UBL

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Celebrating **Progressiveness**

QUARTERLY REPORT (UN-AUDITED)
MARCH 31, 2022

CONTENTS

Company Information 02

Directors' Report to the Members 03

Unconsolidated Condensed Interim Financial Statements 09

Unconsolidated Condensed Interim Statement of Financial Position 10

Unconsolidated Condensed Interim Profit and Loss Account 11

Unconsolidated Condensed Interim Statement of Comprehensive Income 12

Unconsolidated Condensed Interim Statement of Changes in Equity 13

Unconsolidated Condensed Interim Cash Flow Statement 14

Notes to the Unconsolidated Condensed Interim Financial Statements 15

Consolidated Condensed Interim Financial Statements 46

Consolidated Condensed Interim Statement of Financial Position 47

Consolidated Condensed Interim Profit and Loss Account 48

Consolidated Condensed Interim Statement of Comprehensive Income 49

Consolidated Condensed Interim Statement of Changes in Equity 50

Consolidated Condensed Interim Cash Flow Statement 51

Notes to the Consolidated Condensed Interim Financial Statements 52

Directors' Report to the Members (Urdu) 94

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. Shazad G. Dada
President & CEO

Mr. Arshad Ahmad Mir
Non-Executive Director

Mr. Amar Zafar Khan
Independent Director

Mr. Tariq Rashid
Independent Director

Ms. Shazia Syed
Independent Director

COMMITTEES OF THE BOARD

BOARD AUDIT COMMITTEE (BAC):

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

BOARD HUMAN RESOURCE & COMPENSATION COMMITTEE (HRCC):

Mr. Tariq Rashid	Chairman
Sir Mohammed Anwar Pervez, OBE, HPk	Member
Mr. Arshad Ahmad Mir	Member
Mr. Rizwan Pervez	Member
Mr. Abdul Jabbar Junejo	Secretary

BOARD RISK & COMPLIANCE COMMITTEE (BRCC):

Mr. Arshad Ahmad Mir	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
Ms. Shazia Syed	Member
Mr. Shazad G. Dada	Member
Mr. Imran Sarwar	Secretary

BOARD IT COMMITTEE (BITC):

Mr. Tariq Rashid	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
Mr. Haider Zameer Choudrey	Member
Mr. Shazad G. Dada	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

Chief Financial Officer

Mr. Aameer Karachiwalla

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
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Karachi - 75500.
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Fax No.: 021-35310190
Email: sfc@thk.com.pk

Auditors
M/s. EY Ford Rhodes
Chartered Accountants

Legal Advisors
M/s. Mehmood Abdul Ghani & Co.,
Advocates

Contacts
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Website: www.ubldigital.com
Email: customer.services@ubl.com.pk

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we are pleased to present the financial statements of United Bank Limited (UBL) for the quarter ended March 31, 2022.

Performance Overview

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 15.8 billion for the quarter ended March 31, 2022, a strong growth of 30% over the PBT earned in the corresponding period of last year.

Gross revenues were recorded at Rs. 28.3 billion for Q1'22, an increase of 25% over Q1'21. The Bank recorded net markup income of Rs 21.5 billion for Q1'22, growing by 27% year on year. Non-markup income was recorded at Rs. 6.8 billion for Q1'22, up 17% on a year-on-year basis, primarily due to strong growth in fee based revenues and foreign exchange income.

The Bank's operating expenses stood at Rs. 11.7 billion for Q1'22, growing by 19% year on year. Cost to income ratio was measured at 41.5% for Q1'22 (Q1'21: 43.5%).

The Bank recorded a net provision charge of Rs. 347 million versus a net provision charge of Rs. 354 million last year.

Financial Highlights

UBL recorded Profit After Tax (PAT) of Rs. 9.5 billion for Q1'22 as against a PAT of Rs. 7.4 billion for Q1'21, a strong growth of 29% year on year. Earnings per share (EPS) was measured at Rs. 7.78 versus Rs. 6.05 in Q1'21. On a consolidated basis, UBL recorded a PAT of Rs. 9.4 billion (Q1'21: Rs. 7.6 billion). The consolidated EPS was recorded at Rs. 7.60 for Q1'22 (Q1'21: Rs. 6.21).

Net Markup Income

Net markup income was recorded at Rs. 21.5 billion for Q1'22, with an increase of 27% over the first quarter of 2021. This revenue base is 19% higher than the last quarter of 2021 as the balance sheet has repriced at higher yields. The Bank's markup earning asset base averaged Rs. 2.1 trillion in Q1'22, an increase of 21% over Q1'21. The 3 month secondary market rates averaged 10.6% in Q1'22 versus 7.2% in Q1'21 which supported the increase in net markup income. Resultantly, Bank level net interest margins (NIMs) increased by 30 bps to 4.3% in Q1'22 versus 4.0% in Q1'21.

The Bank's domestic deposits base averaged Rs. 1.5 trillion in Q1'22, growing by 8% over the corresponding period of last year. The increase is mainly due to a growth of 11% in average CASA deposits, which were measured at Rs. 1.3 trillion for Q1'22, i.e. a net increase of over Rs. 127 billion. Domestic current deposits averaged Rs. 674 billion in Q1'22, a growth of 11% over Q1'21. The Bank continued its focus on acquiring new to bank customers, particularly within its core deposits base, as it added 162,000 new current account relationships in Q1'22 (Q1'21: 159,000 new current account relationships). The portfolio savings deposits averaged Rs. 644 billion, also growing by 11% year on year. Resultantly, the domestic average CASA to total deposits ratio improved from 86% in Q1'21 to 88% in Q1'22. Term deposits averaged Rs. 183 billion in Q1'22, down 9% year on year, as the Bank actively focused on expanding its portfolio mix without acquiring high cost deposits. The domestic cost of deposits increased from 3.4% in Q1'21 to 4.5%, largely due to the increase in overall interest rates and impact of minimum floor rate of return on savings deposits. UBL International's deposits averaged USD 1.3 billion in Q1'22, largely in line with last year, while its cost of deposits was measured at 1.1% in Q1'22 (Q1'21: 1.2%).

Bank level performing advances averaged Rs. 629 billion for Q1'22 with a strong growth of 17% year on year. The domestic portfolio of performing advances averaged Rs. 496 billion in Q1'22, with a year on year increase in the book of 13%. Consumer loans averaged Rs. 19 billion for Q1'22, an increase of 4%, mainly within the secured autos segment. Islamic banking continues to grow from strength to strength as the segment's loan book averaged Rs. 62 billion in Q1'22 as against Rs. 32 billion in Q1'21. After a period of de-risking within UBL International, the performing loan book recorded an increase of 20% year on year, averaging USD 754 million in Q1'22.

The Bank's markup earning investments averaged Rs. 1.4 trillion for Q1'22, a strong growth of 18% over Q1'21. The domestic government securities portfolio averaged Rs. 1.2 billion for Q1'22, growing by 19% year on year, earning a healthy yield of over 10% during Q1'22. UBL International's foreign bonds portfolio averaged USD 668 million (Q1'21: USD 726 million), and earned the Bank a healthy yield of 5.4% in Q1'22.

Non-Markup Income

The Bank earned non-markup income of Rs. 6.8 billion in the first quarter of 2022, a strong growth of 17% over last year. Non-markup income accounted for 24% of the total revenues of the Bank in Q1'22 (Q1'21: 25.5%).

Fees and commission income of Rs. 3.9 billion was earned in Q1'22, with an increase of 29%. Customer fees from branch banking operations stood at Rs. 562 million in Q1'22, with a strong growth of 31%. The Bank continues to remain the market leader within the home remittances space with a market share of over 20%, with commission income of Rs. 448 million. The Bank also maintained its strong momentum within the bancassurance business with premium volumes of Rs. 946 million with revenues of Rs. 479 million in Q1'22, with an increase of 26%, in line with the new customer acquisition. Income from card related fees witnessed a strong growth of 35% and stood at Rs. 760 million in Q1'22. Commission income from consumer finance stood at Rs. 274 million, largely driven by a strong sales momentum within autos and a stable credit card business. Income from trade and guarantee commissions of Rs. 367 million were earned during Q1'22, up 17% with trade volumes witnessing a 10% increase year on year. Commission income from cash management was recorded at Rs. 250 million for Q1'22, with an increase of 14%, driven by new employee banking mandates, well supported by the Bank's digital services.

The Bank earned foreign exchange income of Rs. 1.3 billion in Q1'22 as against Rs. 484 million in Q1'21, with proactive positioning and enhanced customer flows. Dividend income of Rs. 904 million was recorded for Q1'22 versus Rs. 252 million earned last years with strong payouts from list equities and subsidiary companies.

Provisions and loan losses

UBL recorded a net provision charge of Rs. 347 million for Q1'22, marginally lower than the net provision charge of Rs. 354 million in the corresponding period of last year.

Bank level non-performing loans (NPLs) increased slightly to Rs. 86.9 billion at Mar'22 from Rs. 86.0 billion at Dec'21. Asset quality stood at 11.8% at Mar'22, in line with Dec'21, while specific coverage was measured at 87.0% at Mar'22 (Dec'21: 86.9%).

UBL Domestic

Gross advances for the domestic bank stood at Rs. 536 billion at Mar'22 (Dec'21: Rs. 544 billion), constituting 73% of the bank's total portfolio. Domestic NPLs decreased further this quarter by approx. Rs. 500 million, from Rs. 27.1 billion at Dec'21 to Rs. 26.6 billion at Mar'22. Domestic bank's asset quality was recorded at

5.0% at Mar'22, in line with Dec'21.

The domestic bank recorded a net provision reversal of Rs. 210 million in Q1'22 versus net provision reversals of Rs. 373 million in Q1'21.

UBL International

UBL International's NPLs declined from USD 334 million at Dec'21 to USD 329 million at Mar'22.

A net provision charge of USD 3.1 million was taken for Q1'22, versus a net provision charge of USD 4.6 million last year. Specific coverage was recorded at 86.6% at Mar'22 (Dec'21: 86.4%). Furthermore, specific coverage with Forced Sale Value (FSV) of mortgaged properties and cash collateral stood at 95.4% at Mar'22 (Dec'21: 94.8%, refer to note 10.3.2 to the financial statements).

Cost management

UBL is reinvesting in its branch network with relocation to more commercially viable locations, renovation of branches and improving service levels. We are also improving the compensation structure for our field and head office teams, with better remuneration to reward the efforts of a well-trained and motivated workforce that has delivered strong results.

The Bank's operating expenses were recorded at Rs. 11.7 billion for Q1'22, up 19%. Employee compensation expense was recorded at Rs. 4.6 billion for Q1'22, with an increase of 11% versus Q1'21. Property expenses were recorded at Rs. 1.9 billion for Q1'22, up 19% which includes a one-off adjustment of change in accounting estimate for depreciation on premises. IT expenses were recorded at Rs. 1.2 billion, with an increase of 20% primarily due to the steep devaluation in the PKR impacting foreign currency denominated licensing arrangements. Other variable expenses were recorded at Rs. 4.0 billion (Q1'21: Rs. 3.1 billion), the increase being in line with the increased business volumes versus last year.

Balance Sheet management

UBL's balance sheet stood at Rs. 2.3 trillion at Mar'22 (Dec'21: Rs. 2.6 trillion). Bank level deposits stood at Rs. 1.77 trillion at Mar'22, and largely remained in line with Dec'21. The domestic deposits portfolio stood at Rs. 1.5 trillion, slightly ahead of Dec'21 levels. Current deposits were recorded at Rs. 749 billion, growing by 4% over Dec'21, while savings deposits were recorded at Rs. 606 billion, largely in line with Dec'21. The domestic CASA to total deposits ratio was measured at 89.1% at Mar'22, improving from 88.2% at Dec'21, while the current to total deposits ratio improved from 47.4% at Dec'21 to 49.3% at Mar'22. UBL International's deposits base stood at USD 1.4 billion, growing by 5% since Dec'21.

Bank level net advances closed at Rs. 656 billion as at Mar'22 (Dec'21: Rs. 646 billion). The Bank aims to ensure efficient allocation of capital as well as maximizing overall relationship yield. The domestic performing advances portfolio closed at Rs. 509 billion, largely in line with Dec'21 levels. The Corporate loan book stood at Rs. 391 billion, growing by 11% since Dec'21. The Bank continues to build its Islamic lending book, which recorded a strong increase of 52% since Dec'21, closing at Rs. 67 billion. Within International, the advances portfolio grew by 10% over Dec'21, recorded at USD 778 million as at Mar'22.

Bank level net investments stood at Rs. 1.2 trillion at Mar'22 (Dec'21: Rs. 1.5 trillion). Funding is primarily deployed in government securities, with Rs. 334 billion invested in Fixed Income PIBs, Rs. 481 billion invested in Floating Rate PIBs and Rs. 185 billion in Treasury Bills. In the current interest rate environment, the investment strategy is working well as we ride the yield curve across different tenors. UBL International's net investments stood at USD 622 million, largely in line with Dec'21 levels.

Capital Ratios

The Bank seeks to maintain strong levels of capitalization to build resilience and maintain adequate buffers over regulatory requirements. UBL had earlier been designated a Domestic Systemically Important Bank (D-SIB) by the State Bank of Pakistan (SBP). This designation initially required the Bank to hold an additional 1.5% Higher Loss Absorbency (HLA) capital surcharge, over and above the applicable minimum capital adequacy ratio (CAR) limit in 2019, on both a standalone and consolidated basis. However, SBP reduced the HLA surcharge by 50 bps to 1.0% effective March 2020.

In the latest assessment carried out by the SBP in October 2021, UBL is no longer a D-SIB. However, the Bank shall continue to meet the higher HLA capital surcharge, in the form of additional Common Equity Tier 1 (CET-1) capital of 1.0% on a standalone and consolidated basis till June 30, 2022.

The SBP has also provided regulatory relief for COVID-19 to support the banking sector in extending credit facilities to its customers. In this respect, 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 March 31, 2022.

The Bank's overall CAR stood at 21.7% at Mar'22 (Dec'21: 21.5%), maintaining a buffer of 9.2% over the minimum regulatory requirement of 12.5%. The CET-1 ratio stood at 15.3% at Mar'22 (Dec'21: 15.1%). Total Tier 1 Capital ratio was measured at 16.4% at Mar'22 (Dec'21: 16.3%).

The Board of Directors of UBL declared an interim cash dividend Rs. 5.0 per share in their meeting in Islamabad on April 20, 2022, along with the results for the quarter ended March 31, 2022.

Economy Review

The global economy is clearly impacted by the ongoing conflict between Russia and Ukraine. Prices of key commodities, including food and energy, have witnessed substantial increase in 2022. This has put significant pressures on domestic inflation as well as the balance of payment position which has resulted in a sharp devaluation in the local currency. The State Bank of Pakistan, in its emergency meeting held on April 7, 2022, raised the policy rate by 250 bps to 12.25%.

High level of imports continue to exert significant pressures on the external front as the country recorded a current account deficit (CAD) of USD 12.1 billion for the 8M FY'22 as against a surplus of USD 1.0 billion for the corresponding period of last year. The country's balance of trade recorded a deficit of USD 35.4 billion for 9M FY'22, with a significant increase of 70%. The country's imports stood at USD 58.7 billion for 9M FY'22 as against USD 39.5 billion last year, recording an increase of 49%. The country's exports are picking up well, being recorded at USD 23.3 billion for 9M FY'22, growing by 25%, mainly on the back of high value added textiles, as well as other manufactured goods. The contribution of home remittances to support the country's overall foreign exchange position continues to be significant as inflows of USD 20.1 billion were recorded for 8M FY'22, with an increase of 8% over the corresponding period of last year. The country's FX markets also remained volatile for much of Q1'22 with a devaluation in the PKR of 3% versus the USD, closing at Rs. 183.5 at March 31, 2022. Looking ahead, higher commodity prices are likely to exert significant pressures on the country's FX reserves. On the inflation front, CPI was measured at 12.7% for Mar'22 (Feb'22: 12.2%, Dec'21: 12.3%), one of the highest levels in recent history. Average inflation for 9M FY'22 was measured at 10.7%

versus 8.4% in the corresponding period of last year.

The KSE-100 index largely range bound this quarter, impacted by international and local landscapes, closed at 44,929 points at March 31, 2022.

Banking sector deposits stood at Rs. 19.8 trillion at Mar'22, down 6% over Dec'21. Sector advances were recorded at Rs. 10.0 trillion at Mar'22, largely in line with Dec'21. Non-performing loans for the banking industry stood at Rs. 860 billion at Dec'21, 4% above Dec'20, as the asset quality improved to 7.9% at Dec'21 from 9.2% at Dec'20.

UBL International

The economic environment within the GCC has started to pick up momentum as the pandemic gradually recedes together with a sharp rise in oil prices. Within International, UBL is now stabilizing well driven by a more sustainable and strong base of low cost deposits. On the asset side, lending book is maintained with rigorous oversight to contain any new NPL formation. The Bank is actively pursuing more trade based financing opportunities while expanding its FI lending book. Excess liquidity is primarily deployed in debt securities with an aim to maintain healthy net interest margins.

UBL International recorded a PBT of USD 4.7 million for Q1'22 (Q1'21: USD 10.6 million). Gross revenues for the International business were recorded at USD 15.5 million (Q1'21: USD 23.5 million). Net markup income was recorded at USD 12 million in Q1'22, in line with last year. Non markup income of USD 3.5 million was earned in Q1'22 as against USD 11.6 million earned last year, which was higher due to capital gains. Operating expenses for the International business recorded a decline of 5%, after restructuring to a leaner and more efficient operating model completed early last year. As a result of strong oversight and an aggressive focus on recoveries, net provisioning expense was reduced from USD 4.6 million in Q1'21 to USD 3.1 million in 2022.

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 30, 2021. Furthermore, UBL's Additional Tier-1 (ADT-1) TFC has also been reaffirmed at 'AA+' (Double A plus). Outlook on the assigned ratings are 'Stable'.

Future Outlook

Through its vast branch network and greater use of technology, UBL shall continue to play a prominent role in financial intermediation within the economy. Branch Banking remains the core of the business where we are continuously aiming to expand our customer base by offering new and innovative financial products with better service levels. The Bank continues to invest in technological capabilities to grow its position as the country's leading Digital Bank. We remain the preferred option for overseas Pakistanis with a leading share in home remittances. Strengthening compliance and control standards in line with international best practices is an ongoing initiative where we remain fully committed. Within International, our strategy is to remain prudent as we seek to deliver a more sustainable and consistent bottom line. We are fully committed to setting the right benchmarks for the Environment, Social and Governance (ESG) standards in Pakistan. Our people remain our biggest strength, retaining and acquiring the best talent is a key objective which will lead us to larger aspirations.

Acknowledgements

In the end, we would like to express sincere appreciation to all our stakeholders for their continued patronage. We value the efforts of our dedicated staff who continue to ensure uninterrupted service to our customers in these challenging times. We would also like to extend our gratitude to the Government of Pakistan, the State Bank of Pakistan, the Securities & Exchange Commission and other regulatory bodies for their direction and consistent support.

For and on behalf of the Board,

Shazad G. Dada
President & CEO
Islamabad,
April 20th, 2022

Arshad Ahmad Mir
Director

where **you** come **first**

UNITED BANK LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 (Un-audited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		---------- (Rupees in '000) ----------	
ASSETS			
Cash and balances with treasury banks	6	202,903,405	267,937,282
Balances with other banks	7	27,162,609	23,363,057
Lendings to financial institutions	8	74,170,815	51,701,076
Investments	9	1,207,824,314	1,496,542,453
Advances	10	655,542,895	646,188,457
Fixed assets	11	68,464,128	68,537,653
Intangible assets	12	2,339,861	2,231,265
Deferred tax assets	13	10,862,717	7,204,275
Other assets	14	61,773,342	54,460,389
		2,311,044,086	2,618,165,907
LIABILITIES			
Bills payable	16	39,313,114	26,792,970
Borrowings	17	210,644,306	563,284,750
Deposits and other accounts	18	1,774,651,650	1,750,943,765
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	10,000,000	10,000,000
Deferred tax liabilities	13	-	-
Other liabilities	20	72,198,284	62,501,875
		2,106,807,354	2,413,523,360
NET ASSETS		204,236,732	204,642,547
REPRESENTED BY:			
Share capital		12,241,797	12,241,797
Reserves		72,823,638	69,718,467
Surplus on revaluation of assets	21	33,260,048	38,056,329
Unappropriated profit		85,911,249	84,625,954
		204,236,732	204,642,547
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	Note	January - March 2022	January - March 2021
		---------- (Rupees in '000) ----------	
Mark-up / return / interest earned	24	47,956,205	31,825,591
Mark-up / return / interest expensed	25	26,483,283	14,967,726
Net mark-up / interest income		21,472,922	16,857,865
Non mark-up / interest income			
Fee and commission income	26	3,918,955	3,040,522
Dividend income		903,660	252,416
Foreign exchange income		1,282,724	484,228
(Loss) / income from derivatives		(37,777)	7,254
Gain on securities - net	27	428,251	1,866,938
Other income	28	284,328	132,023
Total non mark-up / interest income		6,780,141	5,783,381
Total income		28,253,063	22,641,246
Non mark-up / interest expenses			
Operating expenses	29	11,727,972	9,852,826
Workers' Welfare Fund		325,121	244,895
Other charges	30	5,628	24,547
Total non mark-up / interest expenses		12,058,721	10,122,268
Profit before provisions		16,194,342	12,518,978
Provisions and write-offs - net	31	347,289	354,071
Profit before taxation		15,847,053	12,164,907
Taxation	32	6,319,346	4,760,230
Profit after taxation		9,527,707	7,404,677
		---------- (Rupees) ----------	
Earnings per share - basic and diluted	33	7.78	6.05

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	January - March 2022	January - March 2021
	---------- (Rupees in '000) ----------	
Profit after taxation for the period	9,527,707	7,404,677
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in overseas branches	2,152,400	(1,775,438)
Movement in deficit on revaluation of investments - net of tax	(4,757,434)	(1,598,527)
	(2,605,034)	(3,373,965)
Items that will not be reclassified to profit and loss account in subsequent periods		
Movement in surplus / (deficit) on revaluation of fixed assets - net of tax	708	(732)
Movement in surplus on revaluation of non-banking assets - net of tax	15,882	-
	16,590	(732)
Total comprehensive income for the period	6,939,263	4,029,980

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 (UN-AUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

	Share capital	Capital reserve - exchange translation	Statutory reserve	Surplus / (Deficit) on revaluation			Unappropriated profit	Total
				Investments	Fixed assets	Non-banking assets		
	(Rupees in '000)							
Balance as at January 01, 2021 (Audited)	12,241,797	27,008,465	35,265,603	2,654,932	24,984,734	913	81,916,463	184,072,907
Total comprehensive income for the three months ended March 31, 2021								
Profit after taxation for the three months ended March 31, 2021	-	-	-	-	-	-	7,404,677	7,404,677
Other comprehensive income - net of tax	-	(1,775,438)	-	(1,598,527)	(732)	-	-	(3,374,697)
Total comprehensive income for the three months ended March 31, 2021	-	(1,775,438)	-	(1,598,527)	(732)	-	7,404,677	4,029,980
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(11,137)	-	11,137	-
Transfer to statutory reserve	-	-	740,468	-	-	-	(740,468)	-
Transactions with owners for the three months ended March 31, 2021								
Final cash dividend - December 31, 2020 declared subsequent to the year end at Rs. 9.5 per share	-	-	-	-	-	-	(11,629,707)	(11,629,707)
Balance as at March 31, 2021 (Un-audited)	12,241,797	25,233,027	36,006,071	1,056,405	24,972,865	913	76,962,102	176,473,180
Total comprehensive income for the nine months ended December 31, 2021								
Profit after taxation for the nine months ended December 31, 2021	-	-	-	-	-	-	23,477,446	23,477,446
Other comprehensive income - net of tax	-	6,131,624	-	(3,097,405)	15,154,551	9,276	1,184,032	19,382,078
Total comprehensive income for the nine months ended December 31, 2021	-	6,131,624	-	(3,097,405)	15,154,551	9,276	24,661,478	42,859,524
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(3,115)	-	3,115	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(37,161)	-	37,161	-
Transfer to statutory reserve	-	-	2,347,745	-	-	-	(2,347,745)	-
Transactions with owners for the nine months ended December 31, 2021								
Interim cash dividend - March 31, 2021 declared at Rs 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
Interim cash dividend - June 30, 2021 declared at Rs 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
Interim cash dividend - September 30, 2021 declared at Rs 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
	-	-	-	-	-	-	(14,690,157)	(14,690,157)
Balance as at December 31, 2021 (Audited)	12,241,797	31,364,651	38,353,816	(2,041,000)	40,087,140	10,189	84,625,954	204,642,547
Total comprehensive income for the three months ended March 31, 2022								
Profit after taxation for the three months ended March 31, 2022	-	-	-	-	-	-	9,527,707	9,527,707
Other comprehensive income - net of tax	-	2,152,400	-	(4,757,434)	708	15,882	-	(2,588,444)
Total comprehensive income for the three months ended March 31, 2022	-	2,152,400	-	(4,757,434)	708	15,882	9,527,707	6,939,263
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(32,489)	-	32,489	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(22,948)	-	22,948	-
Transfer to statutory reserve	-	-	952,771	-	-	-	(952,771)	-
Transactions with owners for the three months ended March 31, 2022								
Final cash dividend - December 31, 2021 declared subsequent to the year end at Rs. 6.0 per share	-	-	-	-	-	-	(7,345,078)	(7,345,078)
Balance as at March 31, 2022 (Un-audited)	12,241,797	33,517,051	39,306,587	(6,798,434)	40,032,411	26,071	85,911,249	204,236,732

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	January - March 2022	January - March 2021
	---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,847,053	12,164,907
Less: Dividend income	903,660	252,416
	14,943,393	11,912,491
Adjustments:		
Depreciation on fixed assets	908,380	683,987
Depreciation on right-of-use assets	482,336	455,114
Amortisation	192,344	189,747
Workers' Welfare Fund - charge	325,121	244,895
Provision for retirement benefits	136,319	238,712
Provision for compensated absences	41,007	43,997
(Reversal) / provision against loans and advances - net	(147,983)	424,691
Reversal of provision against off - balance sheet obligations - net	(54,749)	(53,059)
Provision / (reversal) for diminution in value of investments - net	755,642	(222,113)
Interest expense on lease liability against right-of-use assets	249,007	236,557
Gain on sale of fixed assets - net	(40,057)	(3,269)
Bad debts written-off directly	11,091	11,586
Unrealised gain on revaluation of investments classified as held for trading	(108,400)	(2,778)
Reversal of provision against other assets	(2,136)	(13,558)
Other provisions / write-offs	(27,117)	327,750
	2,720,805	2,562,259
	17,664,198	14,474,750
(Increase) / decrease in operating assets		
Lendings to financial institutions	(22,469,739)	10,625,989
Held for trading securities	(6,146,877)	(63,863,879)
Advances	(9,217,546)	(10,867,025)
Other assets (excluding advance taxation)	(10,578,370)	1,000,376
	(48,412,532)	(63,104,539)
(Decrease) / increase in operating liabilities		
Bills payable	12,520,144	(4,115,955)
Borrowings	(352,640,444)	123,815,049
Deposits and other accounts	23,707,885	(3,464,385)
Other liabilities	7,263,209	5,402,570
	(309,149,206)	121,637,279
	(339,897,540)	73,007,490
Receipts / (payments) on account of staff retirement benefits	1,783,187	(1,080,172)
Income taxes paid	(4,809,315)	(1,356,764)
Net cash flow (used in) / generated from operating activities	(342,923,668)	70,570,554
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	269,456,324	(87,000,686)
Net investments in held to maturity securities	19,962,378	(45,510,198)
Net investments in associates	(3,000,000)	-
Dividend income received	343,670	273,141
Investment in fixed assets and intangible assets	(1,030,581)	(494,877)
Sale proceeds from disposal of fixed assets	73,820	5,654
Effect of translation of net investment in overseas branches	2,152,400	(1,775,438)
Net cash flow generated from / (used in) investing activities	287,958,011	(134,502,404)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(652,516)	(594,313)
Dividend paid	(5,616,152)	(3,969)
Net cash flow used in financing activities	(6,268,668)	(598,282)
Decrease in cash and cash equivalents	(61,234,325)	(64,530,132)
Cash and cash equivalents at the beginning of the period	291,300,339	264,726,817
Cash and cash equivalents at the end of the period	230,066,014	200,196,685

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

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

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

1. STATUS AND NATURE OF BUSINESS

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,340 (December 31, 2021: 1,341) branches inside Pakistan including 145 (December 31, 2021: 145) Islamic Banking branches and 2 (December 31, 2021: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2021: 8) branches outside Pakistan. The Bank is a subsidiary of Bestway International Holdings Limited (BIHL) and BIHL is a wholly owned subsidiary of Bestway Group Limited (BGL) which is incorporated in the Guernsey.

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

2. BASIS OF PRESENTATION

These unconsolidated condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter 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, 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.

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

2.1 STATEMENT OF COMPLIANCE

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

- International 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).

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

The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 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.

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

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended December 31, 2021.

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

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

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

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed as final implementation guidelines are awaited from SBP.
There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these unconsolidated condensed interim financial statements.

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

There are certain new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2021 except for the following:

During the period, the Bank has reviewed the useful lives of its leasehold improvements, furniture and fixtures and electrical, office and computer equipment as required by IAS 16. This review has resulted in a change in the useful lives of these assets. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8. Accordingly, the effect of this change in accounting estimate has been recognised prospectively in the unconsolidated condensed interim profit and loss account from the current period.

With effect from January 2022, the estimated useful lives of leasehold improvements and certain items of furniture and fixtures have been decreased from 10 to 8 years and, certain items of electrical, office and computer equipment from 5 to 4 years and 4 to 3 years. Further, useful lives of certain items of electrical, office and computer equipment have been increased from 4 to 5 years. The useful lives have been revised to make them more reflective of the consumption pattern of the assets.

The effect of these changes on depreciation expense in the current period / year and the next year is as follows:

	January - March 2022	January - December 2022	January - December 2023
	---------- (Rupees in '000) ----------		
Increase in depreciation expense			
Leasehold improvements	55,553	178,854	136,479
Furniture and fixtures	17,732	57,212	41,695
Electrical, office and computer equipment	11,986	23,245	20,442
Decrease in depreciation expense			
Electrical, office and computer equipment	23,204	77,480	-

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2021.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	18,981,409	27,262,667
Foreign currencies	7,445,435	6,987,106
	26,426,844	34,249,773
With State Bank of Pakistan in		
Local currency current accounts	70,108,049	75,005,750
Foreign currency current accounts	4,583,263	5,312,400
Foreign currency deposit accounts	8,069,790	8,818,135
	82,761,102	89,136,285
With other central banks in		
Foreign currency current accounts	26,174,647	31,754,341
Foreign currency deposit accounts	9,183,752	8,148,977
	35,358,399	39,903,318
With National Bank of Pakistan in local currency current accounts	58,177,614	104,153,210
National prize bonds	179,446	494,696
	202,903,405	267,937,282
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In deposit accounts	5,000,000	6,350,000
Outside Pakistan		
In current accounts	12,633,379	8,075,999
In deposit accounts	9,529,230	8,937,058
	22,162,609	17,013,057
	27,162,609	23,363,057
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lending	-	100,000
Repurchase agreement lendings (reverse repo)	72,980,569	49,726,776
Placements with State Bank of Pakistan	1,190,246	1,874,300
	74,170,815	51,701,076

9. INVESTMENTS

9.1 Investments by type

	Note	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)							
Held for trading securities									
Federal Government Securities									
- Market Treasury Bills		75,437,131	-	(50,056)	75,387,075	69,718,806	-	9,101	69,727,907
- Pakistan Investment Bonds - fixed		983,500	-	149,145	1,132,645	4,883,004	-	7,053	4,890,057
- Pakistan Investment Bonds - floaters		4,595,035	-	9,311	4,604,346	250,697	-	128	250,825
		81,015,666	-	108,400	81,124,066	74,852,507	-	16,282	74,868,789
Available for sale securities									
Federal Government securities									
- Market Treasury Bills		109,766,382	-	(54,206)	109,712,176	462,307,400	-	(295,082)	462,012,318
- Pakistan Investment Bonds - fixed		116,200,257	-	(2,204,158)	113,996,099	106,428,744	-	(956,951)	105,471,793
- Pakistan Investment Bonds - floaters		428,681,411	-	(1,610,316)	427,071,095	365,357,391	-	(1,612,561)	363,744,830
- Government of Pakistan Sukuks		46,501,137	(5,517)	(231,926)	46,263,694	43,996,036	-	(265,635)	43,730,401
- Islamic Naya Pakistan Certificates		906,607	-	-	906,607	924,941	-	-	924,941
- Government of Pakistan Eurobonds		24,948,046	(226,789)	(5,513,900)	19,207,357	22,789,875	(285,929)	49,770	22,553,716
Ordinary shares									
- Listed companies		14,989,328	(5,002,517)	1,277,006	11,263,817	13,269,396	(4,623,052)	1,019,365	9,665,709
- Unlisted companies		790,232	(60,440)	42	729,834	790,083	(60,440)	41	729,684
Non-Government debt securities									
- Corporate Sukuks		1,430,714	-	-	1,430,714	1,452,143	-	-	1,452,143
- Term Finance Certificates		782,335	(161,998)	-	620,337	782,335	(161,996)	-	620,339
Foreign securities									
- Foreign bonds - sovereign		45,036,215	(309,141)	(2,922,252)	41,804,822	41,692,161	(383,468)	(1,325,534)	39,983,159
- Foreign bonds - others		910,404	(1,016)	(41,638)	867,750	1,187,962	(1,103)	8,036	1,194,895
Mutual Fund units		258,179	-	(14,026)	244,153	258,179	-	(15,711)	242,468
Real Estate Investment Trust units		533,453	-	170,400	703,853	458,590	-	48,360	506,950
		791,734,700	(5,767,418)	(11,144,974)	774,822,308	1,061,695,236	(5,515,988)	(3,345,902)	1,052,833,346
Held to maturity securities									
Federal Government securities									
- Pakistan Investment Bonds - fixed		216,944,432	-	-	216,944,432	216,576,752	-	-	216,576,752
- Pakistan Investment Bonds - floaters		47,696,775	-	-	47,696,775	47,666,897	-	-	47,666,897
- Government of Pakistan Sukuks		10,002,785	-	-	10,002,785	10,002,935	-	-	10,002,935
- Government of Pakistan Eurobonds		10,775,087	(138,343)	-	10,636,744	10,381,683	(141,574)	-	10,240,109
- Bai Muajjal with Government of Pakistan		-	-	-	-	21,214,989	-	-	21,214,989
Non-Government debt securities									
- Corporate Sukuks		9,905,384	(50,934)	-	9,854,450	10,580,384	(50,934)	-	10,529,450
- Term Finance Certificates		8,079,716	(69,951)	-	8,009,765	8,079,835	(69,951)	-	8,009,884
- Debentures		2,267	(2,267)	-	-	2,267	(2,267)	-	-
- Participation Term Certificates		437	(437)	-	-	437	(437)	-	-
- Corporate Bond		1,783,454	(22,846)	-	1,760,608	1,715,945	(23,356)	-	1,692,589
Foreign securities									
- Market Treasury Bills		2,904,778	-	-	2,904,778	2,682,985	-	-	2,682,985
- Foreign bonds - sovereign		34,920,113	(1,225,530)	-	33,694,583	33,578,466	(641,202)	-	32,937,264
- Foreign bonds - others		2,254,929	(8,588)	-	2,246,341	2,171,411	(11,610)	-	2,159,801
- CDC SAARC Fund		399	-	-	399	383	-	-	383
		345,270,556	(1,518,896)	-	343,751,660	364,655,369	(941,331)	-	363,714,038
Associates									
- UBL Financial Sector Fund		366,640	-	-	366,640	366,640	-	-	366,640
- UBL Liquidity Plus Fund		3,000,000	-	-	3,000,000	-	-	-	-
- UBL Insurers Limited		240,000	-	-	240,000	240,000	-	-	240,000
- Khushhali Bank Limited	9.4	832,485	-	-	832,485	832,485	-	-	832,485
		4,439,125	-	-	4,439,125	1,439,125	-	-	1,439,125
Subsidiaries									
- United National Bank Limited (UBL UK)		2,855,223	-	-	2,855,223	2,855,223	-	-	2,855,223
- UBL (Switzerland) AG	9.7	589,837	-	-	589,837	589,837	-	-	589,837
- UBL Fund Managers Limited		100,000	-	-	100,000	100,000	-	-	100,000
		3,545,060	-	-	3,545,060	3,545,060	-	-	3,545,060
Discontinued operation									
- UBL Bank (Tanzania) Limited	9.6	1,831,006	(1,688,911)	-	142,095	1,831,006	(1,688,911)	-	142,095
Total Investments		1,227,836,113	(8,975,225)	(11,036,574)	1,207,824,314	1,508,018,303	(8,146,230)	(3,329,620)	1,496,542,453

		Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
9.1.1	**Investments given as collateral**			
	Market Treasury Bills		-	215,584,125
	Pakistan Investment Bonds - floaters		106,069,468	232,144,261
	Pakistan Investment Bonds - fixed		10,802,236	1,853,526
			116,871,704	449,581,912

The market value of securities given as collateral is Rs. 115,968 million (December 31, 2021: Rs. 448,718 million).

9.2 Provision for diminution in value of investments

9.2.1	Opening balance		8,146,230	9,343,576
	Exchange adjustments		73,353	155,536
	Charge / (reversals)			
	Charge for the period / year		826,812	446,250
	Reversals for the period / year		(68,958)	(555,978)
	Reversal on disposals		(2,212)	(1,161,770)
			755,642	(1,271,498)
	Amounts written off		-	(81,384)
	Closing balance	9.5	8,975,225	8,146,230

9.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited) March 31, 2022		(Audited) December 31, 2021	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	---------- (Rupees in '000) ----------			
Domestic				
Loss	285,585	285,585	285,585	285,585
Total	285,585	285,585	285,585	285,585

9.3 The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs. 328,919.449 million (December 31, 2021: Rs. 354,991.660 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 Provision against investments includes Expected Credit Losses (ECL) under IFRS 9 amounting to Rs. 1,937.838 million (December 31, 2021: Rs. 1,488.282 million) on investments of overseas branches.

9.6 UBL Bank (Tanzania) Limited (UBTL) is a wholly owned subsidiary of United Bank Limited. UBTL sold materially all of its assets and liabilities held as 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 01, 2019. The Banking operations of the subsidiary ceased on November 01, 2019. UBTL is in process of winding up and voluntary liquidation. The official liquidator has been appointed by Board of Directors of UBTL.

9.7 The shareholders of the Bank have resolved the voluntary and orderly wind up of UBL Switzerland AG, a wholly owned subsidiary of the Bank in the Extra Ordinary General Meeting (EOGM) of shareholders held on August 06, 2021. This decision was in line with the Bank's strategy to exit from non-core markets. UBL Switzerland AG was released from FINMA's regulatory supervision on March 24, 2022 and entered voluntary liquidation on March 31, 2022. Deloitte AG were appointed as liquidators. The liquidation of the entity is subject to fulfillment of relevant legal and regulatory requirements both in Pakistan and Switzerland.

10. ADVANCES

	Note	Performing		Non-performing		Total	
		(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		541,669,514	561,742,044	84,116,319	83,224,648	625,785,833	644,966,692
Islamic financing and related assets	38.2	66,530,282	43,859,593	177,054	197,330	66,707,336	44,056,923
Bills discounted and purchased		43,879,702	36,670,914	2,594,768	2,591,046	46,474,470	39,261,960
Advances - gross		652,079,498	642,272,551	86,888,141	86,013,024	738,967,639	728,285,575
Provision against advances	10.3						
- Specific		-	-	(75,561,265)	(74,703,857)	(75,561,265)	(74,703,857)
- General		(7,863,479)	(7,393,261)	-	-	(7,863,479)	(7,393,261)
		(7,863,479)	(7,393,261)	(75,561,265)	(74,703,857)	(83,424,744)	(82,097,118)
Advances - net of provision		644,216,019	634,879,290	11,326,876	11,309,167	655,542,895	646,188,457

10.1 Particulars of advances - gross

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
In local currency	521,791,984	531,161,298
In foreign currencies	217,175,655	197,124,277
	738,967,639	728,285,575

10.2 Advances include Rs. 86,888.141 million (December 31, 2021: Rs. 86,013.024 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) March 31, 2022		(Audited) December 31, 2021	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned*	203,163	1,029	155,903	-
Substandard	2,329,190	587,093	2,398,883	595,091
Doubtful	558,908	349,902	563,051	346,746
Loss	23,475,153	22,381,287	23,945,768	22,853,989
	26,566,414	23,319,311	27,063,605	23,795,826
Overseas				
Not past due but impaired**	5,501,755	2,498,819	4,207,043	1,233,410
Overdue by:				
Upto 90 days	65,078	540	1,004,416	303,038
91 to 180 days	1,168,953	498,026	1,811,745	1,620,231
181 to 365 days	2,978,955	2,977,441	4,666,129	3,620,254
> 365 days	50,606,986	46,267,128	47,260,086	44,131,098
	60,321,727	52,241,954	58,949,419	50,908,031
Total	86,888,141	75,561,265	86,013,024	74,703,857

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.
** Not past due but impaired category mainly represents restructured exposures.

10.3 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	74,703,857	7,393,261	82,097,118	71,755,668	7,271,844	79,027,512
Exchange adjustments	1,963,138	267,074	2,230,212	5,068,084	734,361	5,802,445
(Reversals) / charge						
Charge for the period / year	288,644	224,503	513,147	4,901,313	361,989	5,263,302
Reversals for the period / year	(639,771)	(21,359)	(661,130)	(3,048,379)	(974,933)	(4,023,312)
	(351,127)	203,144	(147,983)	1,852,934	(612,944)	1,239,990
Amounts charged off						
- agriculture financing	-	-	-	(257,446)	-	(257,446)
Amounts written off	(754,603)	-	(754,603)	(3,711,835)	-	(3,711,835)
Transfers out - net	-	-	-	(3,548)	-	(3,548)
Closing balance	75,561,265	7,863,479	83,424,744	74,703,857	7,393,261	82,097,118

10.3.1 General provision represents provision amounting to Rs. 427.840 million (December 31, 2021: Rs. 402.418 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 7,435.639 million (December 31, 2021: Rs. 6,990.843 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches operate.

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 01 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 19.291 million (December 31, 2021: Rs. 16.258 million).

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 3,768.480 million (December 31, 2021: Rs. 3,528.942 million) for the overseas branches.

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

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,534,423	1,294,646
Property and equipment		59,739,810	60,166,347
Right-of-use assets		7,189,895	7,076,660
		68,464,128	68,537,653

11.1 Capital work-in-progress

Civil works	668,946	419,443
Equipment	865,477	875,203
	1,534,423	1,294,646

11.2 Additions to fixed assets

	(Un-audited) January - March 2022	January - March 2021
	------- (Rupees in '000) -----	
The following additions have been made to fixed assets during the period:		
Capital work-in-progress - net additions	239,777	104,182
Property and equipment		
Leasehold improvements	84,055	86,623
Furniture and fixtures	50,296	21,296
Electrical, office and computer equipment	353,288	238,851
Vehicles	9,457	92,492
	497,096	439,262
Right-of-use assets	638,822	415,220
Total	1,375,695	958,664

	(Un-audited)	
	January - March 2022	January - March 2021
	------- (Rupees in '000) -----	

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	32,500	-
Furniture and fixtures	220	3,147
Electrical, office and computer equipment	1,043	4,426
Vehicles	-	23,744
	33,763	31,317
Derecognition of right-of-use assets	45,716	236,945
Total	79,479	268,262

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
12. INTANGIBLE ASSETS	------- (Rupees in '000) -----	
Capital work-in-progress - Computer software	843,240	604,751
Intangible assets - Computer software	1,496,621	1,626,514
	2,339,861	2,231,265

	(Un-audited)	
	January - March 2022	January - March 2021
12.1 Additions to intangible assets	------- (Rupees in '000) -----	

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

Capital work-in-progress - net additions	238,489	63,283
Directly purchased - Intangible assets	57,903	43,182
	296,392	106,465

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
13. DEFERRED TAX ASSETS	------- (Rupees in '000) -------	
Deductible temporary differences on		
Provision against advances and off balance sheet obligations	5,256,492	5,172,302
Deficit on revaluation of investments	4,346,540	1,304,902
Post retirement employee benefits	627,650	716,805
Workers' Welfare Fund	2,358,540	2,231,742
Others	423,112	36,404
	13,012,334	9,462,155
Taxable temporary differences on		
Surplus on revaluation of fixed assets / non-banking assets	(1,669,482)	(1,683,947)
Accelerated tax depreciation	(480,135)	(573,933)
	(2,149,617)	(2,257,880)
	10,862,717	7,204,275

14. OTHER ASSETS	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
Income / mark-up accrued in local currency		29,654,177	25,128,445
Income / mark-up accrued in foreign currencies	14.1	3,258,827	2,771,265
Advance taxation - net of provision for taxation	14.2	2,345,342	4,144,088
Receivable from staff retirement fund		31,609	2,077,069
Receivable from other banks against telegraphic transfers and demand drafts		92,999	365,000
Unrealised gain on forward foreign exchange contracts		3,661,042	4,069,229
Rebate receivable - net		932,618	652,112
Unrealised gain on derivative financial instruments		-	8,476
Suspense accounts		129,833	158,508
Stationery and stamps on hand		176,822	206,616
Non-banking assets acquired in satisfaction of claims		181,740	196,640
Advances, deposits, advance rent and other prepayments		2,850,244	1,177,703
Dividend receivable		559,990	-
Receivable against ATM settlement		708,771	-
Commission receivable - Branchless Banking		1,035,413	676,483
Commission receivable - Bancassurance		180,725	111,180
Receivable against fraud & forgery and looted notes		577,215	564,693
Acceptances		15,989,087	11,421,246
Others		543,082	1,877,987
		62,909,536	55,606,740
Provision held against other assets	14.3	(1,168,780)	(1,163,055)
Other assets - net of provisions		61,740,756	54,443,685
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	32,586	16,704
Other assets - total		61,773,342	54,460,389

14.1 Unrealised mark-up held in suspense amounting to Rs. 18,517.903 million (December 31, 2021: Rs. 16,929.481 million) against non-performing overseas advances has been netted off.

14.2 The Income Tax returns of the Bank have been filed upto the tax year 2021 (financial year ended December 31, 2020) 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 2020, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.13,752 million (December 31, 2021: Rs.13,752 million). The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favour of the Bank.

The tax returns for Azad Jammu and Kashmir (AJK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2021 (financial year ended December 31, 2020) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (December 31, 2021: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

The tax returns for Yemen have been filed upto the year ended December 31, 2019 and for UAE and Qatar branches upto the year ended December 31, 2020 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 642 thousand (Rs. 32.157 million) from the General tax Authority (GTA) in respect of tax year 2015. Management has filed an appeal against the said penalty and is confident that the matters will be decided in favor of the Bank and the possibility of any outcome against it is remote.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
14.3	**Provision held against other assets**	------- (Rupees in '000) -------	
	Advances and other receivables	54,108	54,674
	Fraud & forgery and looted notes	577,215	564,693
	Others	537,457	543,688
		1,168,780	1,163,055
14.3.1	**Movement of provision held against other assets**		
	Opening balance	1,163,055	1,392,976
	Exchange adjustments	10,454	28,541
	Charge / (reversals)		
	Charge for the period / year	42,168	33,348
	Reversals for the period / year	(44,304)	(201,953)
		(2,136)	(168,605)
	Transfers out - net	(1,834)	(41,160)
	Amounts written off	(759)	(48,697)
	Closing balance	1,168,780	1,163,055

15. CONTINGENT ASSETS

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

16. BILLS PAYABLE

In Pakistan	38,261,345	25,898,903
Outside Pakistan	1,051,769	894,067
	39,313,114	26,792,970

17. BORROWINGS

Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	37,469,156	38,881,750
Refinance facility for modernization of SME	120,659	5,100
Long term financing facility	19,574,765	20,056,964
Refinance scheme for payment of wages and salaries	2,525,945	3,225,644
Renewable energy scheme	569,849	513,403
Temporary economic refinance facility	12,277,306	9,972,210
Refinance facility for combating COVID-19	387,984	390,962
Repurchase agreement borrowings	105,000,000	417,755,950
Refinance for women entrepreneurs	18,640	18,487
	177,944,304	490,820,470
Repurchase agreement borrowings from other banks	10,687,024	54,783,321
	188,631,328	545,603,791
Unsecured		
Call borrowings	17,155,024	15,885,337
Overdrawn nostro accounts	270,999	1,795,622
Other borrowings	4,586,955	-
	22,012,978	17,680,959
	210,644,306	563,284,750

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Customers						
Current accounts - remunerative	3,402,611	15,436,198	18,838,809	2,528,236	6,001,961	8,530,197
Current accounts - non-remunerative	662,725,203	123,750,608	786,475,811	633,109,393	117,505,435	750,614,828
Savings deposits	535,398,407	50,805,901	586,204,308	574,380,924	48,883,320	623,264,244
Term deposits	154,802,367	117,260,142	272,062,509	134,138,693	135,909,226	270,047,919
Sundry deposits	19,957,045	1,692,044	21,649,089	9,313,881	1,283,385	10,597,266
Margin deposits	3,156,855	3,558,622	6,715,477	4,356,837	3,149,326	7,506,163
	1,379,442,488	312,503,515	1,691,946,003	1,357,827,964	312,732,653	1,670,560,617
Financial Institutions						
Current deposits	19,058,842	3,299,820	22,358,662	35,723,146	3,186,112	38,909,258
Saving deposits	44,435,583	169,979	44,605,562	16,824,931	54,784	16,879,715
Term deposits	4,397,650	11,343,773	15,741,423	18,612,650	5,981,525	24,594,175
	67,892,075	14,813,572	82,705,647	71,160,727	9,222,421	80,383,148
	1,447,334,563	327,317,087	1,774,651,650	1,428,988,691	321,955,074	1,750,943,765

18.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,076,836.139 million (December 31, 2021: Rs 1,078,654.532 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 Additional Tier 1 issue are as follows:

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

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
20. OTHER LIABILITIES		(Rupees in '000)	
Mark-up / return / interest payable in local currency		19,729,671	15,032,556
Mark-up / return / interest payable in foreign currencies		795,460	863,563
Accrued expenses		3,533,568	4,416,101
Branch adjustment account		68,254	479,517
Deferred income		961,907	997,320
Unearned commission and income on bills discounted		174,079	231,988
Provision against off-balance sheet obligations	20.1	703,134	730,630
Unrealised loss on forward foreign exchange contracts		2,546,051	1,156,024
Unrealised loss on derivative financial instruments		24,595	-
Liability against trading of securities		964,098	1,521,590
Provision for post-retirement medical benefits		2,187,767	2,175,874
Payable to staff retirement fund		-	103,685
Provision for compensated absences		828,428	835,134
Deferred liabilities		604,130	590,579
Workers' Welfare Fund payable		5,847,538	5,522,416
Liabilities against ATM settlement		-	40,996
Insurance payable against consumer assets		473,788	477,866
Dividends payable		4,501,714	2,762,515
Unclaimed dividends		281,868	292,141
Acceptances		15,989,087	11,421,246
Charity fund balance		4,762	4,039
Lease liability against right-of-use assets		8,590,993	8,412,023
Levies and taxes payable		2,014,946	3,017,195
Others		1,372,446	1,416,877
		72,198,284	62,501,875

		Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
20.1	**Provision against off-balance sheet obligations**		------- (Rupees in '000) -------	
	Opening balance		730,630	1,065,233
	Exchange adjustments		27,253	14,927
	Charge / (reversal)			
	Charge for the period / year		2,684	8,819
	Reversals for the period / year		(57,433)	(353,069)
			(54,749)	(344,250)
	Transfers out - net		-	(5,280)
	Closing balance		703,134	730,630
21.	**SURPLUS ON REVALUATION OF ASSETS**			
	(Deficit) / surplus arising on revaluation of:			
	- Available for sale securities	9.1	(11,144,974)	(3,345,902)
	- Fixed assets		41,695,378	41,764,572
	- Non-banking assets acquired in satisfaction of claims	14	32,586	16,704
			30,582,990	38,435,374
	Deferred tax on (deficit) / surplus on revaluation of:			
	- Available for sale securities		(4,346,540)	(1,304,902)
	- Fixed assets		1,662,967	1,677,432
	- Non-banking assets acquired in satisfaction of claims		6,515	6,515
			(2,677,058)	379,045
			33,260,048	38,056,329
22.	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	22.1	173,127,338	167,884,838
	Commitments	22.2	1,086,545,710	947,939,838
	Other contingent liabilities	22.3	16,478,688	16,452,188
			1,276,151,736	1,132,276,864
22.1	**Guarantees:**			
	Financial guarantees		63,246,731	55,725,856
	Performance guarantees		86,820,220	107,821,730
	Other guarantees		23,060,387	4,337,252
			173,127,338	167,884,838
22.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		200,400,996	169,653,706
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.2	737,261,458	652,382,419
	- forward Government securities transactions	22.2.3	10,127,000	11,780,000
	- derivatives	22.2.4	4,983,990	1,808,940
	- forward lending	22.2.5	131,669,967	109,605,370
	- operating leases	22.2.6	178,737	99,911
			884,221,152	775,676,640
	Commitments for acquisition of:			
	- fixed assets		678,359	1,049,017
	- intangible assets		1,245,203	1,560,475
			1,923,562	2,609,492
			1,086,545,710	947,939,838

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) March 31, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
22.2.2	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		389,145,880	350,490,749
	Sale		348,115,578	301,891,670
			737,261,458	652,382,419
22.2.3	**Commitments in respect of forward Government securities transactions**			
	Purchase		7,827,000	9,081,000
	Sale		2,300,000	2,699,000
			10,127,000	11,780,000
22.2.4	**Commitments in respect of derivatives**			
	FX options			
	Purchase		2,491,995	904,470
	Sale		2,491,995	904,470
			4,983,990	1,808,940
22.2.5	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.5.1	73,679,274	63,017,022
	Others		57,990,693	46,588,348
			131,669,967	109,605,370

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.

22.2.6	**Commitments in respect of operating leases**			
	Not later than one year		178,489	99,661
	Later than one year and not later than five years		22	22
	Later than five years		226	228
			178,737	99,911
22.3	**Other contingent liabilities**			
22.3.1	Claims against the Bank not acknowledged as debts		12,389,385	12,362,885

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 14.2.

23. Derivative Instruments

Product analysis

	March 31, 2022 (Un-audited)							
	FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss
Hedging	2,491,995	-	7,827,000	(24,289)	2,300,000	(306)	12,618,995	(24,595)
Market making	2,491,995	-	-	-	-	-	2,491,995	-
	4,983,990	-	7,827,000	(24,289)	2,300,000	(306)	15,110,990	(24,595)

	December 31, 2021 (Audited)							
	FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain
	(Rupees in '000)							
Hedging	904,470	-	9,081,000	7,374	2,699,000	1,102	12,684,470	8,476
Market making	904,470	-	-	-	-	-	904,470	-
	1,808,940	-	9,081,000	7,374	2,699,000	1,102	13,588,940	8,476

	Note	(Un-audited) January - March 2022	January - March 2021
24. MARK-UP / RETURN / INTEREST EARNED		------- (Rupees in '000) -------	
On:			
Loans and advances		13,161,875	9,119,923
Investments		32,648,955	22,211,265
Lendings to financial institutions		1,948,334	376,555
Balances with banks		197,041	117,848
		47,956,205	31,825,591
25. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		17,551,580	12,350,906
Borrowings		7,571,135	1,385,653
Subordinated debt		278,175	218,729
Cost of foreign currency swaps against foreign currency deposits / borrowings		833,386	775,881
Lease liability against right-of-use assets		249,007	236,557
		26,483,283	14,967,726
26. FEE AND COMMISSION INCOME			
Branch banking customer fee		562,208	428,154
Consumer finance related fee		273,815	243,235
Card related fee (debit and credit cards)		759,617	560,923
Investment banking fee		53,493	10,891
Financial Institution rebate / commission		124,225	71,393
Corporate service charges / facility fee		260,433	125,979
Commission on trade		207,567	176,074
Commission on guarantees		159,569	137,265
Commission on cash management		250,487	220,539
Commission on remittances including home remittances - net		598,037	594,301
Commission on bancassurance		479,123	381,473
Rent on lockers		48,983	47,594
Others		141,398	42,701
		3,918,955	3,040,522
27. GAIN ON SECURITIES - NET			
Realised	27.1	319,851	1,864,160
Unrealised - held for trading		108,400	2,778
		428,251	1,866,938

		(Un-audited)	
		January - March 2022	January - March 2021
		------- (Rupees in '000) -------	
27.1	**Realised gain / (loss) on:**		
	Federal Government securities	316,720	447,376
	Shares	(623)	245,419
	Foreign securities	3,754	1,171,365
		319,851	1,864,160
28.	**OTHER INCOME**		
	Charges recovered	98,119	58,865
	Rent on properties	15,012	27,227
	Gain on sale of fixed assets - net	40,057	3,269
	(Loss) / gain on sale of Ijarah assets - net	(1,793)	1,711
	Gain on trading liabilities - net	132,933	40,951
		284,328	132,023
29.	**OPERATING EXPENSES**		
	Total compensation expense	4,632,089	4,156,999
	Property expense		
	Rent and taxes	225,099	247,418
	Insurance	66,866	60,143
	Utilities cost	343,945	286,829
	Security (including guards)	311,234	250,720
	Repair and maintenance (including janitorial charges)	71,108	57,385
	Depreciation on owned fixed assets	332,415	200,550
	Depreciation on right-of-use assets	482,336	455,114
	Depreciation on non-banking assets acquired in satisfaction of claims	31,854	-
	Others	28,091	29,477
		1,892,948	1,587,636
	Information technology expenses		
	Software maintenance	441,028	329,482
	Hardware maintenance	100,962	72,174
	Depreciation	217,992	187,564
	Amortisation	192,344	189,747
	Network charges	173,187	182,325
	Consultancy charges	73,252	34,302
		1,198,765	995,594
	Other operating expenses		
	Directors' fee and allowances	30,150	18,150
	Fee and allowances to Shariah Board	1,604	2,508
	Legal and professional charges	255,667	105,091
	Outsourced service costs	359,360	318,183
	Commission paid to branchless banking agents	92,928	106,146
	Commission paid to sales force	384,143	322,224
	Travelling and conveyance	24,185	22,671
	Clearing charges	52,408	47,172
	Depreciation - others	357,973	295,873
	Depreciation on Islamic financing against leased assets	40,752	41,710
	Training and development	19,857	5,980
	Postage and courier charges	125,732	84,025
	Communication	87,858	116,619
	Stationery and printing	209,013	188,128
	Marketing, advertisement and publicity	237,492	53,498
	Donations	-	40,000
	Auditors' remuneration	18,694	18,759
	Insurance	14,121	12,172
	Deposit protection premium expense	431,462	396,675
	Cash transportation and sorting charges	202,871	197,294
	Entertainment	52,072	38,674
	Banking service charges	645,050	448,219
	Repairs and maintenance	185,040	164,023
	Miscellaneous expenses	175,738	68,803
		4,004,170	3,112,597
		11,727,972	9,852,826

		(Un-audited)	
		January - March 2022	January - March 2021
30.	**OTHER CHARGES**	------- (Rupees in '000) -------	
	Penalties imposed by the SBP	5,196	13,898
	Penalties imposed by other regulatory bodies of overseas branches	432	10,649
		5,628	24,547
31.	**PROVISIONS AND WRITE-OFFS - NET**		
	Provision / (reversal) for diminution in value of investments - net	755,642	(222,113)
	(Reversal) / provision against loans and advances - net	(147,983)	424,691
	Bad debts written off directly	11,091	11,586
	Reversal of provision against other assets - net	(2,136)	(13,558)
	Reversal of provision against off-balance sheet obligations - net	(54,749)	(53,059)
	Recovery of written-off / charged off bad debts	(187,459)	(121,226)
	Other provisions / write-offs	(27,117)	327,750
		347,289	354,071
32.	**TAXATION**		
	Current	6,549,441	4,870,958
	Deferred	(230,095)	(110,728)
		6,319,346	4,760,230
33.	**EARNINGS PER SHARE**		
	Profit after taxation for the period	9,527,707	7,404,677
		------- (Number of shares) -------	
	Weighted average number of ordinary shares	1,224,179,687	1,224,179,687
		---------- (Rupees) ----------	
	Earnings per share - basic and diluted	7.78	6.05

There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2022 and March 31, 2021.

34. 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 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).

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

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

34.2 Fair value of financial assets

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

	March 31, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	(Rupees in '000)				
Financial assets measured at fair value					
Investments					
- Federal Government securities	798,281,094	-	798,281,094	-	798,281,094
- Foreign bonds - sovereign	41,804,822	-	41,804,822	-	41,804,822
- Foreign bonds - others	867,750	-	867,750	-	867,750
- Ordinary shares of listed companies	11,263,817	11,263,817	-	-	11,263,817
- Mutual Fund units	244,153	-	244,153	-	244,153
- Non-Government debt securities	2,051,051	-	2,051,051	-	2,051,051
- Real Estate Investment Trust units	703,853	703,853	-	-	703,853
	855,216,540	11,967,670	843,248,870	-	855,216,540
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	285,280,736	-	271,831,467	-	271,831,467
- Foreign Bonds - Market Treasury Bills	2,904,778	-	2,904,778	-	2,904,778
- Foreign Bonds - sovereign	33,694,583	-	32,719,279	-	32,719,279
- Foreign Bonds - others	2,246,341	-	3,392,379	-	3,392,379
- Non-Government debt securities	19,624,823	-	18,071,546	-	18,071,546
	343,751,261	-	328,919,449	-	328,919,449
	1,198,967,801	11,967,670	1,172,168,319	-	1,184,135,989
Off-balance sheet financial instruments measured at fair value					
Foreign exchange contracts - purchased and sold	737,261,458	-	1,114,991	-	1,114,991
FX options - purchased and sold	4,983,990	-	-	-	-
Forward Government Securities - purchased and sold	10,127,000	-	(24,595)	-	(24,595)

	December 31, 2021 (Audited)				
	Carrying 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					
- Federal Government securities	1,073,306,788	-	1,073,306,788	-	1,073,306,788
- Foreign bonds - sovereign	39,983,159	-	39,983,159	-	39,983,159
- Foreign bonds - others	1,194,895	-	1,194,895	-	1,194,895
- Ordinary shares of listed companies	9,665,709	9,665,709	-	-	9,665,709
- Mutual Fund units	242,468	-	242,468	-	242,468
- Non-Government debt securities	2,072,482	-	2,072,482	-	2,072,482
- Real Estate Investment Trust units	506,950	506,950	-	-	506,950
	1,126,972,451	10,172,659	1,116,799,792	-	1,126,972,451
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	305,701,682	-	296,942,277	-	296,942,277
- Foreign Bonds - Market Treasury Bills	2,682,985	-	2,682,985	-	2,682,985
- Foreign Bonds - sovereign	32,937,264	-	32,805,738	-	32,805,738
- Foreign Bonds - others	2,159,801	-	2,183,328	-	2,183,328
- Non-Government debt securities	20,231,923	-	20,377,332	-	20,377,332
	363,713,655	-	354,991,660	-	354,991,660
	1,490,686,106	10,172,659	1,471,791,452	-	1,481,964,111
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts - purchased and sold	652,382,419	-	2,913,205	-	2,913,205
FX options - purchased and sold	1,808,940	-	-	-	-
Forward Government Securities - purchased and sold	11,780,000	-	8,476	-	8,476

34.3 Fair Value of non-financial assets

	March 31, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	52,419,499	-	-	52,419,499	52,419,499
Non-banking assets acquired in satisfaction of claims	214,326	-	-	214,326	214,326
	52,633,825	-	-	52,633,825	52,633,825

	December 31, 2021 (Audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	52,555,712	-	-	52,555,712	52,555,712
Non-banking assets acquired in satisfaction of claims	213,344	-	-	213,344	213,344
	52,769,056	-	-	52,769,056	52,769,056

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

35. SEGMENT INFORMATION

35.1 Segment details with respect to business activities

	For the three months ended March 31, 2022 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Profit & Loss							
Net mark-up / return / profit	8,183,263	22,646,169	(13,378,776)	2,132,818	2,128,917	(239,469)	21,472,922
Inter segment (expense) / revenue - net	(7,197,961)	(23,936,875)	28,909,974	-	-	2,224,862	-
Non mark-up / return / interest income	1,029,192	1,741,279	2,798,088	99,486	613,163	498,933	6,780,141
Total Income	2,014,494	450,573	18,329,286	2,232,304	2,742,080	2,484,326	28,253,063
Segment direct expenses	342,047	98,373	7,641,180	634,499	1,259,067	2,083,555	12,058,721
Inter segment expense allocation	119,115	20,678	1,729,097	-	96,222	(1,965,112)	-
Total expenses	461,162	119,051	9,370,277	634,499	1,355,289	118,443	12,058,721
Provision charge / (reversal) - net	(960,013)	377,783	387,008	4,559	557,712	(19,760)	347,289
Profit / (loss) before taxation	2,513,345	(46,261)	8,572,001	1,593,246	829,079	2,385,643	15,847,053

	For the three months ended March 31, 2021 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Profit & Loss							
Net mark-up / return / profit	5,725,585	17,355,793	(9,007,646)	1,026,682	1,898,520	(141,069)	16,857,865
Inter segment (expense) / revenue - net	(4,869,849)	(15,770,454)	19,012,893	-	-	1,627,410	-
Non mark-up / return / interest income	550,996	936,737	2,255,135	67,955	1,833,886	138,672	5,783,381
Total Income	1,406,732	2,522,076	12,260,382	1,094,637	3,732,406	1,625,013	22,641,246
Segment direct expenses	274,952	156,931	6,373,366	437,519	1,198,625	1,680,875	10,122,268
Inter segment expense allocation	114,818	16,896	1,222,727	-	126,971	(1,481,412)	-
Total expenses	389,770	173,827	7,596,093	437,519	1,325,596	199,463	10,122,268
Provision charge / (reversal) - net	139,749	(421,404)	(99,620)	2,510	726,992	5,844	354,071
Profit before taxation	877,213	2,769,653	4,763,909	654,608	1,679,818	1,419,706	12,164,907

	As at March 31, 2022 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Balance Sheet							
Cash & Bank balances	8,131	77,400,283	78,298,262	18,504,936	55,854,402	-	230,066,014
Investments	8,846,764	1,012,635,164	-	67,296,757	113,560,048	5,485,581	1,207,824,314
Net inter segment lending	-	-	1,232,759,544	21,977,683	-	92,903,717	1,347,640,944
Lendings to financial institutions	-	72,980,569	-	-	-	1,190,246	74,170,815
Advances - performing	390,834,130	11,034	48,130,741	66,447,743	135,314,128	3,478,243	644,216,019
Advances - non-performing net	2,719,713	-	452,282	59,443	8,079,773	15,665	11,326,876
Others	23,366,475	24,559,382	14,582,988	3,588,786	15,397,215	61,945,202	143,440,048
Total Assets	425,775,213	1,187,586,432	1,374,223,817	177,875,348	328,205,566	165,018,654	3,658,685,030

	As at March 31, 2022 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Borrowings	62,616,241	120,544,977	5,402,930	4,925,134	17,155,024	-	210,644,306
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	60,007,849	192,854	1,302,347,395	157,628,222	254,118,079	357,251	1,774,651,650
Net inter segment borrowing	281,347,723	1,066,032,382	-	-	260,839	-	1,347,640,944
Others	20,207,477	2,307,020	63,610,691	3,663,045	6,726,202	14,996,963	111,511,398
Total Liabilities	424,179,290	1,189,077,233	1,371,361,016	166,216,401	278,260,144	25,354,214	3,454,448,298
Equity	1,595,923	(1,490,801)	2,862,801	11,658,947	49,945,422	139,664,440	204,236,732
Total Equity & liabilities	425,775,213	1,187,586,432	1,374,223,817	177,875,348	328,205,566	165,018,654	3,658,685,030
Contingencies and Commitments	432,121,125	268,382,829	34,782,938	13,009,440	526,466,572	1,388,832	1,276,151,736

	As at December 31, 2021 (Audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Balance Sheet							
Cash & Bank balances	5,847	83,432,361	131,280,024	20,417,689	56,164,418	-	291,300,339
Investments	8,802,055	1,281,680,391	-	87,124,858	113,449,568	5,485,581	1,496,542,453
Net inter segment lending	-	-	1,199,024,459	4,712,655	-	73,725,465	1,277,462,579
Lendings to financial institutions	-	49,826,776	-	-	-	1,874,300	51,701,076
Advances - performing	421,026,745	16,109	48,013,514	43,788,935	118,247,080	3,786,907	634,879,290
Advances - non-performing net	2,765,799	-	414,816	66,191	8,041,387	20,974	11,309,167
Others	15,418,743	22,200,014	17,122,101	2,493,299	12,940,001	62,259,424	132,433,582
Total Assets	448,019,189	1,437,155,651	1,395,854,914	158,603,627	308,842,454	147,152,651	3,895,628,486
Borrowings	62,724,244	474,334,893	4,626,077	5,714,199	15,885,337	-	563,284,750
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	47,718,108	302,491	1,331,212,978	139,534,238	232,014,732	161,218	1,750,943,765
Net inter segment borrowing	320,279,992	956,239,947	-	-	942,640	-	1,277,462,579
Others	13,535,713	2,137,056	50,355,955	3,344,877	7,199,334	12,721,910	89,294,845
Total Liabilities	444,258,057	1,433,014,387	1,386,195,010	148,593,314	256,042,043	22,883,128	3,690,985,939
Equity	3,761,132	4,141,264	9,660,017	10,010,313	52,800,411	124,269,410	204,642,547
Total Equity & liabilities	448,019,189	1,437,155,651	1,395,855,027	158,603,627	308,842,454	147,152,538	3,895,628,486
Contingencies and Commitments	368,891,124	239,061,601	40,476,794	14,347,612	469,317,371	182,362	1,132,276,864

36. RELATED PARTY TRANSACTIONS

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

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

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

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

	As at March 31, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Statement of financial position	(Rupees in '000)					
Balances with other banks						
In current accounts	-	-	-	1,419,876	-	-
In deposit accounts	-	-	-	1,834,784	-	-
	-	-	-	3,254,660	-	-
Lendings to financial institutions						
Opening balance	-	-	-	-	-	2,355,115
Addition during the period	-	-	-	-	-	2,497,101
Repaid during the period	-	-	-	-	-	(2,355,115)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	2,497,101
Investments						
Opening balance	-	-	-	3,687,156	1,799,125	4,654,612
Investment made during the period	-	-	-	-	3,000,000	-
Investment disposed during the period	-	-	-	-	-	(54,547)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	3,687,156	4,799,125	4,600,065
Provision for diminution in value of investments	-	-	-	1,688,911	-	942,024
Provision written off	-	-	-	-	-	-
Advances						
Opening balance	-	645	277,816	-	-	1,768
Addition during the period	-	42	8,722	-	-	19,369,539
Repaid during the period	-	(644)	(34,201)	-	-	(1,374,705)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	43	252,337	-	-	17,996,602
Provision held against advances	-	-	-	-	-	-
Other Assets						
Income / mark-up accrued	-	-	-	50	1,166	452,715
Receivable from staff retirement fund	-	-	-	-	-	31,609
Dividend Receivable	-	-	-	366,239	-	-
Prepaid insurance	-	-	-	-	191,663	-
Other receivable	-	-	-	14,211	-	-
Provision written off	-	-	-	-	-	-
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	-	-	-	
Settled during the period	-	-	-	-	-	
Closing balance	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	18,601	7,769,284	66,177	227,997	2,209,154	16,151,170
Received during the period	-	10,943,670	353,460	5,623,877	62,298,982	73,936,126
Withdrawn during the period	(300)	(8,393,259)	(251,640)	(5,725,246)	(61,466,854)	(75,409,318)
Transfers in - net	-	-	-	-	-	1,001
Closing balance	18,301	10,319,695	167,997	126,628	3,041,282	14,678,979

	As at March 31, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	376	28,058	109	407	33,028	37,261
Dividend payable	3,790,373	98,949	-	-	-	26,367
Payable to staff retirement fund	-	-	-	-	-	-
Unearned income	-	-	-	406	-	13,650
Other payable	-	-	-	-	11,728	-
Contingencies and Commitments						
Letter of guarantee	-	-	-	5,504	-	-

	As at December 31, 2021 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Statement of financial position						
Balances with other banks						
In current accounts	-	-	-	478,967	-	-
In deposit accounts	-	-	-	1,765,018	-	-
	-	-	-	2,243,985	-	-
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	5,726,952
Repaid during the year	-	-	-	-	-	(3,371,837)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	2,355,115
Investments						
Opening balance	-	-	-	3,717,256	1,582,485	3,997,489
Investment made during the year	-	-	-	-	216,640	2,563,634
Investment disposed / written off during the year	-	-	-	(30,100)	-	(1,906,511)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	3,687,156	1,799,125	4,654,612
Provision for diminution in value of investments	-	-	-	1,688,911	-	938,502
Provision written off	-	-	-	-	-	77,606
Advances						
Opening balance	-	10	237,861	-	-	9,365,687
Addition during the year	-	1,170	87,189	-	-	84,111,001
Repaid during the year	-	(535)	(49,221)	-	-	(93,474,920)
Transfers in / (out) - net	-	-	1,987	-	-	-
Closing balance	-	645	277,816	-	-	1,768
Provision held against advances	-	-	-	-	-	-

	As at December 31, 2021 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Other Assets						
Interest mark-up accrued	-	-	-	91	4,541	149,672
Receivable from staff retirement fund	-	-	-	-	-	2,077,069
Advances, deposits & prepayments	-	-	-	-	65,811	-
Prepaid insurance	-	-	-	13,282	-	-
Provision written off	-	-	-	-	-	30,164
Borrowings						
Opening balance	-	-	-	1,598,323	-	-
Borrowings during the year	-	-	-	2,834,585	-	488,300
Settled during the year	-	-	-	(4,432,908)	-	(488,300)
Closing balance	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	-	6,431,790	62,761	598,007	4,285,435	14,387,025
Received during the year	101,751	30,758,130	1,048,423	27,454,331	180,782,484	240,407,932
Withdrawn during the year	(83,150)	(29,420,636)	(1,074,629)	(27,824,341)	(182,858,765)	(238,650,477)
Transfers (out) / in - net	-	-	29,622	-	-	6,690
Closing balance	18,601	7,769,284	66,177	227,997	2,209,154	16,151,170
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	-	33,314	1	-	11,222	76,214
Dividend payable	2,526,916	8,000	-	-	-	17,578
Payable to staff retirement fund	-	-	-	-	-	103,685
Unearned income	-	-	-	406	-	19,501
Other payable	-	-	-	-	13,613	-
Contingencies and Commitments						
Letter of guarantee	-	-	-	5,295	-	-
Forward Government securities - sale	-	-	-	-	199,000	-

	For the three months ended March 31, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Profit and loss account	(Rupees in '000)					
Income						
Mark-up / return / interest earned	-	-	3,628	50	12,694	97,142
Commission / charges recovered	-	31	347	200	10,302	6,703
Dividend income	-	-	-	366,239	7,620	203,720
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	609	-	5,850
Gain on sale of fixed assets	-	-	33	-	-	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	62,616
Management fee	-	-	-	9,166	-	-

	For the three months ended March 31, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Expense						
Mark-up / return / interest paid	-	122,047	867	1,658	65,137	209,285
Remuneration paid	-	-	414,822	-	-	-
Post employment benefits	-	-	2,088	-	-	-
Directors' fees and allowances	-	30,150	-	-	-	-
Charge for defined contribution plans	-	-	5,752	-	-	109,669
Charge for defined benefit plans	-	-	-	-	-	136,319
Other expenses	-	-	-	-	-	60,984
Clearing charges	-	-	-	-	-	36,213
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	2,423
Other Information						
Dividend paid	2,526,916	70,267	2,080	-	32,595	611,138
Insurance premium paid	-	-	-	-	235,587	-
Insurance claims settled	-	-	-	-	120,922	-

	For the three months ended March 31, 2021 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Profit and loss account	(Rupees in '000)					
Income						
Mark-up / return / interest earned	-	-	3,480	2,576	8,593	345,479
Commission / charges recovered	-	10	520	356	7,935	6,394
Dividend income	-	-	-	97,283	-	31,680
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	2,374	557	-	5,359
Gain on sale of fixed assets	-	-	-	-	-	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	60,766
Management fee	-	-	-	3,631	-	-
Expense						
Mark-up / return / interest paid	-	98,029	95	20,778	24,284	278,566
Remuneration paid	-	-	276,594	-	-	-
Post employment benefits	-	-	1,769	-	-	-
Directors' fees and allowances	-	18,150	-	-	-	-
Charge for defined contribution plans	-	-	4,809	-	-	98,011
Charge for defined benefit plans	-	-	-	-	-	140,701
Other expenses	-	-	-	14,922	-	12,044
Clearing charges	-	-	-	-	-	34,582
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	1,016
Custody charges	-	-	-	-	-	494
Other Information						
Dividend paid	-	-	-	-	-	-
Insurance premium paid	-	-	-	-	174,653	-
Insurance claims settled	-	-	-	-	130,396	-

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	------- (Rupees in '000) -------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,797	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	133,394,088	130,899,755
Eligible Additional Tier 1 (ADT 1) Capital	9,825,628	9,825,628
Total Eligible Tier 1 Capital	143,219,716	140,725,383
Eligible Tier 2 Capital	46,489,309	45,533,655
Total Eligible Capital (Tier 1 + Tier 2)	189,709,025	186,259,038
Risk Weighted Assets (RWAs):		
Credit Risk	637,630,898	622,392,344
Market Risk	68,368,415	75,576,397
Operational Risk	166,790,557	166,790,557
Total	872,789,870	864,759,298
Common Equity Tier 1 Capital Adequacy Ratio	15.28%	15.14%
Tier 1 Capital Adequacy Ratio	16.41%	16.27%
Total Capital Adequacy Ratio	21.74%	21.54%

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 March 31, 2022 stood at Rs.12,241.797 million (December 31, 2021: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% 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 2.5% to 1.5%, till further instructions.

In accordance to the Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at March 31, 2022. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 21.74% whereas CET 1 and Tier 1 ratios stood at 15.28% and 16.41% respectively.

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 is a sample D-SIB. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.0%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level during 2022.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	143,219,716	140,725,383
Total Exposures	2,880,727,458	3,498,758,906
Leverage Ratio	4.97%	4.02%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	917,646,631	1,597,732,985
Total Net Cash Outflow	272,243,499	476,786,878
Liquidity Coverage Ratio	337.07%	335.10%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,897,591,838	2,409,606,992
Total Required Stable Funding	1,103,628,452	1,341,535,238
Net Stable Funding Ratio	171.94%	179.62%

38. ISLAMIC BANKING BUSINESS

The Bank operates 145 (December 31, 2021: 145) Islamic Banking branches and 197 (December 31, 2021: 197) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		--------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks		12,787,633	13,367,864
Balances with other banks		5,717,303	7,049,825
Due from financial institutions		-	-
Investments	38.1	67,296,757	87,124,858
Islamic financing and related assets - net	38.2	66,507,186	43,855,127
Fixed assets		1,232,390	1,289,983
Intangible assets		1,380	2,084
Due from Head Office		21,977,683	4,712,655
Other assets		2,355,016	1,201,231
		177,875,348	158,603,627
LIABILITIES			
Bills payable		1,793,401	1,672,972
Due to financial institutions		4,925,134	5,714,199
Deposits and other accounts	38.3	157,628,222	139,534,238
Other liabilities		1,869,644	1,671,905
		166,216,401	148,593,314
NET ASSETS		11,658,947	10,010,313
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		(210,247)	(265,635)
Unappropriated profit	38.4	9,688,194	8,094,948
		11,658,947	10,010,313
CONTINGENCIES AND COMMITMENTS	38.5		

PROFIT AND LOSS ACCOUNT		(Un-audited) January - March 2022	January - March 2021
		--------- (Rupees in '000) ---------	
Profit / return earned	38.6	3,493,508	2,125,352
Profit / return expensed	38.7	1,360,690	1,098,670
Net profit / return		2,132,818	1,026,682
Other income			
Fee and commission income		91,641	61,304
Foreign exchange income		1,224	336
Loss on securities - net		-	(285)
Other income		6,621	6,600
Total other income		99,486	67,955
Total Income		2,232,304	1,094,637
Other expenses			
Other operating expenses		634,499	437,519
Profit before provisions		1,597,805	657,118
Provisions and write-offs - net		4,559	2,510
Profit before taxation		1,593,246	654,608
Taxation		621,366	255,297
Profit after taxation		971,880	399,311

38.1 Investments by segments

		As at March 31, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
		Cost / Amortised cost	Provision	Deficit	Carrying Value	Cost / Amortised cost	Provision	Deficit	Carrying Value
	Note	(Rupees in '000)							
Federal Government Securities									
- Ijarah Sukuks		46,893,162	-	(210,247)	46,682,915	53,998,970	-	(265,635)	53,733,335
- Islamic Naya Pakistan Certificates		906,607	-	-	906,607	924,941	-	-	924,941
- Bai muajjal with Govt. of Pakistan	38.1.1	-	-	-	-	21,214,989	-	-	21,214,989
		47,799,769	-	(210,247)	47,589,522	76,138,900	-	(265,635)	75,873,265
Non Government Debt Securities									
- Listed		635,714	-	-	635,714	657,143	-	-	657,143
- Unlisted		19,071,521	-	-	19,071,521	10,594,450	-	-	10,594,450
		19,707,235	-	-	19,707,235	11,251,593	-	-	11,251,593
		67,507,004	-	(210,247)	67,296,757	87,390,493	-	(265,635)	87,124,858

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
38.1.1 Bai Muajjal with Government of Pakistan		
Bai Muajjal investment	-	21,611,000
Less: Deferred income	-	(396,011)
Bai Muajjal investment - net	-	21,214,989

38.2 Islamic financing and related assets

Ijarah	326,786	376,317
Murabaha	314,053	263,312
Musharakah	32,153,032	12,401,891
Diminishing Musharakah	21,797,099	20,091,403
Mera Pakistan Mera Ghar (MPMG)	2,223,628	832,542
Istisna	221,199	80,112
Islamic Export Refinance scheme - Musharakah	3,297,905	4,598,162
Advances against Istisna - IERS	542,712	542,915
Advances against Islamic assets		
Advances against Ijarah	8,827	6,528
Advances for Diminishing Musharakah	1,374,209	1,941,910
Advances for Murabaha	285,208	100,346
Advances against MPMG	1,291,559	1,343,196
Advances for Istisna	329,612	407,065
Advances against Ameen ITERF	1,354,701	463,846
Inventory related to Islamic financing		
Istisna	111,302	136,399
Profit and other receivables against financings	1,075,504	470,979
Gross Islamic financing and related assets	66,707,336	44,056,923
Less: Provision against Islamic financings		
- Specific	(117,611)	(131,139)
- General	(82,539)	(70,657)
	(200,150)	(201,796)
Islamic financing and related assets - net of provision	66,507,186	43,855,127

38.3 Deposits and other accounts	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	--------- (Rupees in '000) ---------	
Customers		
Current deposits	78,137,776	74,840,685
Saving deposits	29,518,507	26,341,608
Term deposits	10,512,066	9,833,547
	118,168,349	111,015,840
Financial Institutions		
Current deposits	4,293,519	11,355,282
Saving deposits	31,026,354	4,113,116
Term deposits	4,140,000	13,050,000
	39,459,873	28,518,398
	157,628,222	139,534,238

38.3.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 89,304.636 million (December 31, 2021: Rs. 87,997.015 million).

38.4 Islamic Banking Business Unappropriated Profit	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	--------- (Rupees in '000) ---------	
Opening Balance	8,094,948	4,625,774
Profit for the period / year	1,593,246	3,469,174
	9,688,194	8,094,948
Taxation	621,366	(1,414,045)
Closing Balance	10,309,560	6,680,903

38.5 Contingencies and commitments		
- Guarantees	163,451	400
- Commitments	12,845,989	14,347,212
	13,009,440	14,347,612

38.6 Profit / Return earned	(Un-audited) January - March 2022	January - March 2021
	--------- (Rupees in '000) ---------	
On:		
Financing	1,409,377	508,803
Investments	1,939,100	1,439,412
Placements	78,894	124,892
Rental Income from Ijarah	66,137	52,245
	3,493,508	2,125,352

38.7 Profit / Return expensed		
On:		
Deposits and other accounts	1,302,081	1,059,072
Due to Financial Institutions	30,159	15,688
Others	28,450	23,910
	1,360,690	1,098,670

38.8 Disclosures for profit and loss distribution and pool management

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

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

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

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

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

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

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

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

Equity Pool(s)

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

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

The Mudarib's share on Deposits for the period ended March 31, 2022 is Rs.739.324 million (39.56% of distributable profit of Mudarabah Pool). Of this, an amount of Rs.165.670 million (22.41% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 10.59% per annum and the rate of profit paid on average deposits was 7.34% per annum.

The risk characteristics of pools

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

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

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

The Bank managed following pools during the period.

For the three months ended March 31, 2022 (Un-audited)

	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
ADMA Pools	3	Mudarabah	Monthly	9.68%	50.00%	45,466	7.31%	51.13%	23,249
Special Pools	33	Mudarabah	Monthly	11.53%	18.84%	117,859	10.04%	31.77%	37,449
IERS Pools	6	Musharkah	Monthly	7.63%	86.19%	136,531	2.00%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	2.06%	50.00%	858	1.07%	0.00%	-
General Pools	3	Mudarabah	Monthly	10.13%	50.00%	575,999	5.99%	18.22%	104,972
Treasury Pools	6	Musharkah	Monthly	10.61%	5.42%	355,968	10.08%	0.00%	-

For the three months ended March 31, 2021 (Un-audited)

	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
ADMA Pools	3	Mudarabah	Monthly	6.56%	50.00%	7,416	4.96%	51.23%	3,799
Special Pools	30	Mudarabah	Monthly	8.80%	37.98%	258,891	6.73%	38.72%	100,237
IERS Pools	6	Musharakah	Monthly	6.55%	84.78%	86,991	2.00%	0.00%	-
General Pools	3	Mudarabah	Monthly	9.38%	50.00%	486,341	5.33%	13.67%	66,504

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	-------Rupees in '000-----	
38.9 Deployment of Mudarabah based deposits by class of business		
Chemical and pharmaceuticals	3,911,986	3,815,014
Agriculture	32,871,256	12,686,234
Textile	2,556,599	2,362,688
Financial	6,332,303	7,664,825
Food industries	139,701	152,269
Plastic	281,697	301,339
Individuals	15,007,756	13,303,854
Production and transmission of energy	18,724,194	18,441,835
Government of Pakistan Securities	56,741,592	75,873,265
Others	3,154,311	3,630,282
	139,721,395	138,231,605

39. YEMEN OPERATIONS

The political and economic instability resulting from the ongoing civil war in Yemen raised insurmountable challenges for the UBL-Yemen Branch including difficulties emanating from the bankruptcy of the two central banks regulators, i.e. CBY Sana'a and CBY Aden, severe shortage of liquid funds in the Yemeni local market and non-cooperation of CBY Sana'a to facilitate liquidity.

While UBL-Yemen Branch has been striving to honour its liabilities for the past seven years notwithstanding continued operational losses, it is no longer possible for the branch to continue its operations in Yemen due to reasons not attributable to the branch and circumstances entirely beyond UBL or its branch's control. UBL is cognizant of the associated risks of ceasing its branch's business in Yemen but has concluded that in the totality of circumstances it is prudent to do so. UBL will monitor the situation in Yemen so that it may appropriately deal with the associated risks.

40. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on April 20, 2022 has declared an interim cash dividend in respect of the three months period ended March 31, 2022 of Rs. 5.0 per share (March 31, 2021: Rs. 4.0 per share). These unconsolidated condensed interim financial statements for the three months ended March 31, 2022 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41. GENERAL

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

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

42. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on April 20, 2022, by the Board of Directors of the Bank.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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, 2022 (Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		---------- (Rupees in '000) ----------	
ASSETS			
Cash and balances with treasury banks	6	202,963,848	273,949,520
Balances with other banks	7	37,200,257	29,975,564
Lendings to financial institutions	8	77,138,469	52,238,047
Investments	9	1,232,035,648	1,521,467,342
Advances	10	784,493,853	766,781,120
Fixed assets	11	76,159,427	76,193,898
Intangible assets	12	2,500,394	2,432,796
Deferred tax assets	13	6,663,109	3,040,812
Other assets	15	61,889,014	55,149,257
		2,481,044,019	2,781,228,356
LIABILITIES			
Bills payable	17	39,321,053	26,830,806
Borrowings	18	212,643,537	565,172,922
Deposits and other accounts	19	1,917,975,780	1,885,771,572
Liabilities against assets subject to finance lease	20	8,316	12,193
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities	13	-	-
Other liabilities	22	74,547,934	65,126,887
		2,254,496,620	2,552,914,380
NET ASSETS		226,547,399	228,313,976
REPRESENTED BY:			
Share capital		12,241,797	12,241,797
Reserves		80,548,557	77,600,790
Surplus on revaluation of assets	23	34,591,482	40,019,053
Unappropriated profit		90,902,106	89,840,102
Total equity attributable to the equity holders of the Bank		218,283,942	219,701,742
Non-controlling interest		8,263,457	8,612,234
		226,547,399	228,313,976
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	Note	January - March 2022	January - March 2021
		---------- (Rupees in '000) ----------	
Mark-up / return / interest earned	26	49,331,822	32,930,550
Mark-up / return / interest expensed	27	26,968,429	15,425,644
Net mark-up / interest income		22,363,393	17,504,906
Non mark-up / interest income			
Fee and commission income	28	4,217,459	3,469,334
Dividend income		529,805	252,206
Foreign exchange income		1,343,333	524,508
(Loss) / income from derivatives		(37,777)	7,254
Gain on securities - net	29	446,406	1,874,072
Other income	30	276,502	127,885
Total non mark-up / interest income		6,775,728	6,255,259
Total income		29,139,121	23,760,165
Non mark-up / interest expenses			
Operating expenses	31	12,687,006	10,784,633
Workers' Welfare Fund		328,032	248,494
Other charges	32	5,628	24,547
Total non mark-up / interest expenses		13,020,666	11,057,674
Share of (loss) / profit of associates		(47,166)	152,002
Profit before provisions		16,071,289	12,854,493
Provisions and write-offs - net	33	334,109	376,332
Profit before taxation from continuing operations		15,737,180	12,478,161
Taxation	34	6,364,518	4,892,227
Profit after taxation from continuing operations		9,372,662	7,585,934
Discontinued operation			
Profit / (loss) from discontinued operation - net of tax	14	22,172	(33)
Profit after taxation		9,394,834	7,585,901
Attributable to:			
Equity holders of the Bank			
from continuing operations		9,281,926	7,598,730
from discontinued operation		22,172	(33)
		9,304,098	7,598,697
Non-controlling interest		90,736	(12,796)
		9,394,834	7,585,901
		---------- (Rupees) ----------	
Earnings per share for profit from continuing operations attributable to the equity holders of the Bank			
Basic and diluted		7.58	6.21
Earnings per share for profit attributable to the equity holders of the Bank			
Basic and diluted	35	7.60	6.21

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	January - March 2022	January - March 2021
	------- (Rupees in '000) -------	
Profit after taxation for the period attributable to:		
Equity holders of the Bank		
from continuing operations	9,281,926	7,598,730
from discontinued operation	22,172	(33)
	9,304,098	7,598,697
Non-controlling interest	90,736	(12,796)
	9,394,834	7,585,901
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in overseas branches and subsidiaries - net of tax		
Equity holders of the Bank	1,994,996	(2,746,828)
Non-controlling interest	82,929	(101,833)
	2,077,925	(2,848,661)
Movement in deficit on revaluation of investments - net of tax		
Equity holders of the Bank	(5,426,948)	(1,549,035)
Non-controlling interest	(549,531)	(61,584)
	(5,976,479)	(1,610,619)
	(3,898,554)	(4,459,280)
Items that will not be reclassified to profit and loss account in subsequent periods		
Movement in surplus / (deficit) on revaluation of fixed assets - net of tax		
Equity holders of the Bank	39,250	(64,141)
Non-controlling interest	31,275	(52,110)
	70,525	(116,251)
Movement in surplus on revaluation of non-banking assets - net of tax	15,882	-
	86,407	(116,251)
Total comprehensive income for the period	5,582,687	3,010,370
Attributable to:		
Equity holders of the Bank		
from continuing operations	5,905,106	3,238,726
from discontinued operation	22,172	(33)
	5,927,278	3,238,693
Non-controlling interest	(344,591)	(228,323)
	5,582,687	3,010,370

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	Attributable to equity holders of the Bank									Non-controlling Interest	Total
	Share capital	General reserve	Statutory reserve	Capital reserve - exchange translation	Surplus / (Deficit) on revaluation of Investments	Surplus / (Deficit) on revaluation of Fixed assets	Surplus / (Deficit) on revaluation of Non banking assets	Unappro-priated profit	Sub total		
	(Rupees in '000)										
Balance as at January 01, 2021 (Audited)	12,241,797	3,000	35,399,378	35,618,208	2,310,676	27,022,623	913	87,527,909	200,124,504	7,507,382	207,631,886
Total comprehensive income for the three months ended March 31, 2021											
Profit after taxation for the three months ended March 31, 2021	-	-	-	-	-	-	-	7,598,697	7,598,697	(12,796)	7,585,901
Other comprehensive income - net of tax	-	-	-	(2,746,828)	(1,549,035)	(64,141)	-	-	(4,360,004)	(215,527)	(4,575,531)
Total comprehensive income for the three months ended March 31, 2021	-	-	-	(2,746,828)	(1,549,035)	(64,141)	-	7,598,697	3,238,693	(228,323)	3,010,370
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(11,417)	-	11,417	-	-	-
Transfer to statutory reserve	-	-	740,468	-	-	-	-	(740,468)	-	-	-
Transactions with owners for the three months ended March 31, 2021											
Final cash dividend - December 31, 2020 declared subsequent to the year end at Rs. 9.5 per share	-	-	-	-	-	-	-	(11,629,707)	(11,629,707)	-	(11,629,707)
Balance as at March 31, 2021 (Un-audited)	12,241,797	3,000	36,139,846	32,871,380	761,641	26,947,065	913	82,767,848	191,733,490	7,279,059	199,012,549
Total comprehensive income for the nine months ended December 31, 2021											
Profit after taxation for the nine months ended December 31, 2021	-	-	-	-	-	-	-	22,810,080	22,810,080	225,918	23,035,998
Other comprehensive income - net of tax	-	-	-	6,233,734	(3,323,192)	15,671,515	9,276	1,259,996	19,851,329	1,111,108	20,962,437
Total comprehensive income for the nine months ended December 31, 2021	-	-	-	6,233,734	(3,323,192)	15,671,515	9,276	24,070,076	42,661,409	1,337,026	43,998,435
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(3,851)	(3,851)
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	(3,115)	-	3,115	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(45,050)	-	45,050	-	-	-
Transfer to statutory reserve	-	-	2,355,830	-	-	-	-	(2,355,830)	-	-	-
Liquidation of subsidiary	-	(3,000)	-	-	-	-	-	-	(3,000)	-	(3,000)
Transactions with owners for the nine months ended December 31, 2021											
Interim cash dividend - March 31, 2021 declared at Rs. 4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Interim cash dividend - June 30, 2021 declared at Rs. 4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Interim cash dividend - September 30, 2021 declared at Rs. 4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
	-	-	-	-	-	-	-	(14,690,157)	(14,690,157)	-	(14,690,157)
Balance as at December 31, 2021 (Audited)	12,241,797	-	38,495,676	39,105,114	(2,561,551)	42,570,415	10,189	89,840,102	219,701,742	8,612,234	228,313,976
Total comprehensive income for the three months ended March 31, 2022											
Profit after taxation for the three months ended March 31, 2022	-	-	-	-	-	-	-	9,304,098	9,304,098	90,736	9,394,834
Other comprehensive income - net of tax	-	-	-	1,994,996	(5,426,948)	39,250	15,882	-	(3,376,820)	(435,327)	(3,812,147)
Total comprehensive income for the three months ended March 31, 2022	-	-	-	1,994,996	(5,426,948)	39,250	15,882	9,304,098	5,927,278	(344,591)	5,582,687
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(4,186)	(4,186)
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	(32,489)	-	32,489	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(23,266)	-	23,266	-	-	-
Transfer to statutory reserve	-	-	952,771	-	-	-	-	(952,771)	-	-	-
Transactions with owners for the three months ended March 31, 2022											
Final cash dividend - December 31, 2021 declared subsequent to the year end at Rs. 6.0 per share	-	-	-	-	-	-	-	(7,345,078)	(7,345,078)	-	(7,345,078)
Balance as at March 31, 2022 (Un-audited)	12,241,797	-	39,448,447	41,100,110	(7,988,499)	42,553,910	26,071	90,902,106	218,283,942	8,263,457	226,547,399

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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 THREE MONTHS ENDED MARCH 31, 2022

	January - March 2022	January - March 2021
	---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including discontinued operation	15,759,352	12,478,128
Less: Dividend income	529,805	252,206
Share of (loss) / profit of associates	(47,166)	152,002
	15,276,713	12,073,920
Adjustments:		
Depreciation on fixed assets	939,084	712,982
Depreciation on right-of-use assets	482,336	455,114
Amortisation	214,970	205,992
Workers' Welfare Fund - charge	328,032	248,494
Provision for retirement benefits	140,955	323,342
Provision for compensated absences	41,007	43,997
(Reversal) / provision against loans and advances - net	(348,622)	303,465
Reversal of provision against off balance sheet obligations - net	(54,749)	(53,059)
Provision / (reversal) for diminution in value of investments - net	755,642	(222,113)
Interest expense on lease liability against right-of-use assets	250,302	237,746
Gain on sale of fixed assets - net	(39,889)	(3,269)
Bad debts written off directly	11,091	33,847
Unrealised gain on revaluation of investments classified as held for trading	(108,400)	(2,778)
Reversal of provision against other assets	(2,136)	(13,558)
Other provisions / write-offs	(27,117)	327,750
	2,582,506	2,597,952
	17,859,219	14,671,872
(Increase) / decrease in operating assets		
Lendings to financial institutions	(24,900,422)	10,321,126
Held for trading securities	(6,146,877)	(63,863,879)
Advances	(17,582,070)	(15,282,500)
Other assets (excluding advance taxation)	(10,418,130)	834,577
	(59,047,499)	(67,990,676)
(Decrease) / increase in operating liabilities		
Bills payable	12,490,247	(4,118,551)
Borrowings	(352,529,385)	128,305,201
Deposits and other accounts	32,204,208	(8,330,819)
Other liabilities	7,299,265	6,133,382
	(300,535,665)	121,989,213
	(341,723,945)	68,670,409
Receipts / (payments) on account of staff retirement benefits	1,757,251	(1,198,758)
Income taxes paid	(4,782,597)	(1,454,281)
Net cash flow (used in) / generated from operating activities	(344,749,291)	66,017,370
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	269,226,532	(81,655,938)
Net investments in held to maturity securities	19,962,378	(45,248,018)
Net investments in associates	(3,232,881)	(600,172)
Investment in fixed assets and intangible assets	(1,251,487)	(635,189)
Dividend income received	336,054	272,931
Sale proceeds from disposal of fixed assets	168,834	34,586
Effect of translation of net investment in overseas branches and subsidiaries	2,077,925	(2,848,661)
Net cash flow generated from / (used in) investing activities	287,287,355	(130,680,461)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease obligations	(3,877)	(2,823)
Payment of lease liability against right-of-use assets	(679,026)	(639,820)
Dividends paid	(5,616,140)	(3,969)
Net cash flow used in financing activities	(6,299,043)	(646,612)
Decrease in cash and cash equivalents	(63,760,979)	(65,309,703)
Cash and cash equivalents at the beginning of the period	303,925,084	287,722,487
Cash and cash equivalents at the end of the period	240,164,105	222,412,784

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Aameer Karachiwalla	**Shazad G. Dada**	**Shazia Syed**	**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, in Liquidation c/o Deloitte AG (USAG) - 100% holding
- UBL Bank (Tanzania) Limited, Tanzania (UBTL) - 100% holding
- UBL Fund Managers Limited, Pakistan (UBL FM) - 98.87% holding
- Al Ameen Financial Services (Private) Limited (AFSL) - 98.87% effective holding

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 1,340 (December 31, 2021: 1,341) branches inside Pakistan including 145 (December 31, 2021: 145) Islamic Banking branches and 2 (December 31, 2021: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2021: 8) branches outside Pakistan. The Bank is a wholly owned subsidiary of Bestway International Holdings Limited (BIHL) and BIHL a wholly owned subsidiary of Bestway Group Limited (BGL) which is incorporated in the Guernsey.

The Bank's ordinary shares are listed on Pakistan Stock Exchange. 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 UBL FM in the net asset value of UBL FM.

The shareholders of the Bank have resolved the voluntary and orderly wind up of UBL Switzerland AG, a wholly owned subsidiary of the Bank in the Extra Ordinary General Meeting (EOGM) of shareholders held on August 06, 2021. This decision is in line with the Bank's strategy to exit from non-core markets.

UBL Switzerland AG was released from FINMA's regulatory supervision on March 24, 2022 and entered voluntary liquidation on March 31, 2022. Deloitte AG were appointed as liquidators. The winding up is subject to fulfilment of relevant legal and regulatory requirements both in Pakistan and Switzerland.

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 Letter 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, 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 consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised 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.

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

2.1 STATEMENT OF COMPLIANCE

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

- Interim Financial Reporting Standards (IFRSs) 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 shall prevail.

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.

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

The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019, and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in the preparation of audited annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2021.

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

IFRS 9 has been applicable in several overseas jurisdictions from January 01, 2018. Accordingly, the requirements of this standard are incorporated in the Group's consolidated condensed interim financial statements for the jurisdictions where IFRS 9 has been adopted.

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Group's financial statements is being assessed as final implementation guidelines are awaited from SBP.

There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these consolidated condensed interim financial statements.

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

There are certain new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2021 except for the following:

During the period, the Group has reviewed the useful lives of its leasehold improvement, furniture and fixtures and electrical, office and computer equipment as required by IAS 16. This review has resulted in a change in the useful lives of these assets. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8. Accordingly, the effect of this change in accounting estimate has been recognised prospectively in the consolidated condensed interim profit and loss account from the current period.

With effect from January 2022, the estimated useful lives of leasehold improvements and certain items of furniture and fixtures have been decreased from 10 to 8 years and, certain items of electrical, office and computer equipment from 5 to 4 years and 4 to 3 years. Further, useful lives of certain items of electrical, office and computer equipment have been increased from 4 to 5 years. The useful lives have been revised to make them more reflective of the consumption pattern of the assets.

The effect of these changes on depreciation expense in the current period / year and the next year is as follows:

	January - March 2022	January - December 2022	January - December 2023
	(Rupees in '000)		
Increase in depreciation expense			
Leasehold improvements	55,553	178,854	136,479
Furniture and fixtures	17,732	57,212	41,695
Electrical, office and computer equipment	11,986	23,245	20,442
Decrease in depreciation expense			
Electrical, office and computer equipment	23,204	77,480	-

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2021.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	18,981,409	27,262,667
Foreign currencies	7,505,878	7,048,434
	26,487,287	34,311,101
With State Bank of Pakistan in		
Local currency current accounts	70,108,049	75,005,750
Foreign currency current accounts	4,583,263	5,312,400
Foreign currency deposit accounts	8,069,790	8,818,135
	82,761,102	89,136,285
With other central banks in		
Foreign currency current accounts	26,174,647	37,705,251
Foreign currency deposit accounts	9,183,752	8,148,977
	35,358,399	45,854,228
With National Bank of Pakistan in local currency current accounts	58,177,614	104,153,210
National prize bonds	179,446	494,696
	202,963,848	273,949,520
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	4,673	6,183
In deposit accounts	4,909,397	6,320,896
	4,914,070	6,327,079
Outside Pakistan		
In current accounts	24,591,741	16,480,728
In deposit accounts	7,694,446	7,167,757
	32,286,187	23,648,485
	37,200,257	29,975,564
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	2,967,654	636,971
Repurchase agreement lendings (reverse repo)	72,980,569	49,726,776
Placements with State Bank of Pakistan	1,190,246	1,874,300
	77,138,469	52,238,047

9. INVESTMENTS

9.1 Investments by type

	Note	March 31, 2022 (Un-audited) Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	December 31, 2021 (Audited) Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)							
Held for trading securities									
Federal Government Securities									
- Market Treasury Bills		75,437,131	-	(50,056)	75,387,075	69,718,806	-	9,101	69,727,907
- Pakistan Investment Bonds - fixed		983,500	-	149,145	1,132,645	4,883,004	-	7,053	4,890,057
- Pakistan Investment Bonds - floaters		4,595,035	-	9,311	4,604,346	250,697	-	128	250,825
		81,015,666	-	108,400	81,124,066	74,852,507	-	16,282	74,868,789
Available for sale securities									
Federal Government Securities									
- Market Treasury Bills		109,766,382	-	(54,206)	109,712,176	462,307,400	-	(295,082)	462,012,318
- Pakistan Investment Bonds - fixed		116,200,257	-	(2,204,158)	113,996,099	106,428,744	-	(956,951)	105,471,793
- Pakistan Investment Bonds - floaters		428,681,411	-	(1,610,316)	427,071,095	365,357,391	-	(1,612,561)	363,744,830
- Government of Pakistan Sukuks		46,501,137	(5,517)	(231,926)	46,263,694	43,996,036	-	(265,635)	43,730,401
- Islamic Naya Pakistan Certificates		906,607	-	-	906,607	924,941	-	-	924,941
- Government of Pakistan Eurobonds		28,855,143	(226,789)	(6,286,970)	22,341,384	25,516,697	(285,929)	89,226	25,319,994
Ordinary shares									
- Listed companies		14,989,593	(5,002,517)	1,277,006	11,264,082	13,269,396	(4,623,052)	1,019,365	9,665,709
- Unlisted companies		790,232	(60,440)	41	729,833	790,083	(60,438)	41	729,686
Non-Government debt securities									
- Corporate Sukuks		1,430,714	-	-	1,430,714	1,452,143	-	-	1,452,143
- Term Finance Certificates		782,335	(161,998)	-	620,337	782,335	(161,996)	-	620,339
- Corporate Bond		1,008,351	-	(273,383)	734,968	-	-	-	-
Foreign securities									
- Foreign bonds - sovereign		61,755,423	(309,141)	(3,993,748)	57,452,534	60,311,840	(383,468)	(2,274,095)	57,654,277
- Foreign bonds - others		2,492,321	(1,016)	(65,262)	2,426,043	2,736,387	(1,103)	(3,252)	2,732,032
Mutual Fund units		258,179	-	(14,025)	244,154	258,179	-	(15,711)	242,468
Real Estate Investment Trust units		533,453	-	170,400	703,853	458,590	-	48,360	506,950
		814,951,538	(5,767,418)	(13,286,547)	795,897,573	1,084,590,162	(5,515,986)	(4,266,295)	1,074,807,881
Held to maturity securities									
Federal Government Securities									
- Pakistan Investment Bonds - fixed		216,944,432	-	-	216,944,432	216,576,752	-	-	216,576,752
- Pakistan Investment Bonds - floaters		47,696,775	-	-	47,696,775	47,666,897	-	-	47,666,897
- Government of Pakistan Sukuks		10,002,785	-	-	10,002,785	10,002,935	-		10,002,935
- Government of Pakistan Eurobonds		10,775,087	(138,343)	-	10,636,744	10,381,683	(141,574)	-	10,240,109
- Bai Muajjal with Government of Pakistan		-	-	-	-	21,214,989	-	-	21,214,989
Non-Government debt securities									
- Corporate Sukuks		9,905,384	(50,934)	-	9,854,450	10,580,384	(50,934)	-	10,529,450
- Term Finance Certificates		8,079,716	(69,951)	-	8,009,765	8,079,835	(69,951)	-	8,009,884
- Corporate Bond		1,783,454	(22,846)	-	1,760,608	1,715,945	(23,356)	-	1,692,589
- Debentures		2,267	(2,267)	-	-	2,267	(2,267)	-	-
- Participation Term Certificates		437	(437)	-	-	437	(437)	-	-
Foreign securities									
- Market Treasury Bills		2,904,778	-	-	2,904,778	2,682,985	-	-	2,682,985
- Foreign bonds - sovereign		34,920,113	(1,225,530)	-	33,694,583	33,578,466	(641,202)	-	32,937,264
- Foreign bonds - others		2,254,929	(8,588)	-	2,246,341	2,171,411	(11,610)	-	2,159,801
- CDC SAARC Fund		399	-	-	399	383	-	-	383
		345,270,556	(1,518,896)	-	343,751,660	364,655,369	(941,331)	-	363,714,038
Associates									
- UBL Liquidity Plus Fund		4,286,363	-	-	4,286,363	1,130,540	-	-	1,130,540
- UBL Financial Sector Fund		460,024	-	-	460,024	452,591	-	-	452,591
- UBL Stock Advantage Fund		-	-	-	-	-	-	-	-
- UBL Special Savings Fund II		102,179	-	-	102,179	100,986	-	-	100,986
- UBL Pakistan Enterprise Exchange Traded Fund		24,524	-	-	24,524	24,961	-	-	24,961
- UBL Growth and Income Fund		-	-	-	-	100,049	-	-	100,049
- UBL Cash Fund		2,208,007	-	-	2,208,007	1,359,354	-	-	1,359,354
- UBL Dedicated Equity Fund		528	-	-	528	528	-	-	528
- Al Ameen Islamic Energy Fund		104,712	-	-	104,712	118,211	-	-	118,211
- Al Ameen Islamic Dedicated Equity Fund		6,981	-	-	6,981	7,139	-	-	7,139
- Al-Ameen Islamic Cash Plan I		19,521	-	-	19,521	667,364	-	-	667,364
- Al-Ameen Shariah Stock Fund		134,855	-	-	134,855	111,778	-	-	111,778
- UBL Insurers Limited		544,789	-	-	544,789	521,450	-	-	521,450
- Khushhali Bank Limited	9.2	3,369,866	-	-	3,369,866	3,481,683	-	-	3,481,683
		11,262,349	-	-	11,262,349	8,076,634	-	-	8,076,634
Total Investments		1,252,500,109	(7,286,314)	(13,178,147)	1,232,035,648	1,532,174,672	(6,457,317)	(4,250,013)	1,521,467,342

9.2 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.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
9.3	**Investments given as collateral**	--------- (Rupees in '000) ---------	
	Market Treasury Bills	-	215,584,125
	Pakistan Investment Bonds - fixed	106,069,468	1,853,526
	Pakistan Investment Bonds - floaters	10,802,236	232,144,261
	UBL Liquidity Plus Fund units	1,114,011	1,115,535
	UBL Cash Fund units	1,178,284	1,126,693
		119,163,999	451,824,140

The market value of securities given as collateral is Rs. 118,260 million (December 31, 2021: Rs. 450,960 million).

			(Un-audited) March 31, 2022	(Audited) December 31, 2021
9.4	**Provision for diminution in value of investments**	**Note**	--------- (Rupees in '000) ---------	
9.4.1	Opening balance		6,457,317	8,164,875
	Exchange adjustments		73,355	171,743
	Charge / (reversals)			
	Charge for the period / year		826,812	446,250
	Reversals for the period / year		(68,958)	(555,978)
	Reversal on disposals		(2,212)	(1,688,189)
			755,642	(1,797,917)
	Amount written off		-	(81,384)
	Closing balance	9.6	7,286,314	6,457,317

9.4.2 Particulars of provision against debt securities

Category of classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	---------- (Rupees in '000) ----------			
Domestic				
Loss	285,585	285,585	285,585	285,585
Total	285,585	285,585	285,585	285,585

9.5 The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs. 328,919.449 million (December 31, 2021: Rs. 354,991.660 million).

9.6 Provision against investments includes Expected Credit Losses (ECL) under IFRS 9 amounting to Rs. 1,937.838 million (December 31, 2021: Rs. 1,488.282 million) on investments of overseas branches.

10. ADVANCES

		Performing		Non-performing		Total	
		(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	---------- (Rupees in '000) ----------					
Loans, cash credits, running finances, etc.		660,619,636	674,183,019	86,586,071	86,244,579	747,205,707	760,427,598
Islamic financing and related assets	40.2	66,530,282	43,859,593	177,054	197,330	66,707,336	44,056,923
Bills discounted and purchased		51,755,752	42,137,465	2,594,768	2,591,046	54,350,520	44,728,511
Advances - gross		778,905,670	760,180,077	89,357,893	89,032,955	868,263,563	849,213,032
Provision against advances	10.3						
- Specific		-	-	(75,806,952)	(74,961,336)	(75,806,952)	(74,961,336)
- General		(7,962,758)	(7,470,576)	-	-	(7,962,758)	(7,470,576)
		(7,962,758)	(7,470,576)	(75,806,952)	(74,961,336)	(83,769,710)	(82,431,912)
Advances - net of provision		770,942,912	752,709,501	13,550,941	14,071,619	784,493,853	766,781,120

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
10.1	**Particulars of advances - gross**	--------- (Rupees in '000) ---------	
10.1.1	In local currency	521,791,984	531,161,298
	In foreign currencies	346,471,579	318,051,734
		868,263,563	849,213,032

10.2 Advances include Rs. 89,357.893 million (December 31, 2021: Rs. 89,032.955 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	---------- (Rupees in '000) ----------			
Domestic				
Other Assets Especially Mentioned*	203,163	1,029	155,903	-
Substandard	2,329,190	587,093	2,398,883	595,091
Doubtful	558,908	349,902	563,051	346,746
Loss	23,475,153	22,381,287	23,945,768	22,853,989
	26,566,414	23,319,311	27,063,605	23,795,826
Overseas				
Not past due but impaired**	5,501,755	2,498,819	4,207,043	1,233,410
Overdue by:				
Upto 90 days	65,078	540	1,004,416	303,038
91 to 180 days	1,168,953	498,026	1,811,745	1,620,231
181 to 365 days	5,248,106	3,022,527	7,473,154	3,664,825
> 365 days	50,807,587	46,467,729	47,472,992	44,344,006
	62,791,479	52,487,641	61,969,350	51,165,510
Total	89,357,893	75,806,952	89,032,955	74,961,336

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.
** Not past due but impaired category mainly represents restructured exposure.

10.3 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	---------- (Rupees in '000) ----------					
Opening balance	74,961,336	7,470,576	82,431,912	72,036,997	7,313,877	79,350,874
Exchange adjustments	1,965,927	268,227	2,234,154	5,091,021	739,835	5,830,856
(Reversals) / charge						
Charge for the period / year	288,644	245,313	533,957	4,924,107	391,797	5,315,904
Reversals for the period / year	(654,352)	(21,358)	(675,710)	(3,117,960)	(974,933)	(4,092,893)
	(365,708)	223,955	(141,753)	1,806,147	(583,136)	1,223,011
Amounts charged off - agriculture financing	-	-	-	(257,446)	-	(257,446)
Amounts written off	(754,603)	-	(754,603)	(3,711,835)	-	(3,711,835)
Transfers out - net	-	-	-	(3,548)	-	(3,548)
Closing balance	75,806,952	7,962,758	83,769,710	74,961,336	7,470,576	82,431,912

10.3.1 General provision represents provision amounting to Rs. 427.840 million (December 31, 2021: Rs. 402.418 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 7,534.918 million (December 31, 2021: Rs. 7,068.158 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.

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 No. 01 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 19.291 million (December 31, 2021: Rs. 16.258 million).

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable 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 had been higher by Rs. 3,768.480 million (December 31, 2021: Rs. 3,528.942 million) for the overseas branches.

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

11. FIXED ASSETS	**Note**	**(Un-audited) March 31, 2022**	**(Audited) December 31, 2021**
		------- (Rupees in '000) --------	
Capital work-in-progress	11.1	1,538,223	1,298,146
Property and equipment		67,343,974	67,683,161
Right-of-use assets		7,277,230	7,212,591
		76,159,427	76,193,898

11.1 Capital work-in-progress

Civil works	672,746	422,943
Equipment	865,477	875,203
	1,538,223	1,298,146

11.2 Additions to fixed assets	**(Un-audited) January - March 2022**	**January - March 2021**
	---------- (Rupees in '000) --------	
The following additions have been made to fixed assets during the period:		
Capital work-in-progress - net additions	239,777	104,182
Property and equipments		
Leasehold improvements	84,055	86,623
Furniture and fixtures	50,476	21,296
Electrical, office and computer equipment	385,672	239,149
Vehicles	9,457	92,492
	529,660	439,560
Right-of-use assets	638,822	415,220
Total	1,408,259	958,962

		(Un-audited) January - March 2022	(Un-audited) January - March 2021
11.3	**Disposals of fixed assets**	---------- (Rupees in '000) --------	
	The net book value of fixed assets disposed off during the period is as follows:		
	Building on leasehold land	32,500	-
	Furniture and fixtures	220	3,147
	Electrical, office and computer equipment	1,353	4,426
	Vehicles	-	23,744
		34,073	31,317
	Derecognition of right-of-use assets	94,872	236,945
	Total	128,945	268,262

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
12.	**INTANGIBLE ASSETS**	-------- (Rupees in '000) ----------	
	Capital work-in-progress - Computer software	843,240	632,672
	Intangible assets - Computer software	1,657,154	1,800,124
		2,500,394	2,432,796

		(Un-audited) January - March 2022	(Un-audited) January - March 2021
12.1	**Additions to intangible assets**	--------- (Rupees in '000) ---------	
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net additions	238,489	63,283
	Directly purchased - intangible assets	66,219	43,182
		304,708	106,465

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
13.	**DEFERRED TAX ASSETS**	------- (Rupees in '000) -------	
	Deductible temporary differences on		
	Provision against advances, off-balance sheet obligations	5,256,492	5,172,302
	Deficit on revaluation of investments	4,346,540	1,304,902
	Post-retirement employee benefits	628,324	717,479
	Workers' Welfare Fund	2,358,540	2,231,742
	Others	424,345	44,477
		13,014,241	9,470,902
	Taxable temporary differences on		
	Surplus on revaluation of fixed assets / non-banking assets	(2,824,384)	(2,837,880)
	Accelerated tax depreciation	(479,187)	(578,224)
	Share of profit from associates	(1,106,124)	(1,135,743)
	Exchange reserve on subsidiaries under liquidation	(1,941,437)	(1,878,243)
		(6,351,132)	(6,430,090)
		6,663,109	3,040,812

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 held as 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 01, 2019. The Banking operations of the subsidiary ceased on November 01, 2019. UBTL is in process of winding up and voluntary liquidation. The official liquidator has been appointed by the Board of Directors of UBTL.

14.1 Assets and liabilities under discontinued operation

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Assets		
Balances with other banks	246,631	240,315
Liabilities		
Other liabilities	65,490	85,896

14.2 Discontinued operation

	(Un-audited) January - March 2022	January - March 2021
	------- (Rupees in '000) -------	
Non mark-up / interest income		
Foreign exchange income	154	-
Total income	154	-
Non mark-up / interest expenses		
Operating expenses	(22,018)	33
Total non mark-up / interest expenses	(22,018)	33
Net profit / (loss)	22,172	(33)

15. OTHER ASSETS

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
Income / mark-up accrued in local currency		29,653,295	25,128,447
Income / mark-up accrued in foreign currencies	15.1	3,260,905	2,771,194
Advance taxation - net of provision for taxation	15.2	2,355,593	4,195,628
Receivable from staff retirement fund		31,609	2,077,069
Receivable from other banks against telegraphic transfers and demand drafts		92,999	365,000
Unrealised gain on forward foreign exchange contracts		3,671,128	4,167,926
Rebate receivable - net		932,618	652,112
Unrealised gain on derivative financial instruments		-	8,476
Stationery and stamps on hand		176,822	206,616
Non-banking assets acquired in satisfaction of claims		181,740	196,640
Advances, deposits, advance rent and other prepayments		3,410,399	1,850,434
Dividend receivable		193,751	-
Receivable against ATM settlement		708,771	-
Commission receivable - Branchless Banking		1,035,413	676,483
Commission receivable - Bancassurance		180,725	111,180
Receivable against fraud & forgery and looted notes		577,215	564,693
Acceptances		15,989,087	11,421,246
Others		573,138	1,902,464
		63,025,208	56,295,608
Provision held against other assets	15.3	(1,168,780)	(1,163,055)
Other assets - net of provision		61,856,428	55,132,553
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	32,586	16,704
Other assets - total		61,889,014	55,149,257

15.1 Unrealised mark-up held in suspense amounting to Rs. 18,517.903 million (December 31, 2021: Rs. 16,929.481 million) against non-performing overseas advances has been netted off.

15.2 The Income Tax returns of the Bank have been filed up to the tax year 2021 (financial year ended December 31, 2020) 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 2020, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.13,752 million (December 31, 2021: Rs.13,752 million). The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favour of the Bank.

The tax returns for Azad Jammu and Kashmir (AJK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2021 (financial year ended December 31, 2020) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (December 31, 2021: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favour of the Bank.

The tax returns for Yemen have been filed upto the year ended December 31, 2019 and for UAE and Qatar branches upto the year ended December 31, 2020 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 642 thousand (Rs. 32.157 million) from the General tax Authority (GTA) in respect of tax year 2015. Management has filed an appeal against the said penalty and 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 and UBL FM income tax returns have been filed upto the accounting year ended December 31, 2020, 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 and UBL UK till the accounting year 2020 and 2018 and for UBTL till October 31, 2019. There are no material tax contingencies in any of the subsidiaries.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
15.3 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	54,108	54,674
Fraud & forgery and looted notes	577,215	564,693
Others	537,457	543,688
	1,168,780	1,163,055
15.3.1 Movement of provision held against other assets		
Opening balance	1,163,055	1,392,976
Exchange adjustments	10,454	28,541
Charge / (reversals)		
Charge for the period / year	42,168	33,348
Reversals for the period / year	(44,304)	(201,953)
	(2,136)	(168,605)
Transfers out - net	(1,834)	(41,160)
Amounts written off	(759)	(48,697)
Closing balance	1,168,780	1,163,055

16. CONTINGENT ASSETS

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

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
17.	**BILLS PAYABLE**	------- (Rupees in '000) -------	
	In Pakistan	38,261,345	25,898,903
	Outside Pakistan	1,059,708	931,903
		39,321,053	26,830,806

18. BORROWINGS

Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	37,469,156	38,881,750
Refinance facility for modernisation of SME	120,659	5,100
Long term financing facility	19,574,765	20,056,964
Refinance scheme for payment of wages and salaries	2,525,945	3,225,644
Renewable energy scheme	569,849	513,403
Temporary economic refinance facility	12,277,306	9,972,210
Refinance facility for combating COVID-19	387,984	390,962
Repurchase agreement borrowings	105,000,000	417,755,950
Refinance for women entrepreneurs	18,640	18,487
	177,944,304	490,820,470
Repurchase agreement borrowings from other banks	10,687,024	54,783,321
Borrowing from commercial banks by subsidiary	1,995,196	1,885,182
	190,626,524	547,488,973
Unsecured		
Call borrowings	17,155,024	15,885,337
Overdrawn nostro accounts	275,034	1,798,612
Other borrowings	4,586,955	-
	22,017,013	17,683,949
	212,643,537	565,172,922

19. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	---------- (Rupees in '000) ----------					
Customers						
Current accounts - remunerative	3,402,611	18,172,359	21,574,970	2,528,236	9,006,485	11,534,721
Current accounts - non-remunerative	662,725,203	137,193,264	799,918,467	633,109,393	130,940,383	764,049,776
Saving deposits	535,398,407	57,390,814	592,789,221	574,380,924	54,053,338	628,434,262
Term deposits	154,802,367	229,130,244	383,932,611	134,138,693	241,523,821	375,662,514
Sundry deposits	19,957,045	1,875,550	21,832,595	9,313,881	1,497,076	10,810,957
Margin deposits	3,156,855	3,593,420	6,750,275	4,356,837	3,182,745	7,539,582
	1,379,442,488	447,355,651	1,826,798,139	1,357,827,964	440,203,848	1,798,031,812
Financial Institutions						
Current deposits	19,058,842	1,412,978	20,471,820	33,903,284	3,937,927	37,841,211
Saving deposits	44,435,583	169,979	44,605,562	16,613,222	54,784	16,668,006
Term deposits	4,397,650	21,702,609	26,100,259	18,155,193	15,075,350	33,230,543
	67,892,075	23,285,566	91,177,641	68,671,699	19,068,061	87,739,760
	1,447,334,563	470,641,217	1,917,975,780	1,426,499,663	459,271,909	1,885,771,572

19.1 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018, amounting to Rs. 1,076,836.139 million (December 31, 2021: Rs. 1,078,654.532 million).

20. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Minimum lease payments	Finance charges for future periods	Principal Outstanding	Minimum lease payments	Finance charges for future periods	Principal Outstanding
	---------- (Rupees in '000) ----------					
Not later than one year	5,371	128	5,244	6,428	249	6,179
Later than one year and not later than five years	3,072	-	3,072	6,075	61	6,014
	8,443	128	8,316	12,503	310	12,193

21. SUBORDINATED DEBT

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

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

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

22. OTHER LIABILITIES

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
Mark-up / return / interest payable in local currency		19,740,352	15,042,576
Mark-up / return / interest payable in foreign currencies		847,083	921,324
Accrued expenses		4,314,498	5,257,795
Branch adjustment account		68,254	479,517
Deferred income		961,907	997,320
Unearned commission and income on bills discounted		174,079	231,988
Provision against off-balance sheet obligations	22.1	715,599	742,953
Unrealised loss on derivative financial instruments		24,595	-
Suspense accounts		192,245	340,020
Liability against trading of securities		964,098	1,521,590
Provision for post-retirement medical benefits		2,187,767	2,175,874
Payable to staff retirement fund		46,824	154,589
Provision for compensated absences		885,522	895,897
Deferred liabilities		604,130	590,579
Unrealised loss on forward foreign exchange contracts		2,962,589	1,560,903
Workers' Welfare Fund payable		5,915,666	5,587,411
Liabilities against ATM settlements		-	40,996
Insurance payable against consumer assets		473,788	477,866
Dividend payable		4,505,912	2,762,515
Unclaimed dividends		281,868	292,141
Acceptances		15,989,087	11,421,246
Charity fund balance		4,762	4,039
Lease liability against right-of-use assets		8,688,573	8,573,347
Levies and taxes payable		2,037,140	3,060,045
Others		1,961,596	1,994,356
		74,547,934	65,126,887

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
22.1 Provision against off-balance sheet obligations	------- (Rupees in '000) -------	
Opening balance	742,953	1,076,530
Exchange adjustments	27,395	15,953
Charge / (reversals)		
Charge for the period / year	2,684	8,819
Reversals for the period / year	(57,433)	(353,069)
	(54,749)	(344,250)
Transfer out - net	-	(5,280)
Closing balance	715,599	742,953

23. SURPLUS ON REVALUATION OF ASSETS

		March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
		Attributable to			Attributable to		
		Equity Holders	Non-Controlling interest	Total	Equity Holders	Non-Controlling interest	Total
	Note	---------- (Rupees in '000) ----------					
(Deficit) / surplus arising on revaluation of assets, on							
- Available for sale securities	9.1	(12,322,839)	(963,708)	(13,286,547)	(3,852,118)	(414,177)	(4,266,295)
- Fixed assets		44,852,073	2,582,751	47,434,824	44,882,510	2,551,040	47,433,550
- Non-banking assets acquired in satisfaction of claims	15	32,586	-	32,586	16,704	-	16,704
- Assets of associates		(12,200)	-	(12,200)	(14,335)	-	(14,335)
		32,549,620	1,619,043	34,168,663	41,032,761	2,136,863	43,169,624
Deferred tax on (deficit) / surplus on revaluation of:							
- Available for sale securities		(4,346,540)	-	(4,346,540)	(1,304,902)	-	(1,304,902)
- Fixed assets		2,298,163	519,706	2,817,869	2,312,095	519,270	2,831,365
- Non-banking assets acquired in satisfaction of claims		6,515	-	6,515	6,515	-	6,515
		(2,041,862)	519,706	(1,522,156)	1,013,708	519,270	1,532,978
		34,591,482	1,099,337	35,690,819	40,019,053	1,617,593	41,636,646

		Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
24.	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	24.1	173,151,442	167,903,371
	Commitments	24.2	1,150,407,472	998,421,712
	Other contingent liabilities	24.3	16,478,688	16,452,188
			1,340,037,602	1,182,777,271
24.1	**Guarantees**			
	Financial guarantees		63,270,835	55,744,389
	Performance guarantees		86,820,220	107,821,730
	Other guarantees		23,060,387	4,337,252
			173,151,442	167,903,371
24.2	**Commitments**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		200,400,996	169,653,706
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.2	794,789,576	691,686,595
	- forward Government securities transactions	24.2.3	10,127,000	11,780,000
	- derivatives	24.2.4	4,983,990	1,808,940
	- forward lending	24.2.5	137,855,952	120,620,043
	- operating leases	24.2.6	247,950	168,870
			948,004,468	826,064,448
	Commitments for acquisition of:			
	- fixed assets		678,359	1,049,017
	- intangible assets		1,245,203	1,560,475
			1,923,562	2,609,492
	Others commitments		78,446	94,066
			1,150,407,472	998,421,712

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.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
24.2.2	**Commitments in respect of forward foreign exchange contracts**		
	Purchase	417,706,423	369,989,325
	Sale	377,083,153	321,697,270
		794,789,576	691,686,595
24.2.3	**Commitments in respect of forward Government securities transactions**		
	Purchase	7,827,000	9,081,000
	Sale	2,300,000	2,699,000
		10,127,000	11,780,000

		Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
24.2.4	**Commitments in respect of derivatives**			
	FX options			
	Purchase		2,491,995	904,470
	Sale		2,491,995	904,470
			4,983,990	1,808,940
24.2.5	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.5.1	79,865,259	74,031,695
	Others		57,990,693	46,588,348
			137,855,952	120,620,043

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

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
24.2.6	**Commitments in respect of operating leases**		
	Not later than one year	187,166	108,239
	Later than one year and not later than five years	34,731	34,335
	Later than five years	26,053	26,296
		247,950	168,870
24.3	**Other contingent liabilities**		
24.3.1	Claims against the Group not acknowledged as debts	12,389,385	12,362,885

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 favourable outcome of this petition is expected.

24.4 For contingencies relating to taxation, refer note 15.2.

25. DERIVATIVE INSTRUMENTS

25.1 Product analysis

	March 31, 2022 (Un-audited)							
	FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market loss	Notional principal	Mark to Market loss	Notional principal	Mark to Market loss	Notional principal	Mark to Market loss
	(Rupees in 000)							
Hedging	2,491,995	-	7,827,000	(24,289)	2,300,000	(306)	12,618,995	(24,595)
Market making	2,491,995	-	-	-	-	-	2,491,995	-
	4,983,990	-	7,827,000	(24,289)	2,300,000	(306)	15,110,990	(24,595)

	December 31, 2021 (Audited)							
	FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market gain	Notional principal	Mark to Market gain	Notional principal	Mark to Market gain	Notional principal	Mark to Market gain
	(Rupees in 000)							
Hedging	904,470	-	9,081,000	7,374	2,699,000	1,102	12,684,470	8,476
Market making	904,470	-	-	-	-	-	904,470	-
	1,808,940	-	9,081,000	7,374	2,699,000	1,102	13,588,940	8,476

26. MARK-UP / RETURN / INTEREST EARNED

	(Un-audited)	
	January - March 2022	January - March 2021
	(Rupees in '000)	
On:		
Loans and advances	14,340,555	9,950,589
Investments	32,842,907	22,464,917
Lendings to financial institutions	1,948,334	390,200
Balances with banks	200,026	124,844
	49,331,822	32,930,550

27. MARK-UP / RETURN / INTEREST EXPENSED

On:		
Deposits	17,995,634	12,757,838
Borrowings	7,582,223	1,400,381
Subordinated debt	278,175	218,729
Cost of foreign currency swaps against foreign currency deposits / borrowings	862,095	810,950
Lease liability against right-of-use assets	250,302	237,746
	26,968,429	15,425,644

	Note	(Un-audited) January - March 2022	January - March 2021
		------- (Rupees in '000) -------	
28. FEE AND COMMISSION INCOME			
Branch banking customer fee		576,337	449,190
Consumer finance related fee		320,301	278,031
Card related fees (debit and credit cards)		760,425	709,627
Investment banking fees		53,493	10,891
Financial Institution rebate / commission		124,225	71,393
Corporate service charges / facility fee		260,433	125,979
Commission on trade		208,110	176,560
Commission on guarantees		159,569	137,361
Commission on cash management		250,487	220,539
Commission on remittances including home remittances - net		610,921	598,580
Commission on bancassurance		479,123	381,473
Management fee		215,155	196,729
Rent on lockers		48,983	47,594
Others		149,897	65,387
		4,217,459	3,469,334
29. GAIN ON SECURITIES - NET			
Realised	29.1	338,006	1,871,294
Unrealised - held for trading	9.1	108,400	2,778
		446,406	1,874,072
29.1 Realised gain / (loss) on:			
Federal Government securities		318,205	448,413
Shares		(623)	245,419
Foreign securities		20,424	1,177,462
		338,006	1,871,294
30. OTHER INCOME			
Charges recovered		88,953	55,284
Rent on properties		16,520	26,670
Gain on sale of fixed assets - net		39,889	3,269
(Loss) / gain on sale of Ijarah assets - net		(1,793)	1,711
Gain on trading liabilities - net		132,933	40,951
		276,502	127,885

	(Un-audited)	
	January - March 2022	January - March 2021
	------- (Rupees in '000) -------	
31. OPERATING EXPENSES		
Total compensation expense	5,156,810	4,677,619
Property expense		
Rent and taxes	265,047	280,696
Insurance	70,175	63,452
Utilities cost	347,406	286,968
Security (including guards)	311,234	250,720
Repair and maintenance (including janitorial charges)	76,157	61,769
Depreciation on owned fixed assets	347,262	209,827
Depreciation on right-of-use assets	482,336	455,114
Depreciation on non-banking assets acquired in satisfaction of claims	31,854	-
Others	28,091	31,834
	1,959,562	1,640,380
Information technology expenses		
Software maintenance	442,342	329,966
Hardware maintenance	189,358	147,450
Depreciation	236,797	203,126
Amortisation	214,970	205,992
Network charges	180,704	197,110
Consultancy Charges	73,252	34,302
	1,337,423	1,117,946
Other operating expenses		
Directors' fees and allowances	42,347	27,942
Fees and allowances to Shariah Board	1,604	2,508
Legal and professional charges	274,983	127,571
Outsourced service costs	384,300	339,499
Commission paid to branchless banking agents	92,928	106,146
Commission paid to sales force	384,143	322,224
Travelling and conveyance	30,026	25,922
Clearing charges	52,408	47,172
Depreciation others	355,025	300,029
Depreciation on Islamic financing against leased assets	40,752	41,710
Training and development	24,304	7,185
Postage and courier charges	125,775	84,025
Communication	101,545	134,608
Stationery and printing	210,352	190,373
Marketing, advertisement and publicity	263,379	77,038
Donations	-	40,000
Auditors' remuneration	29,871	31,187
Insurance	18,025	14,426
Deposit protection premium expense	431,462	396,675
Cash transportation and sorting charges	202,871	197,294
Entertainment	56,000	40,388
Banking service charges	660,272	465,771
Repairs and maintenance	199,105	189,787
Miscellaneous expenses	251,734	139,208
	4,233,211	3,348,688
	12,687,006	10,784,633

		(Un-audited)	
		January - March 2022	January - March 2021
32.	**OTHER CHARGES**	------- (Rupees in '000) -------	
	Penalties imposed by the SBP	5,196	13,898
	Penalties imposed by other regulatory bodies of overseas branches	432	10,649
		5,628	24,547
33.	**PROVISIONS AND WRITE-OFFS - NET**		
	Provision / (reversals) for diminution in value of investments - net	755,642	(222,113)
	(Reversals) / provision against loans and advances - net	(141,754)	424,691
	Bad debts written-off directly	11,091	33,847
	Reversal of provision against other assets - net	(2,136)	(13,558)
	Reversal of provision against off-balance sheet obligations - net	(54,749)	(53,059)
	Recovery of written-off / charged-off bad debts	(206,868)	(121,226)
	Other provisions / write-offs	(27,117)	327,750
		334,109	376,332
34.	**TAXATION**		
	Current	6,622,632	4,953,841
	Deferred	(258,114)	(61,614)
		6,364,518	4,892,227
35.	**EARNINGS PER SHARE**		
	Profit after tax attributable to equity shareholders of the Bank	9,304,098	7,598,697
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	1,224,179,687	1,224,179,687
		------- (Rupees) -------	
	Earnings per share - basic and diluted	7.60	6.21

There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2022 and March 31, 2021.

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).

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

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

36.2 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets and liabilities that are recognised or disclosed at fair value in these consolidated condensed interim financial statements.

	March 31, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----------(Rupees in '000)----------				
Financial assets measured at fair value					
Investments					
- Federal Government Securities	801,415,121	-	801,415,121	-	801,415,121
- Foreign Bonds - sovereign	57,452,534	-	57,452,534	-	57,452,534
- Foreign Bonds - others	2,426,043	-	2,426,043	-	2,426,043
- Ordinary shares of listed companies	11,264,082	11,264,082	-	-	11,264,082
- Mutual Fund units	244,154	-	244,154	-	244,154
- Non-Government debt securities	2,786,019	-	2,786,019	-	2,786,019
- Real Estate Investment Trust units	703,853	703,853	-	-	703,853
	876,291,806	11,967,935	864,323,871	-	876,291,806
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	285,280,736	-	271,831,467	-	271,831,467
- Foreign Bonds - Market Treasury Bills	2,904,778	-	2,904,778	-	2,904,778
- Foreign Bonds - sovereign	33,694,583	-	32,719,279	-	32,719,279
- Foreign Bonds - others	2,246,341	-	3,392,379	-	3,392,379
- Non-Government debt securities	19,624,823	-	18,071,546	-	18,071,546
	343,751,261	-	328,919,449	-	328,919,449
	1,220,043,067	11,967,935	1,193,243,320	-	1,205,211,255
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	794,789,576	-	708,539	-	708,539
FX options - purchased and sold (net)	4,983,990	-	-	-	-
Forward purchase and sale of Government Securities	10,127,000	-	(24,595)	-	(24,595)

	December 31, 2021 (Audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments	----------(Rupees in '000)----------				
Financial assets measured at fair value					
Investments					
- Federal Government Securities	1,076,073,066	-	1,076,073,066	-	1,076,073,066
- Foreign Bonds - sovereign	57,654,277	-	57,654,277	-	57,654,277
- Foreign Bonds - others	2,732,032	-	2,732,032	-	2,732,032
- Ordinary shares of listed companies	9,665,709	9,665,709	-	-	9,665,709
- Mutual Fund units	242,468	-	242,468	-	242,468
- Non-Government debt securities	2,072,482	-	2,072,482	-	2,072,482
- Real Estate Investment Trust units	506,950	506,950	-	-	506,950
	1,148,946,984	10,172,659	1,138,774,325	-	1,148,946,984
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	305,701,682	-	296,942,277	-	296,942,277
- Foreign Bonds - Market Treasury Bills	2,682,985	-	2,682,985	-	2,682,985
- Foreign Bonds - sovereign	32,937,264	-	32,805,738	-	32,805,738
- Foreign Bonds - others	2,159,801	-	2,183,328	-	2,183,328
- Non-Government debt securities	20,231,923	-	20,377,332	-	20,377,332
	363,713,655	-	354,991,660	-	354,991,660
	1,512,660,639	10,172,659	1,493,765,985	-	1,503,938,644

	December 31, 2021 (Audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	691,686,595	-	2,607,023	-	2,607,023
FX options - purchased and sold (net)	1,808,940	-	-	-	-
Forward purchase and sale of Government Securities	11,780,000	-	8,476	-	8,476

36.3 Fair value of non-financial assets

	March 31, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	78,659,821	-	-	78,659,821	78,659,821
Non-banking assets acquired in satisfaction of claims	214,326	-	-	214,326	214,326
	78,874,147	-	-	78,874,147	78,874,147

	December 31, 2021 (Audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	59,874,618	-	-	59,874,618	59,874,618
Non-banking assets acquired in satisfaction of claims	213,344	-	-	213,344	213,344
	60,087,962	-	-	60,087,962	60,087,962

36.4 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.

37. SEGMENT INFORMATION

37.1 Segment details with respect to business activities

	For the three months ended March 31, 2022 (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	8,183,263	22,646,169	(13,378,776)	2,132,818	2,128,917	890,471	(239,469)	22,363,393
Inter segment (expense) / revenue - net	(7,197,961)	(23,936,875)	28,909,974	-	-	-	2,224,862	-
Non mark-up / return / interest income	1,029,192	1,761,967	2,797,888	99,486	613,163	31,556	395,310	6,728,562
Total income	2,014,494	471,261	18,329,086	2,232,304	2,742,080	922,027	2,380,703	29,091,955
Segment direct expenses	342,047	98,373	7,641,180	634,499	1,259,067	961,945	2,083,555	13,020,666
Inter segment expense allocation	119,115	20,678	1,729,097	-	96,222	-	(1,965,112)	-
Total expenses	461,162	119,051	9,370,277	634,499	1,355,289	961,945	118,443	13,020,666
Provision charge / (reversals) - net	(960,013)	377,783	387,008	4,559	557,712	(13,180)	(19,760)	334,109
Profit / (loss) before taxation from continuing operations	2,513,345	(25,573)	8,571,801	1,593,246	829,079	(26,738)	2,282,020	15,737,180

	For the three months ended March 31, 2021 (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	5,725,585	17,355,793	(9,007,646)	1,026,682	1,898,520	647,041	(141,069)	17,504,906
Inter segment (expense) / revenue - net	(4,869,849)	(15,770,454)	19,012,893	-	-	-	1,627,410	-
Non mark-up / return / interest income	550,996	929,347	2,254,779	67,955	1,833,886	464,812	305,486	6,407,261
Total income	1,406,732	2,514,686	12,260,026	1,094,637	3,732,406	1,111,853	1,791,827	23,912,167
Segment direct expenses	274,952	156,931	6,373,366	437,519	1,198,625	935,406	1,680,875	11,057,674
Inter segment expense allocation	114,818	16,896	1,222,727	-	126,971	-	(1,481,412)	-
Total expenses	389,770	173,827	7,596,093	437,519	1,325,596	935,406	199,463	11,057,674
Provision charge / (reversals) - net	139,749	(421,404)	(99,620)	2,510	726,992	22,261	5,844	376,332
Profit before taxation from continuing operations	877,213	2,762,263	4,763,553	654,608	1,679,818	154,186	1,586,520	12,478,161

	As at March 31, 2022 (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	8,131	76,545,287	78,298,262	18,504,936	53,454,738	13,352,751	-	240,164,105
Investments	8,846,764	1,011,784,212	-	67,296,757	113,560,048	25,062,286	5,485,581	1,232,035,648
Net inter segment lending	-	-	1,232,759,544	21,977,683	-	-	92,903,716	1,347,640,943
Lendings to financial institutions	-	72,980,569	-	-	-	2,967,654	1,190,246	77,138,469
Advances - performing	390,834,130	11,034	48,130,741	66,447,743	135,314,128	126,726,893	3,478,243	770,942,912
Advances - non-performing net	2,719,713	-	452,282	59,443	8,079,773	2,224,065	15,665	13,550,941
Others	23,366,475	24,559,382	14,582,988	3,588,786	15,397,215	7,331,009	58,386,089	147,211,944
Total assets	425,775,213	1,185,880,484	1,374,223,817	177,875,348	325,805,902	177,664,658	161,459,540	3,828,684,962
Borrowings	62,616,241	120,544,977	5,402,930	4,925,134	17,155,024	1,999,231	-	212,643,537
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	60,007,849	66,225	1,302,347,395	157,628,222	254,118,079	143,450,759	357,251	1,917,975,780
Net inter segment borrowing	281,347,723	1,066,032,382	-	-	260,838	-	-	1,347,640,943
Others	20,207,477	2,307,020	63,610,691	3,663,045	6,726,202	2,877,459	14,485,409	113,877,303
Total liabilities	424,179,290	1,188,950,604	1,371,361,016	166,216,401	278,260,143	148,327,449	24,842,660	3,602,137,563
Equity	1,595,923	(3,070,120)	2,862,801	11,658,947	47,545,759	29,337,209	136,616,880	226,547,399
Total equity and liabilities	425,775,213	1,185,880,484	1,374,223,817	177,875,348	325,805,902	177,664,658	161,459,540	3,828,684,962
Contingencies and Commitments	432,121,125	268,382,829	34,782,938	13,009,440	526,466,572	63,885,866	1,388,832	1,340,037,602

	As at December 31, 2021 (Audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
	(Rupees in '000)							
Balance Sheet								
Cash and bank balances	5,847	83,432,361	131,034,116	20,417,689	53,921,299	15,113,772	-	303,925,084
Investments	8,802,055	1,277,993,225	-	87,124,858	113,449,568	28,612,055	5,485,581	1,521,467,342
Net inter segment lending	-	-	1,199,024,459	4,712,655	-	-	73,725,465	1,277,462,579
Lendings to financial institutions	-	49,826,776	-	-	-	536,971	1,874,300	52,238,047
Advances - performing	421,026,745	16,109	48,013,514	43,788,935	118,247,080	117,830,211	3,786,907	752,709,501
Advances - non-performing net	2,765,799	-	414,816	66,191	8,041,387	2,762,452	20,974	14,071,619
Others	15,418,743	22,200,014	17,954,484	2,493,299	12,940,001	4,541,689	61,268,533	136,816,763
Total assets	448,019,189	1,433,468,485	1,396,441,389	158,603,627	306,599,335	169,397,150	146,161,760	4,058,690,935
Borrowings	62,724,244	474,334,893	4,626,077	5,714,199	15,885,337	1,888,172	-	565,172,922
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	47,718,108	302,491	1,330,967,753	139,534,238	232,014,732	135,073,032	161,218	1,885,771,572
Net inter segment borrowing	320,279,992	956,239,947	-	-	942,640	-	-	1,277,462,579
Others	13,535,713	2,137,056	50,355,955	3,344,877	7,199,243	2,847,329	12,549,713	91,969,886
Total liabilities	444,258,057	1,433,014,387	1,385,949,785	148,593,314	256,041,952	139,808,533	22,710,931	3,830,376,959
Equity	3,761,132	454,098	10,491,604	10,010,313	50,557,383	29,588,617	123,450,829	228,313,976
Total equity and liabilities	448,019,189	1,433,468,485	1,396,441,389	158,603,627	306,599,335	169,397,150	146,161,760	4,058,690,935
Contingencies and Commitments	368,885,828	239,061,601	40,476,794	14,347,612	469,317,371	50,505,703	182,362	1,182,777,271

38. RELATED PARTY TRANSACTIONS

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

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 year, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	As at March 31, 2022 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	(Rupees in '000)				
Lendings to financial institutions					
Opening balance	-	-	-	-	2,355,115
Addition during the period	-	-	-	-	2,497,101
Repaid during the period	-	-	-	-	(2,355,115)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	2,497,101
Investments					
Opening balance	-	-	-	8,436,634	4,654,612
Investment made during the period	-	-	-	14,336,212	-
Investment disposed off during the period	-	-	-	(11,434,737)	(54,547)
Transfers out	-	-	-	-	-
Equity method adjustments	-	-	-	(75,760)	-
Closing balance	-	-	-	11,262,349	4,600,065
Provision for diminution in value of investments	-	-	-	-	942,024
Provision written off	-	-	-	-	-
Advances					
Opening balance	-	645	332,006	-	1,768
Addition during the period	-	42	9,755	-	19,369,539
Repaid during the period	-	(644)	(35,041)	-	(1,374,705)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	43	306,720	-	17,996,602
Provision held against advances	-	-	-	-	-
Other Assets					
Income / mark-up accrued	-	-	-	1,166	452,715
Receivable from staff retirement funds	-	-	-	-	31,609
Prepaid insurance	-	-	-	191,663	-
Remuneration receivable from management of funds	-	-	-	88,583	-
Sales load receivable	-	-	-	5,300	-
Formation cost receivable	-	-	-	6,500	-
Provision written off	-	-	-	-	-

	As at March 31, 2022 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the period	-	-	-	-	-
Settled during the period	-	-	-	-	-
Closing balance	-	-	-	-	-
Deposits and other accounts					
Opening balance	18,601	7,769,284	72,204	2,209,154	16,151,170
Received during the period	-	10,943,670	495,986	62,298,982	73,936,126
Withdrawn during the period	(300)	(8,393,259)	(381,511)	(61,466,854)	(75,409,318)
Transfers in - net	-	-	-	-	1,001
Closing balance	18,301	10,319,695	186,679	3,041,282	14,678,979
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	376	28,058	109	33,028	37,261
Dividend payable	3,790,373	98,949	-	-	26,367
Payable to staff retirement fund	-	-	-	-	46,824
Unearned income	-	-	-	-	13,650
Other payable	-	-	-	11,728	-
Contingencies and Commitments					
Forward Government securities sale	-	-	-	-	-

	As at December 31, 2021 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	5,726,952
Repaid during the year	-	-	-	-	(3,371,837)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	2,355,115

	As at December 31, 2021 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Investments					
Opening balance	-	-	-	6,609,954	3,997,489
Investment made during the year	-	-	-	49,574,054	2,563,634
Investment redeemed / disposed off during the year	-	-	-	(47,950,535)	(1,906,511)
Transfers out	-	-	-	-	-
Equity method adjustments	-	-	-	203,161	-
Closing balance	-	-	-	8,436,634	4,654,612
Provision for diminution in value of investments	-	-	-	-	938,502
Provision written off	-	-	-	-	77,606
Advances					
Opening balance	-	10	287,037	-	9,365,687
Addition during the year	-	1,170	92,652	-	84,111,001
Repaid during the year	-	(535)	(49,670)	-	(93,474,920)
Transfer in / (out)	-	-	1,987	-	-
Closing balance	-	645	332,006	-	1,768
Provision held against advances	-	-	-	-	-
Other Assets					
Income / mark-up accrued	-	-	-	4,541	149,672
Receivable from staff retirement funds	-	-	-	-	2,077,069
Prepaid insurance	-	-	-	65,811	-
Remuneration receivable from management of funds	-	-	-	89,413	-
Sales load receivable	-	-	-	13,783	-
Formation cost receivable	-	-	-	6,500	-
Provision written off	-	-	-	-	30,164
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the year	-	-	-	-	488,300
Settled during the year	-	-	-	-	(488,300)
Closing balance	-	-	-	-	-

	As at December 31, 2021 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Deposits and other accounts					
Opening balance	-	6,431,790	157,712	4,285,435	14,535,275
Received during the year	101,751	30,758,130	1,048,423	180,782,484	240,407,932
Withdrawn during the year	(83,150)	(29,420,636)	(1,155,166)	(182,858,765)	(238,798,727)
Transfers in - net	-	-	21,235	-	6,690
Closing balance	18,601	7,769,284	72,204	2,209,154	16,151,170
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	-	33,314	1	11,222	76,214
Dividend Payable	2,526,916	8,000	-	-	17,578
Payable to staff retirement fund	-	-	-	-	154,589
Unearned income	-	-	-	-	19,501
Other payable	-	-	-	14,730	-
Contingencies and Commitments					
Forward Government securities sale	-	-	-	199,000	-

	For the three months ended March 31, 2022 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Profit and Loss Account					
Income					
Mark-up / return / interest earned	-	-	4,151	12,694	97,142
Commission / charges recovered	-	31	347	10,302	6,703
Dividend received	-	-	-	30,730	203,720
Net gain on sale of securities	-	-	-	17,681	-
Other income	-	-	-	-	5,850
Gain on sale of fixed assets	-	-	33	-	-
Remuneration from management of fund	-	-	-	211,901	-
Sales load	-	-	-	7,662	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	62,616
Expenses					
Mark-up / return / interest paid	-	122,047	877	65,137	209,740
Remuneration paid	-	-	512,236	-	-
Post employment benefits	-	-	2,088	-	-
Non-executive directors' fee	-	30,150	12,197	-	-
Net charge for defined contribution plans	-	-	8,527	-	164,958
Net charge for defined benefit plans	-	-	-	-	140,955
Other expenses	-	-	14,798	-	60,984
Clearing charges	-	-	-	-	36,213
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	2,423
Other information					
Dividend paid	2,526,916	70,267	2,080	32,595	611,138
Insurance premium paid	-	-	463	235,587	-
Insurance claims settled	-	-	-	120,922	-

	For the three months ended March 31, 2021 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Profit and Loss Account					
Income					
Mark-up / return / interest earned	-	-	4,106	8,593	345,479
Commission / charges recovered	-	10	520	7,935	6,394
Dividend received	-	-	-	17,116	31,680
Net gain on sale of securities	-	-	-	9,359	-
Other income	-	-	2,374	-	5,359
Gain on sale of fixed assets	-	-	-	-	-
Remuneration from management of fund	-	-	-	192,135	-
Sales load	-	-	-	10,676	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	60,766
Expenses					
Mark-up / return / interest paid	-	98,029	276	24,284	278,853
Remuneration paid	-	-	393,604	-	-
Post employment benefits	-	-	6,578	-	-
Non-executive directors' fee	-	18,150	8,194	-	-
Net charge for defined contribution plans	-	-	6,701	-	98,011
Net charge for defined benefit plans	-	-	-	-	80,846
Other expenses	-	-	10,768	-	12,044
Clearing charges	-	-	-	-	34,582
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	1,016
Custody charges	-	-	-	-	494
Other information					
Dividend paid	-	-	-	-	-
Insurance premium paid	-	-	503	174,653	-
Insurance claims settled	-	-	-	130,396	-

39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,797	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	144,759,447	142,696,673
Eligible Additional Tier 1 (ADT 1) Capital	10,215,761	10,030,732
Total Eligible Tier 1 Capital	154,975,208	152,727,405
Eligible Tier 2 Capital	49,216,915	48,696,456
Total Eligible Capital (Tier 1 + Tier 2)	204,192,123	201,423,861
Risk Weighted Assets (RWAs):		
Credit Risk	799,178,337	763,003,152
Market Risk	92,189,666	95,817,985
Operational Risk	174,186,005	174,186,005
Total	1,065,554,008	1,033,007,142
Common Equity Tier 1 Capital Adequacy Ratio	13.59%	13.81%
Tier 1 Capital Adequacy Ratio	14.54%	14.78%
Total Capital Adequacy Ratio	19.16%	19.50%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs. 10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the period ended March 31, 2022, stood at Rs.12,241.797 million (December 31, 2021: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus Capital Conservation Buffer (CCB) 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, SBP via BPRD Circular Letter No. 12 of 2020 has given a regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013, for the time being, from its existing level of 2.5% to 1.5%, till further instructions.

In accordance to the Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at March 31, 2022. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 19.16% whereas the CET 1 and Tier 1 ratios stand at 13.59% and 14.54% respectively.

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 is a sample D-SIB. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.0%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level during 2022.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	154,975,208	152,727,405
Total Exposures	3,057,587,707	3,672,809,400
Leverage Ratio	5.07%	4.16%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	917,646,631	1,597,732,985
Total Net Cash Outflow	272,243,499	476,786,878
Liquidity Coverage Ratio	337.07%	335.10%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,897,591,838	2,409,606,992
Total Required Stable Funding	1,103,628,452	1,341,535,238
Net Stable Funding Ratio	171.94%	179.62%

40. ISLAMIC BANKING BUSINESS

The Bank operates 145 (December 31, 2021: 145) Islamic Banking branches and 197 (December 31, 2021: 197) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		--------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks		12,787,633	13,367,864
Balances with other banks		5,717,303	7,049,825
Due from financial institutions		-	-
Investments	40.1	67,296,757	87,124,858
Islamic financing and related assets - net	40.2	66,507,186	43,855,127
Fixed assets		1,232,390	1,289,983
Intangible assets		1,380	2,084
Due from Head Office		21,977,683	4,712,655
Other assets		2,355,016	1,201,231
		177,875,348	158,603,627
LIABILITIES			
Bills payable		1,793,401	1,672,972
Due to financial institutions		4,925,134	5,714,199
Deposits and other accounts	40.3	157,628,222	139,534,238
Other liabilities		1,869,644	1,671,905
		166,216,401	148,593,314
NET ASSETS		11,658,947	10,010,313
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		(210,247)	(265,635)
Unappropriated profit	40.4	9,688,194	8,094,948
		11,658,947	10,010,313
CONTINGENCIES AND COMMITMENTS	40.5		

PROFIT AND LOSS ACCOUNT		(Un-audited) January - March 2022	January - March 2021
		--------- (Rupees in '000) ---------	
Profit / return earned	40.6	3,493,508	2,125,352
Profit / return expensed	40.7	1,360,690	1,098,670
Net profit / return		2,132,818	1,026,682
Other income			
Fee and commission income		91,641	61,304
Foreign exchange income		1,224	336
Loss on securities - net		-	(285)
Other Income		6,621	6,600
Total other income		99,486	67,955
Total income		2,232,304	1,094,637
Other operating expenses		634,499	437,519
Profit before provisions		1,597,805	657,118
Provisions and write-offs - net		4,559	2,510
Profit before taxation		1,593,246	654,608
Taxation		621,366	255,297
Profit after taxation		971,880	399,311

40.1 Investments by segments

		As at March 31, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
		Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value
	Note	(Rupees in '000)							
Federal Government Securities									
- Ijarah Sukuks		46,893,162	-	(210,247)	46,682,915	53,998,970	-	(265,635)	53,733,335
- Government of Pakistan Modaraba Pool		906,607	-	-	906,607	924,941	-	-	924,941
- Bai Muajjal with Govt. of Pakistan	40.1.1	-	-	-	-	21,214,989	-	-	21,214,989
		47,799,769	-	(210,247)	47,589,522	76,138,900	-	(265,635)	75,873,265
Non Government Debt Securities									
-Listed		635,714	-	-	635,714	657,143	-	-	657,143
-Unlisted		19,071,521	-	-	19,071,521	10,594,450	-	-	10,594,450
		19,707,235	-	-	19,707,235	11,251,593	-	-	11,251,593
Total Investments		67,507,004	-	(210,247)	67,296,757	87,390,493	-	(265,635)	87,124,858

40.1.1 Bai Muajjal with Government of Pakistan

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Bai Muajjal Investment	-	21,611,000
Less: Deferred Income	-	(396,011)
Bai Muajjal Investment - net	-	21,214,989

40.2 Islamic financing and related assets

Ijarah	326,786	376,317
Murabaha	314,053	263,312
Musharakah	32,153,032	12,401,891
Diminishing Musharakah	21,797,099	20,091,403
Mera Pakistan Mera Ghar (MPMG)	2,223,628	832,542
Istisna	221,199	80,112
Islamic Export Refinance scheme - Musharakah	3,297,905	4,598,162
Advances against Istisna - IERS	542,712	542,915
Advances against Islamic assets		
Advances against Ijarah	8,827	6,528
Advances for Diminishing Musharakah	1,374,209	1,941,910
Advances for Murabaha	285,208	100,346
Advances against MPMG	1,291,559	1,343,196
Advances for Istisna	329,612	407,065
Advances against Ameen ITERF	1,354,701	463,846
Inventory related to Islamic financing		
Istisna	111,302	136,399
Profit and other receivables against financings	1,075,504	470,979
Gross Islamic financing and related assets	66,707,336	44,056,923
Less: Provision against Islamic financing		
- Specific	(117,611)	(131,139)
- General	(82,539)	(70,657)
	(200,150)	(201,796)
Islamic financing and related assets - net of provision	66,507,186	43,855,127

40.3 Deposits and other accounts

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
Customers		
Current deposits	78,137,776	74,840,685
Saving deposits	29,518,507	26,341,608
Term deposits	10,512,066	9,833,547
	118,168,349	111,015,840
Financial Institutions		
Current deposits	4,293,519	11,355,282
Saving deposits	31,026,354	4,113,116
Term deposits	4,140,000	13,050,000
	39,459,873	28,518,398
	157,628,222	139,534,238

40.3.1 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018, amounting to Rs. 89,304.636 million (December 31, 2021: Rs. 87,997.015 million).

40.4 Islamic Banking Business Unappropriated Profit

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
Opening balance	8,094,948	4,625,774
Profit for the period / year	1,593,246	3,469,174
	9,688,194	8,094,948
Taxation	(621,366)	(1,414,045)
Closing balance	9,066,828	6,680,903

40.5 Contingencies and commitments

- Guarantees	163,451	400
- Commitments	12,845,989	14,347,212
	13,009,440	14,347,612

40.6 Profit / Return earned

	(Un-audited) January - March 2022	January - March 2021
	---------- (Rupees in '000) ----------	
On:		
Financing	1,409,377	508,803
Investments	1,939,100	1,439,412
Placements	78,894	124,892
Rental Income from Ijarah	66,137	52,245
	3,493,508	2,125,352

40.7 Profit / Return expensed

On:		
Deposits and other accounts	1,302,081	1,059,072
Due to Financial Institutions	30,159	15,688
Others	28,450	23,910
	1,360,690	1,098,670

40.8 Disclosures for profit and loss distribution and pool management

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

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

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

General Pool(s)

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

IERS Pool(s)

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

Treasury Pool(s)

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

Special Pool(s) - LCY

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

Special Pool(s) - FCY

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

Equity Pool(s)

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

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

The Mudarib’s share on Deposits for the period ended March 31, 2022 is Rs.739.324 million (39.56% of distributable profit of Mudarabah Pool). Of this, an amount of Rs.165.670 million (22.41% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 10.59% per annum and the rate of profit paid on average deposits was 7.34% per annum.

The risk characteristics of pools

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

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

- The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool.

- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on ijarah assets, takaful premium, amortisation of premium on investment etc.

- No expense of general or administrative nature is charged to the pools.

- No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset.

- The profit of the pool is shared between equity and Rab-ul-Maal of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity.

- The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee.

The Bank managed following pools during the period.

For the three months ended March 31, 2022 (Un-audited)

	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
ADMA Pools	3	Mudarabah	Monthly	9.68%	50.00%	45,466	7.31%	51.13%	23,249
Special Pools	33	Mudarabah	Monthly	11.53%	18.84%	117,859	10.04%	31.77%	37,449
IERS Pools	6	Musharakah	Monthly	7.63%	86.19%	136,531	2.00%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	2.06%	50.00%	858	1.07%	0.00%	-
General Pools	3	Mudarabah	Monthly	10.13%	50.00%	575,999	5.99%	18.22%	104,972
Treasury Pools	6	Musharakah	Monthly	10.61%	5.42%	355,968	10.08%	0.00%	-

For the three months ended March 31, 2021 (Un-audited)

	No of Pools	Nature of Pool	Profit rate and weightages announce-ment period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
ADMA Pools	3	Mudarabah	Monthly	6.56%	50.00%	7,416	4.96%	51.23%	3,799
Special Pools	30	Mudarabah	Monthly	8.80%	37.98%	258,891	6.73%	38.72%	100,237
IERS Pools	6	Musharakah	Monthly	6.55%	84.78%	86,991	2.00%	0.00%	-
General Pools	3	Mudarabah	Monthly	9.38%	50.00%	486,341	5.33%	13.67%	66,504

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		-------Rupees in '000-----	
40.9	**Deployment of Mudarabah based deposits by class of business**		
	Chemical and pharmaceuticals	3,911,986	3,815,014
	Agriculture	32,871,256	12,686,234
	Textile	2,556,599	2,362,688
	Financial	6,332,303	7,664,825
	Food industries	139,701	152,269
	Plastic	281,697	301,339
	Individuals	15,007,756	13,303,854
	Production and transmission of energy	18,724,194	18,441,835
	Government of Pakistan securities	56,741,592	75,873,265
	Others	3,154,311	3,630,282
		139,721,395	138,231,605

41. YEMEN OPERATIONS

The political and economic instability resulting from the ongoing civil war in Yemen raised insurmountable challenges for the UBL-Yemen Branch including difficulties emanating from the bankruptcy of the two central banks regulators, i.e. CBY Sana'a and CBY Aden, severe shortage of liquid funds in the Yemeni local market and non-cooperation of CBY Sana'a to facilitate liquidity.

While UBL-Yemen Branch has been striving to honour its liabilities for the past seven years notwithstanding continued operational losses, it is no longer possible for the branch to continue its operations in Yemen due to reasons not attributable to the branch and circumstances entirely beyond UBL or its branch's control. UBL is cognizant of the associated risks of ceasing its branch's business in Yemen but has concluded that in the totality of circumstances it is prudent to do so. UBL will monitor the situation in Yemen so that it may appropriately deal with the associated risks.

42. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on April 20, 2022, has declared an interim cash dividend in respect of the three months period ended March 31, 2022 of Rs. 5.0 per share (March 31, 2021: Rs. 4.0 per share). These consolidated condensed interim financial statements for the three months ended March 31, 2022 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

43. GENERAL

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

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

44. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on April 20, 2022, by the Board of Directors of the Bank.

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

بیرون ملک پاکستانیوں کیلئے ترجیحی آپشن بنے ہوئے ہیں جو ترسیلات زر میں اپنا نمایاں حصہ ڈالتے ہیں۔
بہترین بین الاقوامی طریقوں کے مطابق کمپلائنس اور کنٹرول کے معیارات کو مضبوط بنانے کیلئے ہم پوری طرح پُرعزم ہیں۔ بین الاقوامی اصولوں کو اپناتے ہوئے ہمیں ہوشیار رہنا ہوگا تاکہ ہم ایک پائیدار اور مستقل بنیادوں پر سروسز فراہم کرسکیں۔ ہم پاکستان میں ماحولیات، سماجی اور گورننس (ESG) کے معیارات کو مزید بہتر بنانے کیلئے پوری طرح پُرعزم ہیں۔ ہمارے لوگ ہی ہماری سب سے بڑی طاقت ہیں، بہترین ٹیلنٹ کو برقرار رکھنا اور حاصل کرنا ہمارا ایک اہم مقصد ہے جو ہمیں ہمارے خوابوں کی تعبیر کی طرف لے جائے گا۔

الفاظِ تشکر (Acknowledgement)

آخر میں ہم اپنے تمام کسٹمرز اور شیئر ہولڈرز کے تہہ دل سے شکر گزار ہیں جنہوں نے یو بی ایل پر اعتماد کیا۔ ہم یو بی ایل کی پوری ٹیم کی انتھک کوششوں کو بھی سراہتے ہیں جنہوں نے کسٹمرز کے اعتماد پر پورا اترنے کے لئے کوئی کسر نہیں چھوڑی۔ ہم حکومت پاکستان، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کی جانب سے مسلسل رہنمائی اور معاونت پر ان کا شکریہ ادا کرتے ہیں۔

برائے و از طرف بورڈ

شہزاد جی دادا
پریزیڈنٹ اور سی ای او

ارشد احمد میر
ڈائریکٹر

اسلام آباد
20 اپریل، 2022

مارچ 2022 میں 10.0 ٹریلین روپے ریکارڈ کیے گئے، جو بڑی حد تک دسمبر، 2021 کے مساوی ہے۔ بینکنگ سیکٹر کے لئے غیر فعال قرضہ جات دسمبر 2021 کے دوران 860 ارب روپے برقرار رہے جو دسمبر 2020 کے مقابلے میں 4 فیصد زیادہ ہے، اثاثوں کا معیار دسمبر 2020 میں 9.2 فیصد سے بہتر ہو کر دسمبر 2021 میں 7.9 فیصد ہو گیا ہے۔

یو بی ایل انٹرنیشنل (UBL International)

خلیج تعاون کونسل (GCC) کے اندر معاشی ماحول میں بہتری دیکھی گئی ہے کیونکہ تیل کی قیمتوں میں تیزی سے اضافے کے ساتھ ساتھ کووڈ 19 میں بھی تیزی سے کمی دیکھی گئی ہے۔ بین الاقوامی سطح پر، یو بی ایل کم لاگت کے حامل ذخائر کے ساتھ زیادہ پائیدار اور مضبوطی کے ساتھ مستحکم ہو رہا ہے۔ اثاثہ جات کے حوالے سے، قرض گیری کو سخت نگرانی کے تحت محفوظ رکھا گیا تا کہ کسی بھی نئے NPL کی تشکیل میں کمی کی جا سکے۔ بینک اپنی FI Lending Book کو وسعت دیتے ہوئے تجارت پر مبنی مالیاتی مواقعوں کو فعال طور پر تلاش کر رہا ہے۔ اضافی لیکویڈیٹی کو بنیادی طور پر ڈپازٹ سیکورٹیز میں لگایا جاتا ہے جس کا مقصد صحت مند خالص آمدن کے مارجن کو برقرار رکھا جا سکے۔

یو بی ایل انٹرنیشنل کا منافع قبل از ٹیکس سال 2022 کی پہلی سہ ماہی میں 4.7 ملین امریکی ڈالر رہا (جو گزشتہ سال 2021 کی پہلی سہ ماہی میں 10.6 ملین امریکی ڈالر تھا)۔ بین الاقوامی کاروبار کیلئے مجموعی ریونیوز 15.5 ملین امریکی ڈالر ریکارڈ کی گئی (جو گزشتہ سال 2021 کی پہلی سہ ماہی میں 23.5 ملین امریکی ڈالر تھی)۔ گزشتہ سال کی اسی مدت کے مقابلے میں، نیٹ مارک اپ آمدن 2022 کی پہلی سہ ماہی میں 12 ملین امریکی ڈالر ریکارڈ ہوئی۔ نان مارک اپ آمدن مالی سال 2022 کی پہلی سہ ماہی کے دوران 3.5 ملین امریکی ڈالر حاصل ہوئی، جبکہ یہ گزشتہ سال 11.6 ملین امریکی ڈالر حاصل ہوئی تھی، جو کیپٹل گینز کی وجہ سے زیادہ تھی۔ گزشتہ سال کے شروع میں مکمل ہونے والے بعض کم اور زیادہ موثر آپریٹنگ موڈیولز کی تنظیم نو کے بعد، بین الاقوامی بزنس کے آپریٹنگ اخراجات میں 5 فیصد تک کمی ریکارڈ کی گئی۔ مضبوط نگرانی اور ریکوری پر توجہ مرکوز رکھنے کی وجہ سے نیٹ پرویژننگ کے اخراجات (net provisioning expense) 2021 کی پہلی سہ ماہی میں 4.6 ملین امریکی ڈالر کی سطح سے کم کر کے 2022 میں 3.1 ملین امریکی ڈالر ریکارڈ ہوئے۔

کریڈٹ ریٹنگ (Credit Rating)

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے 30 جون 2021 کو یونائیٹڈ بینک لمیٹڈ (UBL) کی اینٹیٹی ریٹنگز، "AAA / A-1+" (ٹرپل اے/ اے ون پلس) کی توثیق کی ہے۔ مزید برآں، یو بی ایل کے اجافی ٹائر (ADT-1) کی بھی 'AA+' (ڈبل اے پلس) ریٹنگ کی دوبارہ توثیق کی گئی ہے۔ تفویض کردہ ریٹنگ پر آؤٹ لک 'مستحکم' ہے۔

مستقبل کا جائزہ (Future Outlook)

اپنے وسیع تر برانچ نیٹ ورک اور ٹیکنالوجی کو بروئے کار لاتے ہوئے، یو بی ایل معیشت میں مالیاتی ثالثی میں نمایاں کردار ادا کرتا رہے گا۔ برانچ بینکنگ اس وقت کاروبار کیلئے مرکز نگاہ بنی ہوئی ہے جہاں ہم مسلسل بہتر خدمات کے ساتھ نئی اور جدت پر مبنی مالیاتی پروڈکٹس کو بہتر انداز میں اپنے کسٹمرز تک پہنچانا چاہتے ہیں۔ ملک کا سرکردہ ڈیجیٹل بینک ہونے کی وجہ سے اپنی پوزیشن کو مزید بہتر بنانے کیلئے بینک تکنیکی صلاحیتوں میں سرمایہ کاری کرتا رہتا ہے۔ ہم

اس وقت تک جاری رہے گا جب تک مزید ہدایات جاری نہیں ہو جاتیں۔ لہٰذا، یو بی ایل کیلئے کم از کم CAR کی ضرورت 31 مارچ، 2022 تک 12.5 فیصد (بشمول 1.0 فیصد HLA سرچارج)۔

بینک کی مجموعی CAR مارچ 2022 میں 21.7 فیصد رہی (جبکہ دسمبر 2021 میں 21.5 فیصد تھی)، جس نے 12.5 فیصد کی کم از کم ریگولیٹری کی حد سے 9.2 فیصد زائد بفر برقرار رکھا۔ بمطابق مارچ 2022، CET-1 کی شرح 15.3 فیصد برقرار رہی (دسمبر 2021 میں 15.1 فیصد تھی)۔ بمطابق مارچ 2022 کل Tier-1 کا کیپٹل ریشو 16.4 فیصد رہا (دسمبر 2021 میں 16.3 فیصد)۔

یو بی ایل کے بورڈ آف ڈائریکٹرز نے اسلام آباد میں 20 اپریل، 2022 کو منعقد ہونے والے اجلاس میں 5.0 روپے فی شیئر کے نقد عبوری منافع کا اعلان کیا ہے۔ اس اجلاس میں 31 مارچ، 2022 کو ختم ہونے والی سہ ماہی کی کارکردگی کے نتائج کا اعلان بھی کیا گیا ہے۔

معاشی جائزہ (Economy Review)

روس اور یوکرین کے مابین تنازع نے عالمی معیشت پر گہرے اثرات مرتب کیے ہیں۔ خوراک اور توانائی سمیت دیگر اہم اشیاء کی قیمتوں میں 2022 میں خاطر خواہ اضافہ دیکھا گیا ہے۔ اس نے گھریلو افراطِ زر کے ساتھ ساتھ ادائیگیوں کے توازن کو بھی متاثر کیا ہے جس کے نتیجے میں روپے کی قدر میں تیزی سے کمی دیکھی گئی ہے۔ اسٹیٹ بینک آف پاکستان نے 7 اپریل، 2022 کو منعقدہ ہنگامی اجلاس میں پالیسی ریٹ کی شرح میں 250 bps کے اضافے کے ساتھ 12.25 فیصد کر دیا۔

درآمدات کے شعبہ کی بلند سطح کی وجہ سے بیرونی محاذ پر نمایاں دباؤ دیکھا گیا ہے کیونکہ ملک نے مالی سال 2022 کے 8 ماہ کے دوران 12.1 ارب امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (CAD) ریکارڈ کیا ہے جو گزشتہ سال کی اسی مدت کے دوران 1.0 ارب امریکی ڈالر کا سرپلس تھا۔ ملک کا تجارتی توازن میں 70 فیصد کے نمایاں اضافے کے ساتھ مالی سال 2022 کے 9 ماہ کے دوران 35.4 ارب امریکی ڈالر کا خسارہ ریکارڈ کیا گیا ہے۔ ملکی درآمدات مالی سال 2022 کے 9 ماہ کے دوران 58.7 ارب امریکی ڈالر رہی جو کہ گزشتہ سال 39.5 ارب امریکی ڈالر تھی، جس میں 49 فیصد کا اضافہ ریکارڈ کیا گیا ہے۔ ملکی برآمدات میں خوب اضافہ ہو رہا ہے جو کہ مالی سال 2022 کے 9 ماہ کے دوران 23.3 ارب امریکی ڈالر ریکارڈ کی گئیں ہیں، جس میں 25 فیصد کا اضافہ دیکھا گیا ہے، بنیادی طور پر یہ اضافہ ہائی ویلیو ایڈڈ ٹیکسٹائل کے ساتھ ساتھ دیگر تیار کردہ اشیاء کی وجہ سے ممکن ہوا ہے۔ ملک کی مجموعی غیر ملکی زرمبادلہ کی پوزیشن کو سہارا دینے کیلئے ہوم ریمیٹینسز کا تعاون بدستور بہت اہم ہے، جو کہ مالی سال 2022 کے 8 ماہ کے دوران 20.1 ارب امریکی ڈالر رہی، جس میں گزشتہ سال اسی مدت کے دوران 8 فیصد اضافہ ریکارڈ ہوا۔ ملکی فارن ایکسچینج مارکیٹس 2022 کی پہلی سہ ماہی کے دوران غیر مستحکم رہی، جس میں امریکی ڈالر کے مقابلے میں پاکستانی روپے 3 فیصد کے مقابلے میں 31 مارچ، 2022 کو 183.5 روپے فی امریکی ڈالر رہا۔ مزید یہ کہ، اجناس کی بلند قیمتیں ملک کے زرِمبادلہ کے ذخائر پر نمایاں دباؤ کی باعث بن سکتی ہیں۔ افراطِ زر کی وجہ سے CPI مارچ 2022 کیلئے 12.7 فیصد (فروری 2022 میں 12.2 فیصد، دسمبر 2021 میں 12.3 فیصد رہی)، جو کہ حالیہ تاریخ کے دوران بلند ترین سطح میں سے ایک ہے۔ مالی سال 2022 کے 9 ماہ کے دوران اوسط افراطِ زر گزشتہ سال کی اسی مدت کے دوران 8.4 فیصد کے مقابلے میں 10.7 فیصد تھے۔

KSE-100 انڈکس بڑی حد تک اس سہ ماہی کے دوران بین الاقوامی اور اندرونی حالات سے متاثر رہا اور 31 مارچ، 2022 کو 44,929 پوائنٹس پر بند ہوا۔

بینکنگ سیکٹر کے ڈیپازٹس مارچ 2022 کے دوران 19.8 ٹریلین روپے برقرار رہے، جو دسمبر 2021 کے مقابلے میں 6 فیصد کم ہیں۔ سیکٹر ایڈوانسز

مارچ2022 CASA کا کل ڈیپازٹس کا تناسب 89.1 فیصد ریکارڈ کیا گیا جو کہ دسمبر 2021 میں 88.2 فیصد تھا۔ جب کہ کرنٹ اور کل ڈیپازٹس کا تناسب دسمبر 2021 کی 47.4 فیصد کی سطح سے بڑھ کر مارچ 2022 میں 49.3 فیصد ہوگیا۔ یو بی ایل انٹرنیشنل کے ڈیپازٹس کا حجم 1.4 ارب امریکی ڈالر رہا جس میں دسمبر 2021 کے مقابلے میں 5 فیصد اضافہ ہوا۔

بینک کی سطح پر ایڈوانسز بمطابق مارچ 2022، 656 ارب روپے رہے (دسمبر 2021 میں 646 ارب روپے)۔ بینک کا مقصد سرمائے کی زیادہ سے زیادہ تخصیص یقینی بنانے کے ساتھ ساتھ مجموعی نتائج کو بھی زیادہ سے زیادہ بنانا ہے۔ ڈومیسٹک ایڈوانسز کا حجم 509 ارب روپے رہا جو کہ زیادہ تر دسمبر 2021 کی سطح کے مساوی ہے۔ کارپوریٹ لون پورٹ فولیو 391 ارب روپے رہا جو کہ دسمبر 2021 سے اب تک 11 فیصد اضافے کو ظاہر کرتا ہے۔ بینک اسلامی بینکاری کو فروغ دینے کے لیے بھی مسلسل کوشاں ہے جس کے لون پورٹ فولیو میں دسمبر 2021 سے 52 فیصد کا اضافہ ہوا ہے جو 67 ارب روپے رہا۔ انٹرنیشنل ایڈوانسز کا حجم دسمبر 2021 کی نسبت 10 فیصد اضافے کے ساتھ مارچ 2022 میں 778 ملین امریکی ڈالر رہا۔

بینک کی سطح پر نیٹ سرمایہ کاری بطابق مارچ 2022، 1.2 ٹریلین روپے رہی (دسمبر 2021 میں 1.5 ٹریلین روپے)۔ زیادہ تر فنڈنگ سرکاری سیکوریٹیز میں کی گئی اور 334 ارب روپے کی سرمایہ کاری فکس انکم کے PIBs میں اور 481 ارب روپے کی سرمایہ کاری منافے میں ردوبدل کے حامل PIBs میں اور 185 ارب روپے کی سرمایہ کاری ٹریژری بلز میں کی گئی۔ موجودہ شرح سود کے ماحول میں سرمایہ کاری کی حکمت عملی بہت اچھی طرح کارفرما ہے۔ ہم نے مختلف ادوار میں معاشی نتائج کو دیکھا ہے۔ یو بی ایل انٹرنیشنل کی خالص سرمایہ کاری 622 ملین امریکی ڈالر رہی جو کہ دسمبر 2021 کے خطوط کے مطابق ہے۔

کیپٹل ریشوز (Capital Ratios)

بینک مضبوط سرمائے کی بنیاد کو برقرار رکھنے کا متلاشی ہے اور ریگولیٹری تقاضوں پر مناسب بفرز کو برقرار رکھتے ہوئے سرمایہ کاری کی مضبوط سطح کو برقرار رکھنے کیلئے کوشاں ہے۔ یو بی ایل کو اس سے قبل اسٹیٹ بینک آف پاکستان (SBP) نے Domestic Systemically طور پر ایک اہم بینک (D-SIB) قرار دیا تھا۔ اس نامزدگی کے لئے بینک کو 1.5 فیصد اضافی Higher Loss Absorbency (HLA) Surcharge رکھنا ضروری ہے جو کہ 2019 کی کم سے کم سرمائے Capital Adequacy Ration (CAR) کی حد سے زیادہ اور بلند ہونی چاہئے۔ جو مجتمع اور غیر مجتمع دونوں بنیادوں پر برقرار رکھنا ضروری تھا۔ تاہم، اسٹیٹ بینک آف پاکستان نے مارچ 2020 سے نافذ العمل HLA سرچارج میں 50 bps سے 1.0 فیصد تک کمی کردی ہے۔

اکتوبر 2021 میں اسٹیٹ بینک آف پاکستان کے تازہ ترین جائزے کے مطابق یو بی ایل اب D-SIB نہیں ہے۔ تاہم، بینک 30 جون 2022 تک غیر مجتمع اور مجتمع بنیادوں پر 1.0 فیصد کے اضافی کامن ایکویٹی ٹائر 1 (CET-1) کیپٹل کی صورت میں اپنے HLA کیپٹل سرچارج کو پورا کرتا رہے گا۔

اسٹیٹ بینک آف پاکستان نے صارفین کو کریڈٹ کی مد میں سہولیات فراہم کرنے کیلئے بینکنگ سیکٹر کو COVID-19 کے دوران ریگولیٹری ریلیف فراہم کیا ہے۔ اس سلسلے میں، اسٹیٹ بینک آف پاکستان نے کیپٹل کنزرویشن بفر (CCB) کو اپنی موجودہ سطح 2.5 فیصد سے کم کر کے 1.5 فیصد کردیا ہے، یہ

روپے کی کمی کے ساتھ مارچ 2022 میں 26.6 ارب روپے رہے۔ ڈومیسٹک بینک کی ایسیٹ کوالٹی مارچ 2022 میں 5.0 فیصد ریکارڈ کی گئی (جو کہ دسمبر 2021 کے مساوی ہے)۔

ڈومیسٹک بینک نے سال 2021 کی پہلی سہ ماہی میں غیر فعال قرضہ جات پر پروویژن ریورسل کی مد میں 373 ملین روپے ریکارڈ کیا تھا جب کہ سال 2022 کی پہلی سہ ماہی میں 210 ملین روپے کا نیٹ پروویژن ریورسل ریکارڈ کیا گیا ہے۔

یو بی ایل انٹرنیشنل (InternationalUBL)

یو بی ایل انٹرنیشنل کے غیر فعال قرضہ جات دسمبر 2021 میں 334 ملین امریکی ڈالر تھے، بمطابق مارچ 2022، یہ 329 ملین امریکی ڈالر رہے۔ سال 2022 کی پہلی سہ ماہی میں 3.1 ملین امریکی ڈالر کا نیٹ پروویژن چارج لیا گیا ہے جب کہ گزشتہ سال 4.6 ملین ڈالر کا نیٹ پروویژن چارج لیا گیا تھا۔ بمطابق مارچ 2022 مخصوص کوریج 86.6 فیصد ریکارڈ کیا گیا (دسمبر 21 میں 86.4 فیصد)۔ مخصوص کوریج بشمول رہن شدہ جائیدادوں کی جبری قیمت فروخت (FSV) اور مجموعی کیش کولیٹرل 95.4 فیصد رہی (دسمبر 2021 میں 94.8 فیصد۔ بحوالہ مالیاتی کوشوارہ نوٹ 10.3.2)۔

اخراجات کا نظم ونسق (Cost management)

یو بی ایل تجارتی طور پر زیادہ فائدہ کو پیش نظر رکھ کر اپنے برانچ نیٹ ورک کی نئی ترتیب دے رہا ہے جس میں برانچز کی نئے مقامات پر منتقلی، تزئین وآرائش اور خدمات کے معیار کو بہتر بنانے پر سرمایہ کاری شامل ہے۔ اپنی اپنی فیلڈ اور مرکزی دفاتر کی ٹیموں کے لیے مشاہرے کی تشکیل نو کر رہے ہیں جس میں اچھے نتائج دینے والی ٹیموں اور بہترین تربیت کے حامل سٹاف کی کوششوں کی حوصلہ افزائی کے لیے بہتر تنخواہیں اور مراعات شامل ہیں۔

بینک کے انتظامی اخراجات سال 2022 کی پہلی سہ ماہی میں 11.7 ارب روپے ریکارڈ کیے گئے جس میں 19 فیصد اضافہ ہوا۔ ملازمین کو دیئے گئے معاوضوں کی مد میں سال 2022 کی پہلی سہ ماہی میں 4.6 ارب روپے خرچ ہوئے جو کہ گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں 11 فیصد زیادہ ہیں۔ سال 2022 کی پہلی سہ ماہی میں عمارتی اخراجات 1.9 ارب روپے ریکارڈ کیے گئے جو 19 فیصد اضافہ ہے۔ اس میں عمارات کی depreciation میں ایک بار کی accounding estimate کی تبدیلی بھی شامل ہے۔ آئی ٹی کی مد میں اخراجات 1.2 ارب روپے رہے جس میں سال بہ سال کی بنیاد پر 20 فیصد اضافہ ہوا اس کی بنیادی وجہ رواں سال کے دوران دوسری کرنسیوں کے مقابلے میں روپے کی قدر میں مسلسل کمی ہے۔ دیگر اخراجات کی مد میں 4.0 ارب ریکارڈ کیے گئے (سال 2021 میں 3.1 ارب روپے)۔ یہ اضافہ گزشتہ سال کی نسبت کاروباری حجم میں اضافے کے عین مطابق ہے۔

بیلنس شیٹ کا نظم ونسق (Balance Sheet Management)

یو بی ایل کی بیلنس شیٹ بمطابق مارچ 2022، 2.3 ٹریلین روپے تھی (دسمبر 2021 میں 2.6 ٹریلین روپے)۔ سال 2022 کی پہلی سہ ماہی کے اختتام پر بینک کے ڈیپازٹ کا حجم 1.77 ٹریلین روپے رہا جو کہ دسمبر 2021 کی سطح پر ہی ہے۔ ڈومیسٹک ڈیپازٹس کا حجم 1.5 ٹریلین روپے رہا جس میں دسمبر 2021 کے مقابلے میں معمولی اضافہ ہوا۔ بینک کے کرنٹ ڈیپازٹس 749 ارب روپے رہے جو کہ دسمبر 2021 کی سطح کے مقابلے میں 4 فیصد اضافہ کی عکاسی کرتے ہیں اور اسی طرح سیوینگ ڈیپازٹس کی سطح 606 ارب روپے ریکارڈ کی گئی اور یہ بھی دسمبر 2021 کے مساوی ہے۔ بمطابق

نان مارک اپ آمدنی (Non-markup Income)

بینک نے سال 2022 کی پہلی سہ ماہی میں نان مارک اپ آمدنی کی مد میں 6.8 ارب روپے کا منافع کمایا جو گزشتہ سال کی نسبت 17 فیصد زیادہ ہے۔ سال 2022 کی پہلی سہ ماہی میں نان مارک اپ آمدنی بینک کے کل ریونیو کا 24 فیصد رہی (سال 2021 کی پہلی سہ ماہی میں 25.5 فیصد) فیس اور کمیشن کی مد میں بینک کو سال 2022 کی پہلی سہ ماہی میں 3.9 ارب روپے کی آمدنی حاصل ہوئی جو کہ 29 فیصد زیادہ ہے۔ برانچ بینکنگ آپریشنز سے حاصل ہونے والی کسٹمر فیس کی رقم سال 2022 کی پہلی سہ ماہی میں 562 ملین روپے رہی جس میں 31 فیصد کا اضافہ ہوا۔ بینک اب بھی ہوم ریمٹینس میں دوسروں بینکوں سے بہت آگے ہے اور بینک کا مارکیٹ شیئر 20 فیصد سے زائد ہے اور بینک کو کمیشن کی مد میں 448 ملین روپے کی آمدن ہوئی۔ بینک، بینکا ایشورنس کے کاروبار میں بھی بہت متحرک رہا جس کے پریمئیم کا حجم 946 ملین روپے رہا جس سے سال 2022 کی پہلی سہ ماہی میں 479 ملین روپے کی آمدنی ہوئی جس میں 26 فیصد اضافہ ہے۔ یہ نتائج نئے کسٹمرز کے حصول کے مطابق ہے۔ کارڈ سے متعلق فیس میں 35 فیصد کا زبردست اضافہ ہوا اور سال 2022 کی پہلی سہ ماہی میں یہ 760 ملین روپے رہی۔ کنزیومر فنانس سے ملنے والے کمیشن کی آمدنی 274 ملین روپے رہی۔ اس کی بڑی وجہ گاڑیوں کی فروخت میں تیزی اور کریڈٹ کارڈ کے بزنس میں استحکام ہے۔ تجارت اور ضمانتوں سے ملنے والا کمیشن سال 2022 کی پہلی سہ ماہی میں 367 ملین روپے رہا جس میں 17 فیصد اضافہ ہوا اور ٹریڈ بزنس کے حجم میں سال بہ سال 10 فیصد اضافہ ہوا۔ کیش منیجمنٹ سے کمیشن کی مد میں سال 2022 کی پہلی سہ ماہی میں آمدنی 250 ملین روپے رہی جو کہ 14 فیصد اضافہ ہے۔ اس کے پیچھے نئے ملازمین کی بینکاری کا اختیار اور بینک کی ڈیجیٹل سروسز کی بھرپور سپورٹ کارفرما ہے۔

بینک نے سال 2022 کی پہلی سہ ماہی میں زرِمبادلہ سے حاصل کردہ آمدنی 1.3 ارب روپے ریکارڈ کی جو کہ گزشتہ سال کی اسی مدت میں 484 ملین روپے تھی۔ اس میں فعال پوزیشننگ اور کسٹمرز کی جانب سے بہاؤ میں اضافہ کا کردار اہم ہے۔ بینک نے سال 2022 کی پہلی سہ ماہی میں ڈیویڈنڈ کی مد میں 904 ملین روپے کی آمدنی ریکارڈ کی جو کہ گزشتہ سال کی اسی مدت میں 252 ملین روپے تھی۔ آمدنی میں یہ اضافہ لسٹیڈ ایکیوٹیز اور ذیلی کمپنیوں کے اچھے منافع کا نتیجہ ہے۔

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

یو بی ایل نے قرضوں کی ممکنہ نادہندگی اور خسارے کے لیے مختص رقوم کے لیے سال 2022 کی پہلی سہ ماہی میں 347 ملین روپے رکھے جب کہ گزشتہ سال کی اسی مدت میں 354 ملین روپے تھے۔ بینک کی سطح پر غیر فعال قرضہ جات (NPLs) دسمبر 2021 میں 86.0 ارب روپے سے معمولی اضافے کے ساتھ مارچ 2022 میں 86.9 ارب روپے رہے۔ مارچ 2022 میں ایسٹ کوالٹی 11.8 فیصد رہی جو کہ دسمبر 2021 کے مساوی رہی جب کہ مخصوص کوریج کی پیمائش 87.0 فیصد مارچ 2022 میں ریکارڈ کی گئی (دسمبر 2021 میں 86.9 فیصد تھی)۔

یو بی ایل ڈومیسٹک (UBL Domestic)

مارچ 2022 میں ڈومیسٹک کے لئے مجموعی ایڈوانسز 536 ارب روپے ہوگئے (دسمبر 2021 میں 544 ارب روپے) جو کہ بینک کے کل پورٹ فولیو کا 73 فیصد حصہ ہے۔ دسمبر 2021 میں 27.1 ارب روپے کے غیر فعال قرضہ جات سال 2022 کی پہلی سہ ماہی کے دوران تقریباً 500 ملین

ماہی میں 4.0 فیصد کے مقابلے میں 4.3 فیصد ہو گئے۔

بینک کے ڈومیسٹک اوسط ڈیپازٹس 1.5 ٹریلین روپے رہے جو گزشتہ سال کی پہلی سہ ماہی سے 8 فیصد زیادہ ہیں۔ اس اضافے کی بڑی وجہ (CASA) ڈیپازٹس میں 11 فیصد اضافہ ہے جو 2022 کی پہلی سہ ماہی میں 1.3 ٹریلین روپے ریکارڈ کیے گئے۔ جس میں بنیادی طور پر 127 ارب سے زیادہ اضافہ ہوا۔ ڈومیسٹک کرنٹ ڈیپازٹس سال 2022 کی پہلی سہ ماہی میں 674 ارب روپے رہے جو گزشتہ سال کی پہلی سہ ماہی کی نسبت 11 فیصد زیادہ ہیں۔ بینک اب بھی نئے کسٹمرز کو خوش آمدید کہنے کی پالیسی پر توجہ دے رہا ہے۔ خاص طور پر کلیدی ڈیپازٹس کی بنیاد پر کسٹمرز کو بڑھانا ہے۔ اسی لیے بینک نے 2022 کی پہلی سہ ماہی میں 162,000 نئے کسٹمرز بنائے ہیں۔ (2021 کی پہلی سہ ماہی میں 159,000 نئے کسٹمرز) سیوینگ ڈیپازٹس کا کل حجم اوسطاً 644 ارب روپے رہا جس میں سال بہ سال کی بنیاد پر 11 فیصد اضافہ ہوا ہے۔ اس کے نتیجے میں ڈومیسٹک اوسط (CASA) اور کل ڈیپازٹس کا تناسب 2021 کی سہ ماہی میں 86 فیصد سے بہتر ہو کر 2022 کی پہلی سہ ماہی میں 88 فیصد ہو گیا۔ ٹرم ڈیپازٹس کا اوسط حجم 183 ارب روپے رہا جس میں سال 2022 کی پہلی سہ ماہی میں سال بہ سال 9 فیصد کمی ہوئی۔ بینک اپنے پورٹ فولیو میں زیادہ لاگت کے ڈیپازٹس کے بغیر اضافہ پر توجہ دے رہا ہے۔ ڈومیسٹک ڈیپازٹس کی لاگت 2021 کی پہلی سہ ماہی میں 3.4 فیصد کے مقابلے میں سال 2022 کی پہلی سہ ماہی میں 4.5 فیصد رہی جس کی بڑی وجہ شرح سود میں اضافہ اور سیوینگ ڈیپازٹس میں کم سے کم شرح منافع کے اثرات ہیں۔ یو بی ایل انٹرنیشنل کے سال 2022 کی پہلی سہ ماہی میں اوسط ڈیپازٹس 1.3 ارب امریکی ڈالر رہے جو کہ گزشتہ سال کی سطح کے مساوی ہیں جب کہ ڈیپازٹس کی لاگت سال 2022 کی پہلی سہ ماہی میں 1.1 فیصد رہی (2021 کی پہلی سہ ماہی میں 1.2 فیصد تھی)۔

بینک کے پرفارمنگ ایڈوانسز کی اوسط سال 2022 کی پہلی سہ ماہی میں 629 ارب روپے رہی جس میں سال بہ سال کی 17 فیصد کی بہت اچھی نمو رہی۔ پرفارمنگ ایڈوانسز کے ڈومیسٹک پورٹ فولیو کی اوسط سال 2022 کی پہلی سہ ماہی میں 496 ارب رہی جس میں سال بہ سال 13 فیصد اضافہ ہوا ہے۔ کنزیومر لونز کی اوسط سال 2022 کی پہلی سہ ماہی میں 19 ارب روپے رہی جس میں 4 فیصد اضافہ ہوا جو کہ زیادہ تر محفوظ آٹو لون کے شعبے میں رہا۔ اسی طرح اسلامی بینکاری کا شعبہ بھی مسلسل فروغ پا رہا ہے اور اس شعبے کے لون پورٹ فولیو کا کل حجم سال 2022 کی پہلی سہ ماہی میں 62 ارب روپے رہا جو کہ سال 2021 کی پہلی سہ ماہی میں 32 ارب روپے تھا۔ یو بی ایل انٹرنیشنل میں de-risking کے عمل کے بعد اس کے پرفارمنگ لون پورٹ فولیو کے حجم میں سال بہ سال کی بنیاد پر 20 فیصد اضافہ ہوا جو کہ سال 2022 کی پہلی سہ ماہی میں اوسطاً 754 ملین امریکی ڈالر رہا۔

بینک کی منافع بخش سرمایہ کاری کا اوسط حجم 1.4 ٹریلین روپے رہا جو کہ سال 2021 کی پہلی سہ ماہی کی نسبت 18 فیصد زیادہ ہے۔ ڈومیسٹک گورنمنٹ سیکیورٹیز کا اوسط حجم سال 2022 کی پہلی سہ ماہی میں 1.2 ارب روپے رہا جو کہ سال بہ سال 19 فیصد اضافے کو ظاہر کرتا ہے۔ سال 2022 کی پہلی سہ ماہی میں آمدنی کی شرح 10 فیصد رہی۔ اسی طرح یو بی ایل انٹرنیشنل کے غیر ملکی بانڈز کا حجم سال 2022 کی پہلی سہ ماہی میں 668 ملین امریکی ڈالر رہا (سال 2021 کی پہلی سہ ماہی میں 726 ملین امریکی ڈالر تھا)۔ اس طرح بینک نے سال 2022 کی پہلی سہ ماہی میں 5.4 فیصد کا بہت اچھا منافع کمایا۔

یونائیٹڈ بینک لمیٹڈ

ارکان کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لیے یونائیٹڈ بینک لمیٹڈ (UBL) کے مالی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

کارکردگی کا جائزہ (Performance Overview)

غیر مجتمع بنیاد پر یو بی ایل نے 31 مارچ 2022 کو ختم ہونے والی سہ ماہی میں 15.8 ارب روپے کا منافع قبل از ٹیکس (PBT) کمایا ہے جو کہ گزشتہ سال کی اسی مدت کے دوران کمائے گئے منافع قبل از ٹیکس سے 30 فیصد زیادہ ہے۔

2022 کی پہلی سہ ماہی میں مجموعی ریونیو 28.3 ارب روپے رہے جو کہ 2021 کی پہلی سہ ماہی سے 25 فیصد زیادہ ہیں۔ بینک نے خالص مارک اپ کی مد میں 21.5 ارب روپے کمائے جس میں سال بہ سال 27 فیصد اضافہ ہوا۔ رواں سہ ماہی میں نان مارک اپ آمدنی 6.8 ارب روپے ریکارڈ کی گئی جو سال بہ سال کی بنیاد پر 17 فیصد اضافے کو ظاہر کرتی ہے جو بنیادی طور پر، فیس ریونیو اور ترسیلات زر کی آمدنی میں مضبوط اضافے کی وجہ سے ہے۔

بینک کے آپریٹنگ اخراجات 2022 کی پہلی سہ ماہی میں 11.7 ارب روپے رہے جو سال بہ سال 19 فیصد اضافے کو ظاہر کرتے ہیں۔ آمدنی اور لاگت کا تناسب 41.5 فیصد ریکارڈ کیا گیا (2021 کی پہلی سہ ماہی میں 43.5 فیصد)

بینک نے نیٹ پروویژن چارج کی مد میں 347 ملین روپے ریکارڈ کیے جو کہ گزشتہ سال کی اسی مدت میں 354 ملین روپے تھے۔

مالیاتی اہم نکات (Financial Highlights)

یو بی ایل نے سال 2022 کی پہلی سہ ماہی کے دوران 9.5 ارب روپے کا منافع بعد از ٹیکس (PAT) ریکارڈ کیا ہے جو کہ 2021 کی پہلی سہ ماہی میں 7.4 ارب روپے تھا۔ اس سے سال بہ سال 29 فیصد اضافہ اچھی نمو کو ظاہر کرتا ہے۔ فی شیئر آمدنی (EPS) 7.78 روپے رہی (سال 2021 کی پہلی سہ ماہی میں 6.05 روپے)۔ مجتمع بنیاد پر یو بی ایل نے پہلی سہ ماہی کے دوران 9.4 ارب روپے کا منافع بعد از ٹیکس کمایا (سال 2021 کی پہلی سہ ماہی۔ 7.6 ارب روپے)۔ 2022 کی پہلی سہ ماہی میں مجتمع فی شیئر آمدنی 7.60 روپے ریکارڈ کی گئی (2021 کی پہلی سہ ماہی میں 6.21 روپے)۔

خالص مارک اپ آمدن (Net Markup Income)

سال 2022 کی پہلی سہ ماہی کے دوران خالص مارک اپ آمدنی 21.5 ارب روپے رہی جو گزشتہ سال 2021 کی پہلی سہ ماہی کے مقابلے میں 27 فیصد اضافے کو ظاہر کرتی ہے۔ 2021 کی آخری سہ ماہی کی نسبت ریونیو کی بنیاد 19 فیصد زیادہ ہے جیسا کہ بلند شرح آمدن پر بیلنس شیٹ کا تعین کیا گیا۔ اسی طرح پہلی سہ ماہی میں بینک کے منافع بخش اثاثے اوسطاً 2.1 ٹریلین روپے رہے جو کہ 2021 کی پہلی سہ ماہی کے مقابلے میں 21 فیصد زیادہ ہیں۔ سال 2022 کی پہلی سہ ماہی میں ثانوی مارکیٹ ریٹس اوسطاً 10.6 فیصد رہے جو کہ گزشتہ سال کی اسی سہ ماہی میں 7.2 فیصد تھے جس سے خالص مارک اپ آمدنی بڑھانے میں مدد ملی۔ اس کے نتیجے میں بینک کے نیٹ انٹرسٹ مارجنز (NIMs) 30 bps اضافے کے ساتھ سال 2021 کی پہلی سہ

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