 58 فیصد حصہ رہی (گزشتہ سال کی اسی مدت کے دوران 59 فیصد)۔ فیس میں کمی کی اہم وجہ کورونا وباء کی وجہ سے ہونے والی مجموعی معاشی سرگرمیوں میں سست روی ہے۔ کورونا کی وباء کا پھیلاؤ روکنے کے لئے سخت احتیاطی تدابیر اختیار کی گئیں جن میں سخت لاک ڈاؤن کا نفاذ، بینک اوقات کار میں کمی، کووڈ 19 سے زیادہ متاثرہ علاقوں میں برانچوں کی بندش شامل تھی جس سے 2020 کی پہلی ششماہی میں بینک کی کارکردگی پر منفی اثرات مرتب ہوئے۔ گزشتہ سال کے مقابلے میں بینک میں لوگوں کی آمدورفت میں کمی کی وجہ سے برانچ بینکنگ آپریشنز سے فیس 815 ملین روپے تک ریکارڈ کی گئی، جس میں سال بہ سال 17 فیصد کی کمی ہوئی۔ بینک نے تقریباً 25 فیصد مارکیٹ شیئر کے ساتھ ترسیلات زر میں اپنی قائدانہ حیثیت برقرار

اثر پڑا جو کہ گزشتہ سال کی پہلی ششماہی میں 4.4 ارب روپے تھا جس کا بڑا حصہ یو بی ایل کے انٹرنیشنل لونز پر مشتمل تھا۔

مالیاتی اہم نکات (Financial Highlights)

یو بی ایل نے 2020 کی پہلی ششماہی کے دوران سال بہ سال 19 فیصد اضافہ کے ساتھ 11.4 ارب روپے کا بعد از ٹیکس منافع ریکارڈ کیا جو گزشتہ سال کی اسی مدت میں 9.5 ارب روپے تھا۔ فی شیئر آمدنی 9.31 روپے رہی جو گزشتہ سال 7.80 روپے تھی۔ یو بی ایل نے 10.7 ارب روپے کا مجتمع منافع بعد از ٹیکس کمایا جو گزشتہ سال کی اسی مدت کے دوران 9.2 ارب روپے تھا۔ مجتمع بنیادوں پر فی شیئر آمدنی 8.94 روپے فی شیئر رہی جو کہ گزشتہ سال کی پہلی ششماہی میں 7.50 روپے تھی۔

نیٹ مارک اپ آمدنی (Net Markup Income)

2020 کی پہلی ششماہی کے دوران نیٹ مارک اپ آمدنی گزشتہ مالی سال کی پہلی ششماہی کی نسبت 31 فیصد کے نمایاں اضافے کے ساتھ 39.1 ارب روپے رہی۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ دسمبر 2019 کی سطح 13.25 فیصد سے کم کر کے جون 20 میں 7 فیصد کر دیا جو کہ 625 bps کی مجموعی کمی ہے۔ رواں سال کی پہلی ششماہی کے دوران بینک کے اوسط منافع بخش اثاثوں کی بنیاد 1.6 ٹریلین روپے ریکارڈ کی گئی جو کہ گزشتہ سال 2019 کی اسی مدت کے مقابلے میں 12 فیصد زیادہ ہے۔ نیٹ انٹرسٹ مارجنز (NIMs) 2019 کی پہلی ششماہی میں 4.3 فیصد سے بہتر ہو کر 2020 کی اسی مدت میں 5.0 فیصد ہو گے، 2019 کی پہلی ششماہی کے مقابلے میں 2020 کی پہلی ششماہی میں اثاثوں پر معقول منافع ہوا جس کو کم لاگتی ڈپازٹس میں فعال اضافے سے بہت تقویت ملی۔

رواں سال کے پہلے 6 ماہ میں ڈومیسٹک ڈیپازٹس 1.2 ٹریلین روپے رہے جو سال 2019 کی پہلی ششماہی کے مقابلے میں 11 فیصد کی بلند شرح نمو کو ظاہر کرتے ہیں۔ اس مدت میں مجموعی طور پر 123 ارب روپے کے ڈیپازٹس کا اضافہ ہوا۔ یہ بنیادی طور پر اوسط CASA ڈیپازٹس میں سال بہ سال 10 فیصد اضافہ کی وجہ سے ممکن ہوا جو کہ سال 2020 کی پہلی ششماہی میں 1.03 ٹریلین روپے ریکارڈ کئے گئے۔ بینک نے خاص طور پر کرنٹ اکاؤنٹ کے ضمن میں نئے کسٹمرز (NTB Current Accounts) پر بہت سرگرمی دکھائی اور کرنٹ اکاؤنٹ میں 231,000 نئے کسٹمرز کا اضافہ کیا (سال 2019 میں 219,000 نئے کرنٹ اکاؤنٹس)۔ جس کے نتیجے میں کرنٹ اکاؤنٹ ڈپازٹس میں گزشتہ سال کی ششماہی کے مقابلے میں 7 فیصد اضافہ ہوا اور کل کرنٹ ڈپازٹس 507 ارب روپے ہو گئے۔ سیونگ اکاؤنٹ پورٹ فولیو میں ماہانہ آمدنی سیونگ پروڈکٹ سرفہرست ہے اس میں سال بہ سال کی بنیاد پر 12 فیصد اضافہ ہوا اور سیونگ ڈیپازٹس 520 ارب روپے ہو گئے۔ اوسط ڈومیسٹک CASA پورٹ فولیو کی شرح 2020 کی پہلی ششماہی میں 85.5 ریکارڈ کی گئی۔ (2019 کی پہلی ششماہی میں 86.9 فیصد)۔ ڈومیسٹک ڈیپازٹس کی لاگت 5.5 فی صد رہی جو گزشتہ سال کی پہلی ششماہی میں 4.4 فیصد تھی۔ ڈیپازٹس کی لاگت میں گزشتہ سال کی نسبت اضافہ کافی محدود رہا جبکہ سال 2020 کی پہلی سہ ماہی میں اطلاق شدہ شرح

یونائیٹڈ بینک لمیٹڈ

ارکان کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2020 کو ختم ہونے والی ششماہی کے لئے یونائیٹڈ بینک لمیٹڈ (یو بی ایل) کے مالیاتی گوشوارے پیش کرنا ہمارے لئے باعث مسرت ہے۔

تعارف (Introduction)

کوویڈ-19 کی وباء کا پھیلاؤ انسانی تاریخ کا سب سے غیر متوقع امر تھا۔ سخت لاک ڈاؤنز، سماجی فاصلوں کا خیال اور سفری پابندیوں پر عمل اس وائرس کی روک تھام کے لئے لازمی تھا اور یوں پوری دنیا میں زیادہ تر زندگی میں خلل واقع ہوا۔ دنیا میں بتدریج لاک ڈاؤن میں نرمی کی جارہی ہے اور کوویڈ-19 کے بعد ایک نئے منظر نامے کے تحت اب دوبارہ معاشی سرگرمیوں کا آغاز کیا جارہا ہے۔

یو بی ایل نے اپنے اسٹاف کی سلامتی اور تحفظ کے لئے تمام احتیاطی تدابیر کو یقینی بنایا اور اس کے ساتھ اپنے صارفین کو محفوظ ماحول میں مسلسل اور بلاتعطل خدمات کی فراہمی کا سلسلہ بھی جاری رکھا۔ بینک کی سینئر مینجمنٹ پر مشتمل ایک اعلیٰ سطح کی کمیٹی حالات کا بغور اور مسلسل جائزہ لیتی رہی اور اس بحران سے نمٹنے کے لئے موزوں اقدامات اٹھاتی رہی۔ بینک نے ضابطہ کار کے ساتھ قریبی رابطہ کاری سے تمام چینلز پر اپنی خدمات کی فراہمی کو یقینی بنایا۔ اس کے علاوہ ہم اپنے معزز صارفین کے ساتھ بھی مل جل کر کام کرتے رہے تاکہ جہاں ممکن ہو اس مشکل گھڑی میں ان کو ضابطوں میں نرمی کے اقدامات سے معاونت اور ریلیف فراہم کیا جاسکے۔

کارکردگی کا جائزہ (Performance Overview)

یو بی ایل نے غیر مجتمع بنیاد پر جون 2020 کو ختم ہونے والی ششماہی کے دوران 18.8 ارب روپے کا منافع قبل از ٹیکس ریکارڈ کیا۔ جو گزشتہ سال کی اسی مدت کے مقابلے میں 4 فیصد زیادہ ہے۔ بینک نے 2020ء کی دوسری سہ ماہی میں منافع قبل از ٹیکس 10.4 ارب روپے ریکارڈ کیا جو کہ 2020ء کی پہلی سہ ماہی کے مقابلے میں 23 فیصد نمو کو ظاہر کرتا ہے۔

بینک کا مجموعی ریونیو 2020 کی پہلی ششماہی کے دوران 48 ارب روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کی اسی مدت سے 14 فیصد زیادہ ہے۔ نیٹ انٹرسٹ کی آمدنی (NII) 39.1 ارب روپے ریکارڈ کی گئی جس میں سال بہ سال کی بنیاد پر 31 فیصد کی مضبوط نمو رہی۔ بینک کی نان فنڈ آمدنی (NFI) کی سطح پہلی ششماہی کے دوران 8.9 ارب روپے رہی جو کہ گزشتہ سال کی پہلی ششماہی کے دوران 12 ارب روپے تھی۔ اس کمی کی وجہ کوویڈ-19 کے باعث فیس کی مد میں آمدنی پر بندش اور زرِ مبادلہ کے ریونیو میں کمی تھی۔

2020 کی پہلی ششماہی کے انتظامی اخراجات گزشتہ سال کی پہلی ششماہی کی سطح پر برقرار رہے اور یہ 19.2 ارب روپے ریکارڈ کئے گئے۔ اخراجات اور آمدنی کا تناسب زیر بحث ششماہی میں 39.9 فیصد ریکارڈ کیا گیا جو کہ گزشتہ سال 2019 کی پہلی ششماہی میں 45.8 فیصد کے تناسب سے بہت بہتر ہے۔ رواں سال کی پہلی ششماہی کے دوران منافع پر پروویژن چارج کی مد میں 9.4 ارب روپے کا

NOTES

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