UBL

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

Celebrating **Progressiveness**

FOR THE NINE MONTHS ENDED (UN-AUDITED) SEPTEMBER 30, 2022

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COMPANY INFORMATION

Board of Directors

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

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

Mr. Haider Zameer Choudrey
Non-Executive Director

Mr. Rizwan Pervez
Non-Executive Director

Mr. 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. Arif Akmal Saifie

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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D.H.A. Phase VII,
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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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Contact Centre: 111-825-888
Website: www.ubldigital.com
Email: customer.services@ubl.com.pk

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we are pleased to present the financial statements of United Bank Limited (UBL) for the nine months ended September 30, 2022.

Performance Overview

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 50.7 billion for the nine months ended September 30, 2022, with a strong growth of 29% year on year.

The Bank's gross revenues were recorded at Rs. 94.9 billion for 9M'22, an increase of 34% against the corresponding period of last year. Net mark-up income stood at Rs. 72.8 billion for 9M'22, with a significant increase of 36% year on year as a result of a well-positioned investment book and efficient cost of deposits. Non-markup income stood at Rs. 22.1 billion for 9M'22 which is up 28%, owing to strong growth across all major fee-based revenues.

The Bank's operating expenses stood at Rs. 37.8 billion for 9M'22, and are up 21% year on year, as a result of significantly higher inflation levels, steep decline in the value of PKR and higher overheads across the network. Despite the increase in the expense base, the cost to income ratio continues to improve and is down to 39.8% for 9M'22 as compared to 44.0% last year.

The Bank recorded a net provisioning expense of Rs. 5.4 billion for 9M'22 (9M'21: net provision reversal of Rs. 415 million), mainly to build coverage against the foreign currency denominated investments held within UBL International.

Financial Highlights

On a standalone basis, UBL recorded Profit After Tax (PAT) of Rs. 18.8 billion for 9M'22 as against a PAT of Rs. 22.8 billion for 9M'21. Earnings per share (EPS) was measured at Rs. 15.33 for 9M'22 (9M'21: Rs. 18.59). On a consolidated basis, UBL recorded PAT of Rs. 18.8 billion (9M'21: Rs. 21.9 billion). The consolidated EPS was measured at Rs. 15.09 for 9M'22 (9M'21: Rs. 17.76).

Net Markup Income

The Bank earned net markup income of Rs. 72.8 billion in 9M'22, with an increase of 36% year on year. The Bank's markup earning assets averaged Rs. 2.2 trillion in 9M'22 and have grown by 12%. Bank level Net interest margins (NIMs) improved from 3.8% in 9M'21 to 4.6% in 9M'22. Benchmark interest rates averaged 12.5% in 9M'22 versus 7.0% in 9M'21 due to significant monetary tightening during the year.

A timely repositioning in the investment book has led to a strong growth in interest margins with a well-diversified portfolio across fixed and floating rate investments.

Domestic deposits averaged Rs. 1.60 trillion in 9M'22, growing by 7% over last year with a net incremental increase of Rs. 100 billion. Domestic CASA deposits averaged Rs. 1.37 trillion for 9M'22, with 7% growth year on year. The average CASA to total deposits remained strong and was measured at 85.8% in 9M'22 (9M'21: 85.5%). The Bank added approximately 450,000 new current account relationships in 9M'22 as against 413,000 current account relationships in the corresponding period of last year. This led to average current deposits recording a growth of 13% year on year, increasing to Rs. 706 billion in 9M'22. Resultantly, the average current to total deposits ratio improved to 44.3% in 9M'22 from 42.0% in 9M'21. The domestic portfolio of savings accounts averaged Rs. 663 billion in 9M'22 (9M'21: Rs. 651 billion). The domestic cost of deposits was measured at 5.9% as against 3.5% in the corresponding period of last year and remained well contained despite the sharp increase in interest rates over the last year.

Bank level performing advances averaged Rs. 647 billion for 9M'22, growing by 19%. Domestic performing advances averaged Rs. 505 billion for 9M'22, with an increase of 15%, mainly due to strong build up across the Corporate, SME and Agri segments. The Bank continued its build up in business scale across the Islamic banking space as the segment loan book averaged Rs. 62 billion for 9M'22, growing by 81%.

The Bank's markup earning investments averaged Rs. 1.46 trillion for 9M'22, growing by 7%. The domestic government securities portfolio earned a healthy yield of close to 12.0% during the period under review. UBL International also maintained a healthy contribution to the Bank's overall net-markup income with yields of 5.7% earned on the investment portfolio, comprising primarily of foreign sovereign debt instruments.

Non-Markup Income

The Bank earned non-markup income of Rs. 22.1 billion in 9M'22, with a notable increase of 28%. Non-markup income contributed 23% to the total revenues of the Bank (9M'21: 24%).

Fees and commission income of Rs. 11.7 billion was earned in 9M'22, recording a strong growth of 20%. Customer fees from branch banking operations stood at Rs. 1.8 billion for 9M'22, an increase of 44%, driven mainly by business acquisitions across all regions. UBL maintained its leadership position in the domestic home remittances space with a market share of over 21%. As a result, commission income of Rs. 1.5 billion was earned in 9M'22, with a robust growth of 17%. Bancassurance business maintained its significant contribution to the non-markup revenue base with commissions of Rs. 1.2 billion earned during the period, in line with last year.

Income from debit and credit card fees of Rs. 2.3 billion was earned in 9M'22, which is up 27% as the portfolio of active customers has built up well during the year. Commission income from cash management was recorded at Rs. 828 million for 9M'22, growing by 16% year on year with higher throughput volumes across corporate and SME customers. Income from trade and guarantee business was recorded at Rs. 1.3 billion, recording a strong growth of 37% with steady volumes across long standing customer relationships.

The Bank earned foreign exchange income of Rs. 7.6 billion for 9M'22 as against Rs. 2.6 billion last year, primarily due to enhanced customer flows and proactive balance sheet positioning. Dividend income of Rs. 1.5 billion was earned in 9M'22, with an increase of 4%, with strong payouts from the Bank's holdings in fertilizer and energy sectors as well as group entities.

Provisions and loan losses

UBL recorded a net provision charge of Rs. 5.4 billion for 9M'22 as against a net provision reversal of Rs. 415 million in the corresponding period last year.

Bank level non-performing loans (NPLs) stood at Rs. 93.7 billion at Sep'22, (Dec'21: Rs. 86.0 billion), an increase of Rs. 7.7 billion. Bank level asset quality increased slightly from 11.8% at Dec'21 to 12.3% at Sep'22, while specific coverage stood at 86.7% at Sep'22 (Dec'21: 86.9%).

UBL Domestic
Gross advances for the domestic bank stood at Rs. 556 billion at Sep'22 (Dec'21: Rs. 544 billion), constituting 73% of the total portfolio. Domestic NPLs reduced by Rs. 781 million since Dec'21, from Rs. 27.1 billion to Rs. 26.3 billion at Sep'22.

The domestic bank recorded net provision charge of Rs. 1.7 billion for 9M'22 versus net provision reversals of Rs. 1.4 billion last year. Domestic bank's asset quality improved further to 4.7% at Sep'22 (Dec'21: 5.0%).

UBL International

UBL International's NPLs stood at USD 295 million at Sep'22 (Dec'21: USD 334 million). The business recorded a net provision charge of USD 18.8 million for 9M'22 against a net provision charge of USD 5.9 million in 9M'21, primarily to build coverage against Bank's investments in Pakistan Eurobonds and the Sri Lankan sovereign debt. Specific coverage against loans was measured at 86.8% at Sep'22 (Dec'21: 86.4%).

Cost management

The Bank is continually striving to optimize its cost base, through continued investments in its staff as well as the physical and IT / digital infrastructures to support the needs of a large-scale network and better serve our customers.

The Bank's operating expenses were recorded at Rs. 37.8 billion for 9M'22, growing by 21%. Employee compensation was recorded at Rs. 14.4 billion for 9M'22, an increase of 16% owing primarily to inflation related salary adjustments as well as merit increments. Property expenses were recorded at Rs. 6.5 billion, growing by 28%, and includes a one-off adjustment for change in accounting estimate for depreciation on premises. IT expenses recorded an increase of 17%, primarily due to the steep devaluation in the local currency impacting licensing payments in foreign currencies. Other operating expenses were recorded at Rs. 13.1 billion for 9M'22, growing by 25%, mainly due to higher sales commissions and other charges in relation to the increased business volumes compared to last year.

Capital Ratios

The Bank seeks to maintain a strong capital base that provides a solid foundation for future growth as well as maintaining adequate buffers over regulatory requirements.

In the latest assessment carried out by SBP in October 2021, in line with a lower risk profile, UBL is no longer a D-SIB. However, the Bank was required to meet the 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. As a result of the updated assessment, the minimum capital requirement for UB has been reduced from 12.5% as at June 30, 2022, to 11.5% from Sep'22 onwards, on both a standalone and consolidated basis.

The overall CAR stood at 18.4% at Sep'22 (Dec'21: 21.5%), with a buffer of 6.9% over the minimum regulatory requirement of 11.5%. The Common Equity Tier 1 (CET-1) ratio stood at 12.7% at Sep'22 (Dec'21: 15.1%). Total Tier 1 Capital ratio was measured at 13.7% at Sep'22 (Dec'21: 16.3%).

The Board of Directors of UBL declared an interim cash dividend of Rs. 4.0 per share in their meeting in Islamabad held on October 19, 2022, along with the results for the nine months ended September 30, 2022.

Economy Review

The country's external account troubles continue to negatively impact the domestic economy. The situation was further exacerbated by the recent flooding, which has caused significant damage to the lives and livelihood of a substantial segment of the population.

The country's Current Account recorded a deficit of USD 1.9 billion for 2M FY'23, a decline 19% over the

corresponding period of last year. Balance of trade recorded a deficit of USD 9.2 billion for Q1 FY'23 versus a deficit of USD 11.7 billion last year. Exports were recorded at USD 7.1 billion for Q1 FY'23, recording a meagre growth of 1.8% while imports were recorded at USD 16.3 billion, a decline of 12.7% year on year. Home remittances stood at USD 7.7 billion for 3M FY'23, down 6% year on year. The domestic FX markets remained volatile for much of the year as the PKR declined by 22% in value since Dec'21 and stood at Rs. 217.9 as at October 12, 2022. Country's FX reserves stood at USD 13.6 billion at Sep'22, declining by 43% since Dec'21 while reserves held by the State Bank of Pakistan stood at USD 7.9 billion at Sep'22, declining by 55% since Dec'21.

As the country struggled to secure external financing for FY'23, Moody's downgraded the Government of Pakistan's local and foreign currency issuer and senior unsecured debt ratings to Caa1 from B3 with outlook to remain negative on October 6, 2022.

Inflation levels continue to remain at historic high levels as CPI was measured at 23.2% for Sep'22 as against 9.0% in Sep'21. Elevated domestic energy prices as well as rising food inflation will continue to slowdown economic activity and impact GDP growth in the near term. The SBP in its recent monetary policy meeting held on October 10, 2022, maintained the benchmark interest rate at 15.0%.

The KSE-100 index also remained impacted by the current economic environment and closed at 41,129 points as at Sep'22, declining by 8% since Dec'21. Deposits for the banking sector stood at Rs. 22.1 trillion on September 23, 2022, up 5% since Dec'21, while banking sector advances closed at Rs. 11.0 trillion on September 23, 2022, up 8% over Dec'21. Non-performing loans for the banking industry stood at Rs. 879 billion at Jun'22, an increase of 2% over Dec'21, while asset quality improved from 7.9% at Dec'21 to 7.5% at Jun'22.

UBL International

UBL International recorded a PBT of USD 5.9 million for 9M'22 (9M'21: USD 30.1 million). Gross revenues for the International business were recorded at USD 48.7 million (9M'21: USD 60.6 million). Net markup income was recorded at USD 38.1 million in 9M'22, an increase of 5%. Non markup income of USD 10.6 million was earned in 9M'22 as against USD 24.4 million earned last year, which was higher due to capital gains. Operating expenses were recorded at USD 22.4 million, slightly above last year levels. The business recorded a net provision charge of USD 18.8 million for 9M'22, mainly on its Pakistan and Sri Lanka sovereign debt investments, as against a net provision charge of USD 5.9 million incurred primarily on the loan portfolio last year. Excluding the provisioning impact of distressed sovereigns, UBL International's PBT stood at USD 35 million for 9M'22.

UBL International's deposits averaged USD 1.3 billion for 9M'22, slightly ahead of last year. Cost of deposits was measured at 1.1% in 9M'21 in line with the corresponding period of last year. Performing advances averaged USD 716 million for 9M'22, with a steady growth of 11%. The foreign debt investment portfolio averaged USD 635 million and earned the Bank a consistent and healthy yield of 5.7% during 9M'22.

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, 2022. Furthermore, UBL's Additional Tier-1 (ADT-1) TFC has also been re-affirmed at 'AA+' (Double A plus). Outlook on the assigned ratings are 'Stable'.

Awards and Recognition

UBL was declared Pakistan's Best Digital Bank by Asiamoney, an associate of Euromoney, for the third time in a row. The award is a testament to UBL's contribution in expanding the scope of financial services through digital channels in Pakistan and leading innovation within the local banking space. The Bank continues to invest in digital platforms and in developing its teams that are redefining the future of banking in Pakistan.

Future Outlook

Being one of the largest financial institutions in the domestic banking space, UBL will continue to play a leading role to expand the scope of financial services, particularly to the vast unbanked segment and enhancing the Bank's intermediation role in the economy. Branch Banking Group with its large physical network and nationwide outreach remains the core of the UBL franchise. The Bank will further strive to invest in and improve its products, processes, and service levels to better serve our expanding customer base. As the country's most progressive and innovative bank, UBL will continue to introduce new and differentiated banking solutions to make banking easier and more accessible to our ever-expanding customer base. Lending will remain selective with credit quality being one of the primary considerations in all asset writing decisions. The core International business has stabilized and is now making a strong contribution to the franchise. UBL remains committed to further improving its processes and culture. Strengthening compliance and control standards in line with international best practices remains a strategic priority. We are fully committed to setting benchmarks for the Environment, Social and Governance (ESG) standards in the Pakistani corporate space. The Bank's most valuable asset is its people and our priority is to retain and acquire the best available talent which we believe is the key to UBL achieving its future growth aspirations.

Acknowledgements

In the end, on behalf of the board of director's, we would like to express our gratitude to UBL shareholders and customers for their continued trust in the UBL brand. We value the commitment and dedication with which our staff continues to perform, particularly during this challenging period and ensuring improving service levels across all touchpoints. We would also like to extend our appreciation to the Government of Pakistan, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory bodies for their continuous guidance and support.

Shazad G. Dada
President & CEO
Islamabad,
October 19, 2022

Arshad Ahmad Mir
Director

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UNITED BANK LIMITED

UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2022
(Un-audited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		---------- (Rupees in '000) ----------	
ASSETS			
Cash and balances with treasury banks	6	252,662,784	267,937,282
Balances with other banks	7	24,272,885	23,363,057
Lendings to financial institutions	8	54,264,483	51,701,076
Investments	9	1,528,510,799	1,496,542,453
Advances	10	671,231,643	646,188,457
Fixed assets	11	70,221,521	68,537,653
Intangible assets	12	2,287,369	2,231,265
Deferred tax assets	13	21,276,125	7,204,275
Other assets	14	85,955,377	54,460,389
		2,710,682,986	2,618,165,907
LIABILITIES			
Bills payable	16	32,514,541	26,792,970
Borrowings	17	194,678,262	563,284,750
Deposits and other accounts	18	2,171,368,487	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	100,209,103	62,501,875
		2,508,770,393	2,413,523,360
NET ASSETS		201,912,594	204,642,547
REPRESENTED BY:			
Share capital		12,241,797	12,241,797
Reserves		85,924,549	69,718,467
Surplus on revaluation of assets	21	20,398,526	38,056,329
Unappropriated profit		83,347,722	84,625,954
		201,912,594	204,642,547
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The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	July - September 2022	July - September 2021	January - September 2022	January - September 2021
		(Rupees in '000)			
Mark-up / return / interest earned	24	73,458,895	41,307,290	176,306,350	109,058,338
Mark-up / return / interest expensed	25	45,790,734	22,706,710	103,532,638	55,368,852
Net mark-up / interest income		27,668,161	18,600,580	72,773,712	53,689,486
Non mark-up / interest income					
Fee and commission income	26	3,937,453	3,117,409	11,692,037	9,722,299
Dividend income		214,056	540,036	1,473,559	1,421,194
Foreign exchange income		3,016,173	1,366,963	7,631,091	2,561,521
(Loss) / Income from derivatives		(25,836)	34,359	(3,349)	43,117
Gain on securities - net	27	92,241	721,273	666,958	3,265,773
Other income	28	184,052	73,595	658,822	269,224
Total non mark-up / interest income		7,418,139	5,853,635	22,119,118	17,283,128
Total income		35,086,300	24,454,215	94,892,830	70,972,614
Non mark-up / interest expenses					
Operating expenses	29	13,683,016	11,003,494	37,772,363	31,202,319
Workers' Welfare Fund		333,706	257,678	1,033,309	774,856
Other charges	30	1,827	46,416	17,789	85,910
Total non mark-up / interest expenses		14,018,549	11,307,588	38,823,461	32,063,085
Profit before provisions		21,067,751	13,146,627	56,069,369	38,909,529
Provisions / (reversal) and write-offs - net	31	4,650,557	(327,125)	5,416,317	(414,521)
Profit before taxation		16,417,194	13,473,752	50,653,052	39,324,050
Taxation	32	9,517,237	5,710,721	31,891,222	16,563,712
Profit after taxation		6,899,957	7,763,031	18,761,830	22,760,338
		(Rupees)			
Earnings per share - basic and diluted	33	5.64	6.34	15.33	18.59

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

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	July - September 2022	July - September 2021	January - September 2022	January - September 2021
	(Rupees in '000)			
Profit after taxation for the period	6,899,957	7,763,031	18,761,830	22,760,338
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	6,592,038	3,436,548	14,329,899	2,830,072
Movement in deficit on revaluation of investments - net of tax	(6,170,137)	(2,012,090)	(17,343,461)	(2,252,502)
	421,901	1,424,458	(3,013,562)	577,570
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	(4,740)	1,356	(105,336)	1,119
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	(25,403)	2,308	(10,189)	2,527
	(30,143)	3,664	(115,525)	3,646
Total comprehensive income for the period	7,291,715	9,191,153	15,632,743	23,341,554

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

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 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 nine months ended September 30, 2021								
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	22,760,338	22,760,338
Other comprehensive income - net of tax	-	2,830,072	-	(2,252,502)	1,119	2,527	-	581,216
Total comprehensive income for the nine months ended September 30, 2021	-	2,830,072	-	(2,252,502)	1,119	2,527	22,760,338	23,341,554
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(2,641)	-	2,641	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(36,244)	-	36,244	-
Transfer to statutory reserve	-	-	2,276,034	-	-	-	(2,276,034)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - December 31, 2020 declared subsequent to the year end at Rs. 9.5 per share	-	-	-	-	-	-	(11,629,707)	(11,629,707)
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)
	-	-	-	-	-	-	(21,423,145)	(21,423,145)
Balance as at September 30, 2021 (Un-audited)	12,241,797	29,838,537	37,541,637	402,430	24,946,968	3,440	81,016,507	185,991,316
Total comprehensive income for the three months ended December 31, 2021								
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	8,121,785	8,121,785
Other comprehensive income - net of tax	-	1,526,114	-	(2,443,430)	15,152,700	6,749	1,184,032	15,426,165
Total comprehensive income for the three months ended December 31, 2021	-	1,526,114	-	(2,443,430)	15,152,700	6,749	9,305,817	23,547,950
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(474)	-	474	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(12,054)	-	12,054	-
Transfer to statutory reserve	-	-	812,179	-	-	-	(812,179)	-
Transactions with owners, recorded directly in equity								
Interim cash dividend - September 30, 2021 declared at Rs 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
	-	-	-	-	-	-	(4,896,719)	(4,896,719)
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 nine months ended September 30, 2022								
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	18,761,830	18,761,830
Other comprehensive income - net of tax	-	14,329,899	-	(17,343,461)	(105,336)	(10,189)	-	(3,129,087)
Total comprehensive income for the nine months ended September 30, 2022	-	14,329,899	-	(17,343,461)	(105,336)	(10,189)	18,761,830	15,632,743
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(102,988)	-	102,988	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(95,829)	-	95,829	-
Transfer to statutory reserve	-	-	1,876,183	-	-	-	(1,876,183)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - December 31, 2021 declared subsequent to the year end at Rs. 6.0 per share	-	-	-	-	-	-	(7,345,078)	(7,345,078)
Interim cash dividend - March 31, 2022 declared at Rs.5.0 per share	-	-	-	-	-	-	(6,120,899)	(6,120,899)
Interim cash dividend - June 30, 2022 declared at Rs.4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
Balance as at September 30, 2022 (Un-audited)	12,241,797	45,694,550	40,229,999	(19,384,461)	39,782,987	-	83,347,722	201,912,594

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

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	January - September 2022	January - September 2021
	---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	50,653,052	39,324,050
Less: Dividend income	1,473,559	1,421,194
	49,179,493	37,902,856
Adjustments:		
Depreciation on fixed assets	2,615,416	2,111,581
Depreciation on Islamic financing against leased assets (Ijarah)	113,018	128,364
Depreciation on right-of-use assets	1,546,089	1,417,961
Depreciation on non-banking assets acquired in satisfaction of claims	34,561	-
Amortisation	574,493	597,556
Workers' Welfare Fund - charge	1,033,309	774,856
Provision for retirement benefits	764,125	700,466
Provision for compensated absences	73,587	126,749
(Reversal) / provision against loans and advances - net	(2,669,166)	622,824
Reversal of provision against off - balance sheet obligations - net	(42,542)	(347,861)
Provision / (reversal) for diminution in value of investments - net	8,465,687	(968,284)
Interest expense on lease liability against right-of-use assets	779,140	715,736
Gain on sale of Ijarah assets - net	1,556	(3,928)
Gain on sale of fixed assets - net	(84,674)	(30,077)
Gain on sale of non-banking assets - net	(24,250)	-
Bad debts written-off directly	26,257	30,080
Unrealised gain on revaluation of investments classified as held for trading	(15,045)	88,219
Provision / (reversal) against other assets	42,037	(97,031)
Other provisions / write-offs	97,352	345,751
	13,330,950	6,212,962
	62,510,443	44,115,818
(Increase) / decrease in operating assets		
Lendings to financial institutions	(2,563,407)	(13,970,054)
Held for trading securities	(2,449,580)	(139,759,042)
Advances	(22,400,277)	(37,437,960)
Other assets (excluding advance taxation)	(37,915,569)	(2,823,335)
	(65,328,833)	(193,990,391)
(Decrease) / increase in operating liabilities		
Bills payable	5,721,571	333,663
Borrowings	(368,606,488)	287,441,136
Deposits and other accounts	420,424,722	169,524,824
Other liabilities	23,825,549	8,847,008
	81,365,354	466,146,631
	78,546,964	316,272,058
Receipts / (payments) on account of staff retirement benefits	1,214,265	(1,902,154)
Income taxes paid	(19,728,942)	(10,711,852)
Net cash flow (used in) / generated from operating activities	60,032,287	303,658,052
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(22,680,998)	(192,323,242)
Net investments in held to maturity securities	(45,951,861)	(106,710,346)
Net investments in subsidiaries and associates	(225,000)	(216,640)
Dividend income received	1,473,559	1,502,525
Investment in fixed assets and intangible assets	(5,223,713)	(3,386,460)
Sale proceeds from disposal of fixed assets	881,858	43,152
Sale proceeds from disposal of ijarah assets	-	26,945
Sale proceeds from disposal of non banking assets	180,000	-
Sale proceeds from disposal of UBTL	258,995	-
Effect of translation of net investment in overseas branches	14,329,899	2,830,072
Net cash flow generated from / (used in) investing activities	(56,957,260)	(298,233,994)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(2,084,982)	(1,856,584)
Dividend paid	(15,354,715)	(18,877,763)
Net cash flow used in financing activities	(17,439,697)	(20,734,347)
Decrease in cash and cash equivalents	(14,364,670)	(15,310,289)
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	276,935,669	249,416,528

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

Arif Akmal Saifie	**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

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 1338 (December 31, 2021: 1,341) branches inside Pakistan including 150 (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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 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

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 no. 3 dated July 05, 2022, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2023 (for banks having asset size of Rs. 500 billion or above). The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

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 - September 2022	January - December 2022	January - December 2023
	---------- (Rupees in '000) ----------		
Increase in depreciation expense			
Leasehold improvements	84,105	108,676	96,938
Furniture and fixtures	26,720	34,859	31,887
Electrical, office and computer equipment	119,133	127,967	32,246
Decrease in depreciation expense			
Electrical, office and computer equipment - ATM	72,666	92,537	8,647
Net Impact on Profit & Loss before taxation	(157,292)	(178,965)	(152,423)

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) September 30, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	27,708,840	27,262,667
Foreign currencies	3,225,773	6,987,106
	30,934,613	34,249,773
With State Bank of Pakistan in		
Local currency current accounts	83,247,127	75,005,750
Foreign currency current accounts	5,696,791	5,312,400
Foreign currency deposit accounts	213,471	8,818,135
	89,157,389	89,136,285
With other central banks in		
Foreign currency current accounts	55,468,458	31,754,341
Foreign currency deposit accounts	5,377,207	8,148,977
	60,845,665	39,903,318
With National Bank of Pakistan in local currency current accounts	71,626,612	104,153,210
National prize bonds	98,505	494,696
	252,662,784	267,937,282
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In deposit accounts	7	6,350,000
Outside Pakistan		
In current accounts	15,358,538	8,075,999
In deposit accounts	8,914,340	8,937,058
	24,272,878	17,013,057
	24,272,885	23,363,057
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lending	-	100,000
Repurchase agreement lendings (reverse repo)	53,592,373	49,726,776
Placements with State Bank of Pakistan	672,110	1,874,300
	54,264,483	51,701,076

9. INVESTMENTS

9.1 Investments by type

	Note	September 30, 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		75,789,129	-	12,124	75,801,253	69,718,806	-	9,101	69,727,907
- Government of Pakistan Sukuks		-	-	-	-	-	-	-	-
- Pakistan Investment Bonds - fixed		1,529,112	-	3,049	1,532,161	4,883,004	-	7,053	4,890,057
- Pakistan Investment Bonds - floaters		-	-	-	-	250,697	-	128	250,825
		77,318,241	-	15,173	77,333,414	74,852,507	-	16,282	74,868,789
Available for sale securities									
Federal Government securities									
- Market Treasury Bills		230,570,022	-	(188,265)	230,381,757	462,307,400	-	(295,082)	462,012,318
- Pakistan Investment Bonds - fixed		205,820,269	-	(5,018,965)	200,801,303	106,428,744	-	(956,951)	105,471,793
- Pakistan Investment Bonds - floaters		433,207,658	-	(2,781,408)	430,426,250	365,357,391	-	(1,612,561)	363,744,830
- Government of Pakistan Sukuks		102,867,122	(160,591)	(737,063)	101,969,468	43,996,036	-	(265,635)	43,730,401
- Islamic Naya Pakistan Certificates		3,963,378	-	-	3,963,378	924,941	-	-	924,941
- Government of Pakistan Eurobonds		33,160,959	(3,281,324)	(16,924,107)	12,955,528	22,789,875	(285,929)	49,770	22,553,716
Ordinary shares									
- Listed companies		15,099,056	(5,674,390)	625,954	10,050,620	13,269,396	(4,623,052)	1,019,365	9,665,709
- Unlisted companies		791,187	(60,346)	41	730,882	790,083	(60,440)	41	729,684
Non-Government debt securities									
- Corporate Sukuks		1,387,857	-	-	1,387,857	1,452,143	-	-	1,452,143
- Term Finance Certificates		782,335	(162,335)	-	620,000	782,335	(161,996)	-	620,339
Foreign securities									
- Foreign bonds - sovereign		52,249,826	(2,170,803)	(8,899,949)	41,179,074	41,692,161	(383,468)	(1,325,534)	39,983,159
- Foreign bonds - others		1,129,758	(1,141)	(153,576)	975,040	1,187,962	(1,103)	8,036	1,194,895
Mutual Fund units		258,179	-	(50,478)	207,701	258,179	-	(15,711)	242,468
Real Estate Investment Trust units		533,453	-	119,991	653,444	458,590	-	48,360	506,950
		1,081,821,059	(11,510,931)	(34,007,826)	1,036,302,302	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		275,466,645	-	-	275,466,645	216,576,752	-	-	216,576,752
- Pakistan Investment Bonds - floaters		47,757,528	-	-	47,757,528	47,666,897	-	-	47,666,897
- Government of Pakistan Sukuks		10,002,480	-	-	10,002,480	10,002,935	-	-	10,002,935
- Government of Pakistan Eurobonds		13,367,745	(2,156,153)	-	11,211,592	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		8,965,384	(50,934)	-	8,914,450	10,580,384	(50,934)	-	10,529,450
- Term Finance Certificates		8,604,546	(69,951)	-	8,534,595	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		2,220,413	(381,358)	-	1,839,055	1,715,945	(23,356)	-	1,692,589
Foreign securities									
- Market Treasury Bills		3,557,729	-	-	3,557,729	2,682,985	-	-	2,682,985
- Foreign bonds - sovereign		42,625,812	(2,145,208)	-	40,480,604	33,578,466	(641,202)	-	32,937,264
- Foreign bonds - others		2,128,354	(2,629)	-	2,125,725	2,171,411	(11,610)	-	2,159,801
- CDC SAARC Fund		496	-	-	496	383	-	-	383
		414,699,836	(4,808,937)	-	409,890,899	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		-	-	-	-	-	-	-	-
- UBL Insurers Limited		240,000	-	-	240,000	240,000	-	-	240,000
- Khushhali Bank Limited	9.4	832,485	-	-	832,485	832,485	-	-	832,485
		1,439,125	-	-	1,439,125	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
Total Investments		1,578,823,321	(16,319,868)	(33,992,653)	1,528,510,799	1,508,018,303	(8,146,230)	(3,329,620)	1,496,542,453

		(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
	Note	------- (Rupees in '000) -------	
9.1.1 Investments given as collateral			
Market Treasury Bills		-	215,584,125
Pakistan Investment Bonds - floaters		126,738,698	232,144,261
Pakistan Investment Bonds - fixed		-	1,853,526
		126,738,698	449,581,912

The market value of securities given as collateral is Rs. 125.769 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	1,288,922	155,536
	Charge / (reversals)		
	Charge for the period / year	9,931,774	446,250
	Reversals for the period / year	(1,379,411)	(555,978)
	Reversal on disposals	(86,675)	(1,161,770)
		8,465,687	(1,271,498)
	Amounts written off	(1,580,970)	(81,384)
	Closing balance 9.5	16,319,868	8,146,230

9.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited) September 30, 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
Overseas				
Defaulted exposure	9,198,513	3,679,406	-	-
Total	9,484,098	3,964,991	285,585	285,585

9.3 The market value of securities classified as held-to-maturity as at September 30, 2022 amounted to Rs. 380,825.017 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. 8,321.380 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. The Banking operations of the subsidiary ceased on November 01, 2019 as UBTL sold materially all of its assets and liabilities held as at October 31, 2019 to EXIM Bank Tanzania Limited (Exim), in line with the Asset and Liabilities Purchase Agreement signed on May 22, 2019. The official liquidator was appointed by Board of Directors of UBTL on December 15, 2021 and after compliance of all law and regulations, proceeds has been realized and return of the Final meeting was duly filled with the Registrar of the Companies on August 12, 2022.

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) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		559,152,122	561,742,044	91,157,324	83,224,648	650,309,446	644,966,692
Islamic financing and related assets	38.2	67,801,325	43,859,593	135,583	197,330	67,936,908	44,056,923
Bills discounted and purchased		43,253,839	36,670,914	2,449,123	2,591,046	45,702,962	39,261,960
Advances - gross		670,207,286	642,272,551	93,742,030	86,013,024	763,949,316	728,285,575
Provision against advances	10.3						
- Specific		-	-	(81,280,804)	(74,703,857)	(81,280,804)	(74,703,857)
- General		(11,436,869)	(7,393,261)	-	-	(11,436,869)	(7,393,261)
		(11,436,869)	(7,393,261)	(81,280,804)	(74,703,857)	(92,717,673)	(82,097,118)
Advances - net of provision		658,770,417	634,879,290	12,461,226	11,309,167	671,231,643	646,188,457

10.1 Particulars of advances - gross

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
In local currency	538,846,562	531,161,298
In foreign currencies	225,102,754	197,124,277
	763,949,316	728,285,575

10.2 Advances include Rs. 93,742.030 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) September 30, 2022		(Audited) December 31, 2021	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned*	174,342	1,109	155,903	-
Substandard	3,041,157	760,037	2,398,883	595,091
Doubtful	247,677	129,363	563,051	346,746
Loss	22,819,610	21,857,630	23,945,768	22,853,989
	26,282,786	22,748,139	27,063,605	23,795,826
Overseas				
Not past due but impaired**	4,097,249	1,406,099	4,207,043	1,233,410
Overdue by:				
Upto 90 days	2,644,896	1,703,838	1,004,416	303,038
91 to 180 days	176,979	32,266	1,811,745	1,620,231
181 to 365 days	104,284	103,327	4,666,129	3,620,254
> 365 days	60,435,836	55,287,134	47,260,086	44,131,098
	67,459,244	58,532,665	58,949,419	50,908,031
Total	93,742,030	81,280,804	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

	September 30, 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	14,110,526	1,917,217	16,027,743	5,068,084	734,361	5,802,445
Charge / (reversals)						
Charge for the period / year	639,087	307,303	946,390	4,901,313	361,989	5,263,302
Reversals for the period / year	(2,503,884)	(1,111,672)	(3,615,556)	(3,048,379)	(974,933)	(4,023,312)
	(1,864,797)	(804,369)	(2,669,166)	1,852,934	(612,944)	1,239,990
Amounts charged off						
- agriculture financing	-	-	-	(257,446)	-	(257,446)
Amounts written off	(2,738,021)	-	(2,738,021)	(3,711,835)	-	(3,711,835)
Transfers - net	(2,930,760)	2,930,760	-	(3,548)	-	(3,548)
Closing balance	81,280,804	11,436,869	92,717,674	74,703,857	7,393,261	82,097,118

10.3.1 General provision represents provision amounting to Rs. 449.799 million (December 31, 2021: Rs. 402.418 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 10,987.070 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.12.363 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. 4,989.308 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) September 30, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,374,979	1,294,646
Property and equipment		61,266,530	60,166,347
Right-of-use assets		7,580,012	7,076,660
		70,221,521	68,537,653

11.1 Capital work-in-progress

Civil works	339,198	419,443
Equipment	1,035,781	875,203
	1,374,979	1,294,646

11.2 Additions to fixed assets

	(Un-audited) January - September 2022	January - September 2021
	---------- (Rupees in '000) --------	
The following additions have been made to fixed assets during the period:		
Capital work-in-progress - net additions	80,333	595,946
Property and equipment		
Leasehold improvements	340,503	285,000
Furniture and fixtures	197,408	77,571
Electrical, office and computer equipment	3,034,406	1,410,709
Vehicles	230,737	116,862
	3,803,054	1,890,142
Right-of-use assets	2,121,836	2,228,635
Total	6,005,223	4,714,723

	(Un-audited)	
	January - September 2022	January - September 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	42,500	4,726
Leasehold land	134,500	-
Leasehold Improvement	96,438	151,678
Furniture and fixtures	69,302	243
Electrical, office and computer equipment	438,203	3,000
Vehicles	16,241	8,130
	797,184	167,777
Derecognition of right-of-use assets	157,972	666,034
Total	955,156	833,811

11.4 During the period, the Bank has reviewed the useful lives of its fixed assets. This review has resulted in a change in the useful lives of these assets. The effect of these changes are presented in note 4 to the unconsolidated condensed interim financial statements.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
12. INTANGIBLE ASSETS	------- (Rupees in '000) -----	
Capital work-in-progress - Computer software	702,050	604,751
Intangible assets - Computer software	1,585,319	1,626,514
	2,287,369	2,231,265

	(Un-audited)	
	January - September 2022	January - September 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	97,298	253,825
Directly purchased - Intangible assets	511,984	421,465
	609,282	675,290

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
13. DEFERRED TAX ASSETS	------- (Rupees in '000) -------	
Deductible temporary differences on		
Provision against advances and off balance sheet obligations	5,690,974	5,172,302
Deficit on revaluation of investments	14,623,365	1,304,902
Post retirement employee benefits	702,079	716,805
Workers' Welfare Fund	2,678,338	2,231,742
Others	(53,550)	36,404
	23,641,206	9,462,155
Taxable temporary differences on		
Surplus on revaluation of fixed assets / non-banking assets	(1,743,737)	(1,683,947)
Accelerated tax depreciation	(621,344)	(573,933)
	(2,365,081)	(2,257,880)
	21,276,125	7,204,275

14. OTHER ASSETS	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
Income / mark-up accrued in local currency		49,550,766	25,128,445
Income / mark-up accrued in foreign currencies	14.1	4,231,378	2,771,265
Advance taxation - net of provision for taxation	20.1	-	4,144,088
Receivable from staff retirement fund		7,890	2,077,069
Receivable from other banks against telegraphic transfers and demand drafts		35,000	365,000
Unrealised gain on forward foreign exchange contracts		6,292,321	4,069,229
Rebate receivable - net		2,630,217	652,112
Unrealised gain on derivative financial instruments		-	8,476
Suspense accounts		142,340	158,508
Stationery and stamps on hand		312,112	206,616
Non-banking assets acquired in satisfaction of claims		23,753	196,640
Advances, deposits, advance rent and other prepayments		2,812,286	1,177,703
Commission receivable - Branchless Banking		761,577	676,483
Commission receivable - Bancassurance		164,109	111,180
Receivable against fraud & forgery and looted notes		609,491	564,693
Acceptances		16,944,775	11,421,246
Others		2,702,056	1,877,987
		87,220,071	55,606,740
Provision held against other assets	14.2	(1,264,694)	(1,163,055)
Other assets - net of provisions		85,955,377	54,443,685
Surplus / (Deficit) on revaluation of non-banking assets acquired in satisfaction of claims	21	-	16,704
		85,955,377	54,460,389

14.1 Unrealised mark-up held in suspense amounting to Rs. 25,184.118 million (December 31, 2021: Rs. 16,929.481 million) against non-performing overseas advances has been netted off.

14.2 Provision held against other assets	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Advances and other receivables	54,108	54,674
Fraud & forgery and looted notes	592,033	564,693
Others	618,553	543,688
	1,264,694	1,163,055

14.2.1 Movement of provision held against other assets

Opening balance	1,163,055	1,392,976
Exchange adjustments	67,924	28,541
Charge / (reversals)		
Charge for the period / year	144,152	33,348
Reversals for the period / year	(102,115)	(201,953)
	42,037	(168,605)
Transfers out - net	(6,258)	(41,160)
Amounts written off	(2,064)	(48,697)
Closing balance	1,264,694	1,163,055

15. CONTINGENT ASSETS

There were no contingent assets as at September 30, 2022 (December 31, 2021: Nil).

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
16. BILLS PAYABLE		
In Pakistan	31,152,181	25,898,903
Outside Pakistan	1,362,360	894,067
	32,514,541	26,792,970
17. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	27,559,357	38,881,750
Refinance facility for modernization of SME	440,388	5,100
Long term financing facility	18,338,274	20,056,964
Refinance scheme for payment of wages and salaries	1,122,313	3,225,644
Renewable energy scheme	761,281	513,403
Temporary economic refinance facility	16,431,088	9,972,210
Refinance facility for combating COVID-19	451,354	390,962
Repurchase agreement borrowings	125,000,000	417,755,950
Financing facility for storage of agriculture products	51,563	-
Refinance for women entrepreneurs	28,091	18,487
	190,183,709	490,820,470
Repurchase agreement borrowings from other banks	1,661,200	54,783,321
	191,844,909	545,603,791
Unsecured		
Call borrowings	2,284,611	15,885,337
Overdrawn nostro accounts	548,742	1,795,622
Other borrowings	-	-
	2,833,353	17,680,959
	194,678,262	563,284,750

18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 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	4,573,516	15,054,537	19,628,053	2,528,236	6,001,961	8,530,197
Current accounts - non-remunerative	723,519,002	163,191,561	886,710,563	633,109,393	117,505,435	750,614,828
Savings deposits	601,491,602	60,610,692	662,102,294	574,380,924	48,883,320	623,264,244
Term deposits	280,812,120	149,167,385	429,979,505	134,138,693	135,909,226	270,047,919
Sundry deposits	38,502,596	1,248,764	39,751,360	9,313,881	1,283,385	10,597,266
Margin deposits	6,504,092	4,838,995	11,343,087	4,356,837	3,149,326	7,506,163
	1,655,402,928	394,111,935	2,049,514,863	1,357,827,964	312,732,653	1,670,560,617
Financial Institutions						
Current deposits	26,211,367	3,883,429	30,094,796	35,723,146	3,186,112	38,909,258
Saving deposits	75,799,805	388,691	76,188,496	16,824,931	54,784	16,879,715
Term deposits	9,680,150	5,890,181	15,570,331	18,612,650	5,981,525	24,594,175
	111,691,322	10,162,301	121,853,623	71,160,727	9,222,421	80,383,148
	1,767,094,250	404,274,237	2,171,368,487	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. 1,180,836.356 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,

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
20. OTHER LIABILITIES		------- (Rupees in '000) -------	
Mark-up / return / interest payable in local currency		29,397,589	15,032,556
Mark-up / return / interest payable in foreign currencies		1,258,260	863,563
Accrued expenses		4,071,198	4,416,101
Branch adjustment account		1,281,285	479,517
Deferred income		1,050,984	997,320
Current taxation (provisions less payments)	20.1	8,969,168	-
Unearned commission and income on bills discounted		185,499	231,988
Provision against off-balance sheet obligations	20.2	875,705	730,630
Unrealised loss on forward foreign exchange contracts		3,448,694	1,156,024
Unrealised loss on derivative financial instruments		33,943	-
Liability against trading of securities		-	1,521,590
Provision for post-retirement medical benefits		2,224,678	2,175,874
Payable to staff retirement fund		-	103,685
Provision for compensated absences		774,498	835,134
Deferred liabilities		688,894	590,579
Workers' Welfare Fund payable		6,555,725	5,522,416
Liabilities against ATM settlement		2,580,603	40,996
Insurance payable against consumer assets		404,064	477,866
Dividends payable		5,755,671	2,762,515
Unclaimed dividends		306,966	292,141
Acceptances		16,944,775	11,421,246
Charity fund balance		6,415	4,039
Lease liability against right-of-use assets		9,144,525	8,412,023
Levies and taxes payable		2,409,939	3,017,195
Others		1,840,025	1,416,877
		100,209,103	62,501,875

20.1 The Income Tax returns of the Bank have been filed up to the tax year 2021 (accounting 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 2021, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.14,668 million (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

The tax returns for Gilgit Baltistan (GB) branches have been filed upto the tax year 2022 (financial year 2021) and Azad Kashmir (AK) Branches have been filed upto the tax year 2021 (financial year 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

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 (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, 2021 under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

		Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
20.2	**Provision against off-balance sheet obligations**		------- (Rupees in '000) -------	
	Opening balance		730,630	1,065,233
	Exchange adjustments		198,463	14,927
	Charge / (reversal)			
	Charge for the period / year		6,337	8,819
	Reversals for the period / year		(48,879)	(353,069)
			(42,542)	(344,250)
	Transfers out - net		(10,846)	(5,280)
	Closing balance		875,705	730,630
21.	**SURPLUS ON REVALUATION OF ASSETS**			
	(Deficit) / surplus arising on revaluation of:			
	- Available for sale securities	9.1	(34,007,826)	(3,345,902)
	- Fixed assets		41,526,724	41,764,572
	- Non-banking assets acquired in satisfaction of claims	14	-	16,704
			7,518,898	38,435,374
	Deferred tax on (deficit) / surplus on revaluation of:			
	- Available for sale securities		(14,623,365)	(1,304,902)
	- Fixed assets		1,743,737	1,677,432
	- Non-banking assets acquired in satisfaction of claims		-	6,515
			(12,879,628)	379,045
			20,398,526	38,056,329
22.	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	22.1	212,131,991	167,884,838
	Commitments	22.2	1,222,332,528	947,939,838
	Other contingent liabilities	22.3	15,387,155	16,452,188
			1,449,851,674	1,132,276,864
22.1	**Guarantees:**			
	Financial guarantees		87,263,375	55,725,856
	Performance guarantees		124,662,803	107,821,730
	Other guarantees		205,813	4,337,252
			212,131,991	167,884,838
22.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		247,263,582	169,653,706
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.2	786,768,587	652,382,419
	- forward Government securities transactions	22.2.3	17,678,000	11,780,000
	- derivatives	22.2.4	5,154,386	1,808,940
	- forward lending	22.2.5	160,740,965	109,605,370
	- operating leases	22.2.6	107,490	99,911
			970,449,428	775,676,640
	Commitments for acquisition of:			
	- fixed assets		3,045,421	1,049,017
	- intangible assets		1,574,097	1,560,475
			4,619,518	2,609,492
			1,222,332,528	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) September 30, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
22.2.2	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		422,412,269	350,490,749
	Sale		364,356,318	301,891,670
			786,768,587	652,382,419
22.2.3	**Commitments in respect of forward Government securities transactions**			
	Purchase		17,678,000	9,081,000
	Sale		-	2,699,000
			17,678,000	11,780,000
22.2.4	**Commitments in respect of derivatives**			
	Cross Currency Swaps		202,100	-
	FX options			
	Purchase		2,476,143	904,470
	Sale		2,476,143	904,470
			4,952,286	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	101,483,841	63,017,022
	Others		59,257,124	46,588,348
			160,740,965	109,605,370

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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		107,243	99,661
	Later than one year and not later than five years		22	22
	Later than five years		225	228
			107,490	99,911
22.3	**Other contingent liabilities**			
22.3.1	Claims against the Bank not acknowledged as debts		11,297,852	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 20.1.

23. Derivative Instruments

Product analysis

	September 30, 2022 (Un-audited)									
	FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market Loss	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	2,476,143	-	-	-	17,678,000	479	-	-	20,154,143	479
Market making	2,476,143	-	202,100	(34,422)	-	-	-	-	2,678,243	(34,422)
	4,952,286	-	202,100	(34,422)	17,678,000	479	-	-	22,832,386	(33,943)

	December 31, 2021 (Audited)									
	FX options		Cross Currency Swaps		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	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 - September 2022	January - September 2021
24. MARK-UP / RETURN / INTEREST EARNED		------- (Rupees in '000) -------	
On:			
Loans and advances		47,418,608	28,578,055
Investments		122,872,526	78,929,826
Lendings to financial institutions		5,141,179	1,163,774
Balances with banks		874,037	386,683
		176,306,350	109,058,338
25. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		72,881,696	41,601,747
Borrowings		26,544,421	10,078,686
Subordinated debt		1,075,721	667,666
Cost of foreign currency swaps against foreign currency deposits / borrowings		2,251,660	2,305,017
Lease liability against right-of-use assets		779,140	715,736
		103,532,638	55,368,852
26. FEE AND COMMISSION INCOME			
Branch banking customer fee		1,771,407	1,226,024
Consumer finance related fee		861,309	815,998
Card related fee (debit and credit cards)		2,267,001	1,783,705
Investment banking fee		231,524	456,124
Financial Institution rebate / commission		427,421	258,034
Corporate service charges / facility fee		564,493	375,409
Commission on trade		801,318	534,031
Commission on guarantees		516,658	428,422
Commission on cash management		828,035	710,891
Commission on remittances including home remittances - net		1,892,884	1,657,121
Commission on bancassurance		1,157,366	1,179,826
Rent on lockers		150,349	143,817
Others		222,272	152,897
		11,692,037	9,722,299
27. GAIN ON SECURITIES - NET			
Realised	27.1	651,913	3,353,992
Unrealised - held for trading		15,045	(88,219)
		666,958	3,265,773

		(Un-audited)	
		January - September 2022	January - September 2021
		------- (Rupees in '000) -------	
27.1	**Realised gain / (loss) on:**		
	Federal Government securities	560,541	1,052,779
	Shares	25,859	492,257
	Foreign securities	65,513	1,808,972
	Other securities	-	(16)
		651,913	3,353,992
28.	**OTHER INCOME**		
	Charges recovered	296,323	196,651
	Rent on properties	50,547	55,913
	Gain on sale of fixed assets - net	84,674	30,077
	Gain on sale of non-banking assets - net	24,250	-
	Gain / (loss) on sale of Ijarah assets - net	(1,556)	3,928
	Gain / (loss) on trading liabilities - net	204,584	(17,345)
		658,822	269,224
29.	**OPERATING EXPENSES**		
	Total compensation expense	14,373,484	12,381,219
	Property expense		
	Rent and taxes	762,588	815,930
	Insurance	201,304	164,589
	Utilities cost	1,891,868	1,157,789
	Security (including guards)	897,513	755,258
	Repair and maintenance (including janitorial charges)	247,786	133,731
	Depreciation on owned fixed assets	876,332	602,675
	Depreciation on right-of-use assets	1,546,089	1,417,961
	Depreciation on non-banking assets acquired in satisfaction of claims	34,561	-
	Others	30,907	30,376
		6,488,948	5,078,309
	Information technology expenses		
	Software maintenance	1,594,934	1,206,271
	Hardware maintenance	357,283	272,738
	Depreciation	706,749	593,767
	Amortisation	574,493	597,556
	Network charges	539,801	543,503
		3,773,260	3,213,835
	Other operating expenses		
	Directors' fee and allowances	64,200	49,950
	Fee and allowances to Shariah Board	5,670	7,422
	Legal and professional charges	987,266	487,851
	Outsourced service costs	1,173,832	973,928
	Commission paid to branchless banking agents	277,743	311,272
	Commission paid to sales force	1,199,681	989,473
	Travelling and conveyance	124,796	66,259
	Clearing charges	181,334	156,481
	Depreciation - others	1,032,335	915,139
	Depreciation on Islamic financing against leased assets	113,018	128,364
	Training and development	54,142	12,021
	Postage and courier charges	314,156	269,041
	Communication	275,167	301,988
	Stationery and printing	698,993	571,355
	Marketing, advertisement and publicity	700,109	451,004
	Donations	137,600	109,986
	Auditors' remuneration	79,655	58,701
	Insurance	75,528	68,573
	Deposit protection premium expense	1,294,385	1,190,026
	Cash transportation and sorting charges	659,756	613,581
	Entertainment	151,675	117,521
	Banking service charges	2,187,381	1,495,130
	Repairs and maintenance	675,548	540,642
	Miscellaneous expenses	672,701	643,248
		13,136,671	10,528,956
		37,772,363	31,202,319

		(Un-audited)	
		January - September 2022	January - September 2021
30.	**OTHER CHARGES**	---------- (Rupees in '000) ----------	
	Penalties imposed by the SBP	15,526	73,018
	Penalties imposed by other regulatory bodies of overseas branches	2,263	12,892
		17,789	85,910
31.	**PROVISIONS AND WRITE-OFFS - NET**		
	Provision / (reversal) for diminution in value of investments - net	8,465,687	(968,284)
	(Reversal) / provision against loans and advances - net	(2,669,166)	980,236
	Bad debts written off directly	26,257	30,080
	Provision / (reversal) against other assets - net	42,037	(97,031)
	Provision / (reversal) of provision against off-balance sheet obligations - net	(42,542)	(347,861)
	Recovery of written-off / charged off bad debts	(503,308)	(357,412)
	Other provisions / write-offs	97,352	345,751
		5,416,317	(414,521)
32.	**TAXATION**		
	Current	29,161,172	16,565,493
	Prior years	3,681,026	(189,297)
	Deferred	(950,976)	187,516
		31,891,222	16,563,712
33.	**EARNINGS PER SHARE**		
	Profit after taxation for the period	18,761,830	22,760,338
		------- (Number of shares) -------	
	Weighted average number of ordinary shares	1,224,179,687	1,224,179,687
		---------- (Rupees) ----------	
	Earnings per share - basic and diluted	15.33	18.59

There were no convertible dilutive potential ordinary shares outstanding as at September 30, 2022 and September 30, 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:

	September 30, 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	1,057,831,098	-	1,057,831,098	-	1,057,831,098
- Foreign bonds - sovereign	41,179,074	-	41,179,074	-	41,179,074
- Foreign bonds - others	975,040	-	975,040	-	975,040
- Ordinary shares of listed companies	10,050,620	10,050,620	-	-	10,050,620
- Mutual Fund units	207,701	-	207,701	-	207,701
- Non-Government debt securities	2,007,857	-	2,007,857	-	2,007,857
- Real Estate Investment Trust units	653,444	653,444	-	-	653,444
	1,112,904,834	10,704,064	1,102,200,770	-	1,112,904,834
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	344,438,245	-	322,410,900	-	322,410,900
- Foreign Bonds - Market Treasury Bills	3,557,729	-	3,557,729	-	3,557,729
- Foreign Bonds - sovereign	40,480,604	-	34,350,429	-	34,350,429
- Foreign Bonds - others	2,125,725	-	1,969,294	-	1,969,294
- Non-Government debt securities	19,288,100	-	18,536,665	-	18,536,665
	409,890,403	-	380,825,017	-	380,825,017
	1,522,795,237	10,704,064	1,483,025,788	-	1,493,729,851
Off-balance sheet financial instruments measured at fair value					
Foreign exchange contracts - purchased and sold	786,768,587	-	2,843,627	-	2,843,627
Cross currency swaps	202,100	-	(34,422)	-	(34,422)
FX options - purchased and sold	4,952,286	-	-	-	-
Forward Government Securities - purchased and sold	17,678,000	-	479	-	479

	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

	September 30, 2022 (Un-audited)				
	Carrying value	Fair value			
`		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	52,069,359	-	-	52,069,359	52,069,359
Non-banking assets acquired in satisfaction of claims	23,753	-	-	23,753	23,753
	52,093,112	-	-	52,093,112	52,093,112

	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 nine months ended September 30, 2022 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Profit and Loss							
Net mark-up / return / profit	28,735,586	85,747,056	(54,349,429)	6,039,634	7,565,316	(964,451)	72,773,712
Inter segment (expense) / revenue - net	(26,604,828)	(98,604,672)	118,025,032	-	-	7,184,468	-
Non mark-up / return / interest income	3,587,999	6,892,865	8,147,798	360,731	2,106,762	1,022,963	22,119,118
Total Income	5,718,757	(5,964,751)	71,823,401	6,400,365	9,672,078	7,242,980	94,892,830
Segment direct expenses	1,007,928	172,408	24,715,327	1,951,637	4,452,344	6,523,817	38,823,461
Inter segment expense allocation	188,160	66,174	5,607,088	-	332,129	(6,193,551)	-
Total expenses	1,196,088	238,582	30,322,415	1,951,637	4,784,473	330,266	38,823,461
Provision charge / (reversal) - net	614,809	(1,038,994)	665,569	(12,664)	(3,725,715)	(1,919,322)	(5,416,317)
Profit / (loss) before taxation	5,137,478	(7,242,327)	42,166,555	4,436,064	1,161,890	4,993,392	50,653,052

	For the nine months ended September 30, 2021 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Profit and Loss							
Net mark-up / return / profit	17,931,147	58,490,909	(31,372,333)	3,267,488	5,822,084	(449,809)	53,689,486
Inter segment (expense) / revenue - net	(14,395,626)	(52,412,399)	62,493,577	-	-	4,314,448	-
Non mark-up / return / interest income	2,358,406	3,325,855	6,716,266	263,412	3,915,316	703,873	17,283,128
Total Income	5,893,927	9,404,365	37,837,510	3,530,900	9,737,400	4,568,512	70,972,614
Segment direct expenses	931,932	489,431	20,257,911	1,308,141	3,535,163	5,540,507	32,063,085
Inter segment expense allocation	339,433	60,543	4,527,465	-	406,223	(5,333,664)	-
Total expenses	1,271,365	549,974	24,785,376	1,308,141	3,941,386	206,843	32,063,085
Provision charge / (reversal) - net	(231,351)	(614,275)	(597,602)	52,475	955,867	20,365	(414,521)
Profit before taxation	4,853,913	9,468,666	13,649,736	2,170,284	4,840,147	4,341,304	39,324,050

	As at September 30, 2022 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Balance Sheet							
Cash & Bank balances	12,435	76,325,093	94,880,372	22,924,568	82,793,201	-	276,935,669
Investments	9,364,409	1,273,977,690	-	124,682,765	115,422,309	5,063,626	1,528,510,799
Net inter segment lending	-	-	1,466,968,862	37,187,172	-	97,727,753	1,601,883,787
Lendings to financial institutions	-	53,592,373	-	-	-	672,110	54,264,483
Advances - performing	406,230,793	68,464	51,961,687	67,714,161	129,410,969	3,384,343	658,770,417
Advances - non-performing net	2,848,494	38,134	553,420	46,249	8,928,223	46,706	12,461,226
Others	35,496,192	40,953,909	21,813,504	7,984,555	18,239,999	55,252,233	179,740,392
Total Assets	453,952,323	1,444,955,663	1,636,177,845	260,539,470	354,794,701	162,146,771	4,312,566,773

	As at September 30, 2022 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Borrowings	51,651,659	127,209,942	5,321,783	8,210,267	2,284,611	-	194,678,262
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	82,415,583	136,199	1,556,673,368	233,857,883	297,718,073	567,381	2,171,368,487
Net inter segment borrowing	282,076,887	1,319,216,878	-	-	590,022	-	1,601,883,787
Others	35,733,714	5,165,001	62,415,317	4,326,530	9,214,157	15,868,925	132,723,644
Total Liabilities	451,877,843	1,451,728,020	1,624,410,468	246,394,680	309,806,863	26,436,306	4,110,654,180
Equity	2,074,476	(6,772,357)	11,767,377	14,144,790	44,987,838	135,710,470	201,912,594
Total Equity & liabilities	453,952,319	1,444,955,663	1,636,177,845	260,539,470	354,794,701	162,146,776	4,312,566,774
Contingencies and Commitments	334,421,176	382,163,629	90,542,503	8,910,338	630,949,960	2,864,068	1,449,851,674

	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	-	-	1,200,813,673	3,061,160	-	73,725,465	1,277,600,298
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	1,397,644,128	156,952,132	308,842,454	147,152,651	3,895,766,205
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	307,488,592	969,169,066	-	-	942,640	-	1,277,600,298
Others	13,535,713	2,137,056	50,355,842	3,344,877	7,199,334	12,722,023	89,294,845
Total Liabilities	431,466,657	1,445,943,506	1,386,194,897	148,593,314	256,042,043	22,883,241	3,691,123,658
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	435,227,789	1,450,084,770	1,395,854,914	158,603,627	308,842,454	147,152,651	3,895,766,205
			1,789,214			-	
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:

	As at September 30, 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	-	-	-	973,952	-	-
In deposit accounts	-	-	-	2,284,521	-	-
	-	-	-	3,258,473	-	-
Lendings to financial institutions						
Opening balance	-	-	-	-	-	2,355,115
Addition during the period	-	-	-	-	-	3,996,304
Repaid during the period	-	-	-	-	-	(4,852,216)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	1,499,203
Investments						
Opening balance	-	-	-	3,687,156	1,799,125	4,654,611
Investment made during the period	-	-	-	-	3,225,000	-
Investment disposed during the period	-	-	-	(142,095)	(3,000,000)	(131,107)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	3,545,061	2,024,125	4,523,504
Provision for diminution in value of investments	-	-	-	-	-	945,969
Provision written off	-	-	-	1,580,970	-	-
Advances						
Opening balance	-	645	277,816	-	-	1,768
Addition during the period	-	9	103,658	-	-	23,377,697
Repaid during the period	-	(648)	(108,033)	-	-	(3,563,209)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	6	273,441	-	-	19,816,256
Provision held against advances	-	-	-	-	-	-
Other Assets						
Income / mark-up accrued	-	-	-	5,336	14,078	762,101
Receivable from staff retirement fund	-	-	-	-	-	7,890
Prepaid insurance	-	-	-	-	185,105	-
Dividend Receivable	-	-	-	-	-	-
Other receivable	-	-	-	4,785	-	-
Provision written off	-	-	-	-	-	-
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	-	-	-	1,769,000
Settled during the period	-	-	-	-	-	(107,800)
Closing balance	-	-	-	-	-	1,661,200
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	19,125	32,699,909	926,686	18,616,567	139,679,652	252,146,059
Withdrawn during the period	(22,432)	(30,593,377)	(894,556)	(18,656,171)	(133,008,868)	(258,086,961)
Transfers in - net	-	-	-	-	-	-
Closing balance	15,294	9,875,816	98,307	188,393	8,879,938	10,210,268

	As at September 30, 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	-	45,613	-	-	46,410	57,807
Dividend payable	5,685,560	151,123	-	-	-	39,550
Payable to staff retirement fund	-	-	-	-	-	-
Unearned income	-	-	-	1,109	-	1,950
Other payable	-	-	-	-	4,768	-
Contingencies and Commitments						
Letter of guarantee	-	-	-	6,854	-	-

	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 during the period	-	-	-	(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 nine months ended September 30, 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	-	-	11,789	5,336	76,304	160,812
Commission / charges recovered	-	34	875	552	24,286	9,746
Dividend income	-	-	-	505,355	49,878	215,053
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	1,996	-	17,557
Gain on sale of fixed assets	-	-	715	-	1,454	-
Reversal of provision	-	-	-	(107,941)	-	-
Switch revenue	-	-	-	-	-	200,992
Management fee	-	-	-	38,830	-	-

	For the nine months ended September 30, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Expense						
Mark-up / return / interest paid	825	459,215	3,994	4,371	272,355	585,958
Remuneration paid	-	-	693,397	-	-	-
Post employment benefits	-	-	8,285	-	-	-
Directors' fees and allowances	-	69,617	-	-	-	-
Charge for defined contribution plans	-	-	17,803	-	-	327,412
Charge for defined benefit plans	-	-	-	-	-	436,713
Other expenses	-	-	-	-	-	178,140
Clearing charges	-	-	-	-	-	115,186
Seminar and Membership fees	-	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	6,406
Other Information						
Dividend paid	6,127,770	172,327	5,811	-	88,801	1,527,244
Insurance premium paid	-	-	-	-	532,495	-
Insurance claims settled	-	-	-	-	325,190	-

	For the nine months ended September 30, 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	-	-	10,062	2,271	27,034	383,358
Commission / charges recovered	22	232	1,673	1,016	19,933	17,825
Dividend income	-	-	-	434,550	28,481	421,912
Net gain on sale of securities	-	78	-	-	-	-
Other income	-	-	7,397	1,485	-	16,077
Gain on sale of fixed assets	-	-	-	-	-	-
Reversal of provision	-	-	-	-	-	142,388
Switch revenue	-	-	-	-	-	176,757
Management fee	-	-	-	10,101	-	-
Expense						
Mark-up / return / interest paid	269	257,972	251	7,143	43,874	817,700
Remuneration paid	-	-	722,012	-	-	-
Post employment benefits	-	-	19,848	-	-	-
Directors' fees and allowances	-	49,950	-	-	-	-
Charge for defined contribution plans	-	-	-	-	-	295,507
Charge for defined benefit plans	-	-	-	-	-	236,932
Other expenses	-	-	-	-	-	66,500
Clearing charges	-	-	-	-	-	109,475
Seminar and Membership fees	-	-	-	-	-	17,022
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	44,100
Custody charges	-	-	-	-	-	-
Other Information						
Dividend paid	2,147,878	57,753	1,657	-	18,310	543,598
Insurance premium paid	-	-	-	-	505,181	-
Insurance claims settled	-	-	-	-	358,713	-

	(Un-audited) September 30, 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	123,590,669	130,899,755
Eligible Additional Tier 1 (ADT 1) Capital	9,825,628	9,825,628
Total Eligible Tier 1 Capital	133,416,297	140,725,383
Eligible Tier 2 Capital	45,417,492	45,533,655
Total Eligible Capital (Tier 1 + Tier 2)	178,833,789	186,259,038
Risk Weighted Assets (RWAs):		
Credit Risk	720,580,257	622,392,344
Market Risk	85,208,353	75,576,397
Operational Risk	166,790,557	166,790,557
Total	972,579,167	864,759,298
Common Equity Tier 1 Capital Adequacy Ratio	12.71%	15.14%
Tier 1 Capital Adequacy Ratio	13.72%	16.27%
Total Capital Adequacy Ratio	18.39%	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 period ended September 30, 2022 stood at Rs.12,241.797 million (December 31, 2022: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.

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

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 September 30, 2022. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 18.39% whereas CET 1 and Tier 1 ratios stood at 12.71% and 13.72% respectively.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	133,416,297	140,725,383
Total Exposures	3,264,651,267	3,498,758,906
Leverage Ratio	4.09%	4.02%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	918,093,961	1,597,732,985
Total Net Cash Outflow	280,640,974	476,786,878
Liquidity Coverage Ratio	327.14%	335.10%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,198,877,476	2,409,606,992
Total Required Stable Funding	1,210,193,058	1,341,535,238
Net Stable Funding Ratio	181.70%	179.62%

38. ISLAMIC BANKING BUSINESS

The Bank operates 150 (December 31, 2021: 145) Islamic Banking branches and 197 (December 31, 2021: 197) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		--------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks		22,288,762	13,367,864
Balances with other banks		635,806	7,049,825
Due from financial institutions		-	-
Investments	38.1	124,682,765	87,124,858
Islamic financing and related assets - net	38.2	67,760,410	43,855,127
Fixed assets		1,376,947	1,289,983
Intangible assets		313	2,084
Due from Head Office		37,187,172	4,712,655
Other assets		6,607,295	1,201,231
		260,539,470	158,603,627
LIABILITIES			
Bills payable		1,701,673	1,672,972
Due to financial institutions		8,210,267	5,714,199
Deposits and other accounts	38.3	233,857,883	139,534,238
Other liabilities		2,624,857	1,671,905
		246,394,680	148,593,314
NET ASSETS		14,144,790	10,010,313
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		(567,222)	(265,635)
Unappropriated profit	38.4	12,531,012	8,094,948
		14,144,790	10,010,313
CONTINGENCIES AND COMMITMENTS	38.5		

PROFIT AND LOSS ACCOUNT		(Un-audited) January - September 2022	January - September 2021
		--------- (Rupees in '000) ---------	
Profit / return earned	38.6	13,948,407	6,596,468
Profit / return expensed	38.7	7,908,773	3,328,980
Net profit / return		6,039,634	3,267,488
Other income			
Fee and commission income		254,480	213,100
Foreign exchange income		77,089	30,608
Loss on securities - net		-	(736)
Other income		29,162	20,440
Total other income		360,731	263,412
Total Income		6,400,365	3,530,900
Other expenses			
Other operating expenses		1,951,637	1,308,141
Profit before provisions		4,448,728	2,222,759
Provisions / (reversal) and write-offs - net		12,664	52,475
Profit before taxation		4,436,064	2,170,284
Taxation		2,770,322	846,411
Profit after taxation		1,665,742	1,323,873

38.1 Investments by segments

	Note	As at September 30, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
		Cost / Amortised cost	Provision	Deficit	Carrying Value	Cost / Amortised cost	Provision	Deficit	Carrying Value
		(Rupees in '000)							
Federal Government Securities									
- Ijarah Sukuks		102,519,679	-	(567,222)	101,952,457	53,998,970	-	(265,635)	53,733,335
- Islamic Naya Pakistan Certificates		3,963,378	-	-	3,963,378	924,941	-	-	924,941
- Bai muajjal with Govt. of Pakistan	38.1.1	-	-	-	-	21,214,989	-	-	21,214,989
		106,483,057	-	(567,222)	105,915,835	76,138,900	-	(265,635)	75,873,265
Non Government Debt Securities									
- Listed		561,607	-	-	561,607	657,143	-	-	657,143
- Unlisted		18,205,323	-	-	18,205,323	10,594,450	-	-	10,594,450
		18,766,930	-	-	18,766,930	11,251,593	-	-	11,251,593
		125,249,987	-	(567,222)	124,682,765	87,390,493	-	(265,635)	87,124,858

38.1.1 Bai Muajjal with Government of Pakistan

	(Un-audited) September 30, 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

38.2 Islamic financing and related assets

Ijarah	276,255	376,317
Murabaha	500,618	263,312
Musharakah	26,156,120	12,401,891
Diminishing Musharakah	23,316,395	20,091,403
Mera Pakistan Mera Ghar (MPMG)	4,801,584	832,542
Istisna	82,567	80,112
Islamic Export Refinance scheme - Musharakah	4,897,905	4,598,162
Islamic Export Refinance scheme - Istisna	437,233	542,915
Advances against Islamic assets		
Advances against Ijarah	63,044	6,528
Advances for Diminishing Musharakah	1,320,836	1,941,910
Advances for Murabaha	93,498	100,346
Advances against MPMG	578,304	1,343,196
Advances for Istisna	595,613	407,065
Advances against Ameen ITERF	3,442,919	463,846
Inventory related to Islamic financing		
Istisna	6,580	136,399
Profit and other receivables against financings	1,367,437	470,979
Gross Islamic financing and related assets	67,936,908	44,056,923
Less: Provision against Islamic financings		
- Specific	(89,334)	(131,139)
- General	(87,164)	(70,657)
	(176,498)	(201,796)
Islamic financing and related assets - net of provision	67,760,410	43,855,127

38.3 Deposits and other accounts

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
Customers		
Current deposits	89,231,625	74,840,685
Saving deposits	39,326,385	26,341,608
Term deposits	32,216,362	9,833,547
	160,774,372	111,015,840
Financial Institutions		
Current deposits	5,639,064	11,355,282
Saving deposits	57,884,447	4,113,116
Term deposits	9,560,000	13,050,000
	73,083,511	28,518,398
	233,857,883	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. 103,940.329 million (December 31, 2021: Rs. 87,997.015 million).

38.4 Islamic Banking Business Unappropriated Profit

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
Opening Balance	8,094,948	4,625,774
Profit for the period / year	4,436,064	3,469,174
	12,531,012	8,094,948
Taxation	(2,770,322)	(1,414,045)
Closing Balance	9,760,690	6,680,903

38.5 Contingencies and commitments

- Guarantees	125,087	400
- Commitments	8,785,251	14,347,212
	8,910,338	14,347,612

	(Un-audited) January - September 2022	January - September 2021
38.6 Profit / Return earned	---------- (Rupees in '000) ----------	
On:		
Financing	4,925,431	1,750,968
Investments	8,432,273	4,429,831
Placements	423,022	252,241
Rental Income from Ijarah	167,681	163,428
	13,948,407	6,596,468
38.7 Profit / Return expensed		
On:		
Deposits and other accounts	7,664,317	3,204,910
Due to Financial Institutions	158,088	51,452
Others	86,368	72,618
	7,908,773	3,328,980

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

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

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

The Mudarib's share on Deposits for the period ended Sep 30, 2022 is Rs.3,671.71 million (37.59% of distributable profit of Mudarabah Pool). of this, an amount of Rs.1,605.76 million (43.74% of Mudarib share) was distributed back to depositors as General Hiba. The rate of profit earned on average earning assets was 13.31% per annum and the rate of profit paid on average deposits was 10.51% 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 nine months ended September 30, 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	9	Mudarbaha	Monthly	10.22%	43.85%	114,422	7.44%	36.44%	41,697
Special Pools	125	Mudarbaha	Monthly	13.15%	14.57%	491,654	11.67%	38.17%	187,642
IERS Pools	18	Musharkah	Monthly	10.42%	89.53%	1,009,658	3.29%	0.00%	-
FCY Pools	18	Mudarbaha	Monthly	2.13%	50.00%	3,309	1.06%	0.00%	-
General Pools	9	Mudarbaha	Monthly	13.38%	50.00%	3,065,095	9.69%	44.91%	1,376,423
Treasury Pools	6	Musharkah	Monthly	10.61%	5.42%	356	10.08%	0.00%	0

For the nine months ended September 30, 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	9	Mudarbaha	Monthly	7.28%	46.19%	38,856	5.71%	53.39%	20,744
Special Pools	85	Mudarbaha	Monthly	8.38%	32.93%	490,597	6.75%	38.16%	187,211
IERS Pools	18	Musharkah	Monthly	6.43%	82.94%	244,413	2.00%	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	1.94%	50.00%	1,544	1.06%	0.00%	-
General Pools	9	Mudarbaha	Monthly	9.66%	50.00%	1,833,782	5.38%	11.41%	209,290

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	-------Rupees in '000-----	
38.9 Deployment of Mudarabah based deposits by class of business		
Chemical and pharmaceuticals	3,710,327	3,815,014
Agriculture	22,051,814	12,686,234
Textile	8,569,058	2,362,688
Financial	1,250,806	7,664,825
Food industries	120,232	152,269
Plastic	245,874	301,339
Individuals	17,369,172	13,303,854
Production and transmission of energy	18,522,407	18,441,835
Government of Pakistan Securities	115,110,458	75,873,265
Others	6,305,332	3,630,282
	193,255,480	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 central bank of Yemen Sana'a, 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 October 19, 2022 has declared an interim cash dividend in respect of quarter ended September 30, 2022 of Rs. 4.0 per share (September 30, 2021: Rs. 4.0 per share). This is in addition to Rs. 9.0 already paid during the year bringing the total dividend for the nine months to Rs. 13.0 per share (September, 2021: Rs. 12.0). These unconsolidated condensed interim financial statements for the nine months ended September 30, 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 October 19, 2022, by the Board of Directors of the Bank.

Arif Akmal Saifie	**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 NINE MONTHS ENDED
SEPTEMBER 30, 2022
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		---------- (Rupees in '000) ----------	
ASSETS			
Cash and balances with treasury banks	6	252,700,762	273,949,520
Balances with other banks	7	33,188,883	29,975,564
Lendings to financial institutions	8	56,228,878	52,238,047
Investments	9	1,557,110,766	1,521,467,342
Advances	10	833,798,054	766,781,120
Fixed assets	11	78,199,434	76,193,898
Intangible assets	12	2,407,658	2,432,796
Deferred tax assets	13	16,514,803	3,040,812
Other assets	15	87,042,895	55,149,257
		2,917,192,133	2,781,228,356
LIABILITIES			
Bills payable	17	32,522,674	26,830,806
Borrowings	18	196,579,851	565,172,922
Deposits and other accounts	19	2,351,393,507	1,885,771,572
Liabilities against assets subject to finance lease	20	7,273	12,193
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities	13	-	-
Other liabilities	22	103,187,705	65,126,887
		2,693,691,010	2,552,914,380
NET ASSETS		223,501,123	228,313,976
REPRESENTED BY:			
Share capital		12,241,797	12,241,797
Reserves		94,509,212	77,600,790
Surplus on revaluation of assets	23	20,626,732	40,019,053
Unappropriated profit		88,153,877	89,840,102
Total equity attributable to the equity holders of the Bank		215,531,618	219,701,742
Non-controlling interest		7,969,505	8,612,234
		223,501,123	228,313,976
CONTINGENCIES AND COMMITMENTS	24		

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

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	July - September 2022	July - September 2021	January - September 2022	January - September 2021
		(Rupees in '000)			
Mark-up / return / interest earned	26	75,402,959	42,521,814	181,250,545	112,325,882
Mark-up / return / interest expensed	27	46,479,598	23,133,831	105,336,696	56,603,602
Net mark-up / interest income		28,923,361	19,387,983	75,913,849	55,722,280
Non mark-up / interest income					
Fee and commission income	28	4,285,794	3,412,822	12,658,183	10,533,885
Dividend income		214,057	523,398	918,331	958,470
Foreign exchange income		3,034,467	1,380,152	7,764,244	2,640,885
Income from derivatives		258,263	34,359	959,426	43,117
Gain on securities - net	29	109,483	407,885	757,431	2,991,492
Other income	30	279,791	62,950	758,702	249,557
Total non mark-up / interest income		8,181,855	5,821,566	23,816,317	17,417,406
Total income		37,105,216	25,209,549	99,730,166	73,139,686
Non mark-up / interest expenses					
Operating expenses	31	14,436,639	11,869,533	40,427,500	33,662,561
Workers' Welfare Fund		338,190	260,462	1,042,793	782,314
Other charges	32	1,827	46,416	17,789	85,910
Total non mark-up / interest expenses		14,776,656	12,176,411	41,488,082	34,530,785
Share of (loss) / profit of associates		(678,902)	22,575	(627,287)	247,361
Profit before provisions		21,649,658	13,055,713	57,614,797	38,856,262
Provisions / (reversals) and write-offs - net	33	5,460,852	(707,890)	6,828,622	(865,823)
Profit before taxation from continuing operations		16,188,806	13,763,603	50,786,175	39,722,085
Taxation	34	9,596,211	5,763,626	32,040,323	16,783,206
Profit after taxation from continuing operations		6,592,595	7,999,977	18,745,852	22,938,879
Discontinued operation					
Profit / (loss) from discontinued operation - net of tax	14	1,082	(1,176,660)	46,870	(1,070,186)
Profit after taxation		6,593,677	6,823,317	18,792,722	21,868,693
Attributable to:					
Equity holders of the Bank					
from continuing operations		6,513,164	7,932,902	18,425,836	22,814,086
from discontinued operation		1,082	(1,176,660)	46,870	(1,070,186)
		6,514,246	6,756,242	18,472,706	21,743,900
Non-controlling interest		79,431	67,075	320,016	124,793
		6,593,677	6,823,317	18,792,722	21,868,693
		(Rupees)			
Earnings per share for profit from continuing operations attributable to the equity holders of the Bank					
Basic and diluted		5.32	6.48	15.05	18.64
Earnings per share for profit attributable to the equity holders of the Bank					
Basic and diluted	35	5.32	5.52	15.09	17.76

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

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	July - September 2022	July - September 2021	January - September 2022	January - September 2021
	(Rupees in '000)			
Profit after taxation for the period attributable to:				
Equity holders of the Bank				
from continuing operations	6,513,164	7,932,902	18,425,836	22,814,086
from discontinued operation	1,082	(1,176,660)	46,870	(1,070,186)
	6,514,246	6,756,242	18,472,706	21,743,900
Non-controlling interest	79,431	67,075	320,016	124,793
	6,593,677	6,823,317	18,792,722	21,868,693
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	7,196,835	4,226,874	15,032,239	3,212,742
Non-controlling interest	274,678	446,324	461,871	544,947
	7,471,513	4,673,198	15,494,110	3,757,689
Movement in deficit on revaluation of investments - net of tax				
Equity holders of the Bank	(7,144,844)	(1,918,045)	(19,307,229)	(2,122,043)
Non-controlling interest	(797,520)	(61,635)	(1,607,999)	(117,236)
	(7,942,364)	(1,979,680)	(20,915,228)	(2,239,279)
	(470,851)	2,693,518	(5,421,118)	1,518,410
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	(10,783)	103,725	5,045	21,313
Non-controlling interest	92,852	83,399	187,569	15,170
	82,069	187,124	192,614	36,483
Movement in surplus on revaluation of non-banking assets - net of tax	(25,403)	2,308	(10,189)	2,527
	56,666	189,432	182,425	39,010
Total comprehensive income for the period	6,179,492	9,706,267	13,554,029	23,426,113
Attributable to:				
Equity holders of the Bank				
from continuing operations	6,528,969	10,347,764	14,145,702	23,928,625
from discontinued operation	1,082	(1,176,660)	46,870	(1,070,186)
	6,530,051	9,171,104	14,192,572	22,858,439
Non-controlling interest	(350,559)	535,163	(638,543)	567,674
	6,179,492	9,706,267	13,554,029	23,426,113

Arif Akmal Saifie	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 NINE MONTHS ENDED SEPTEMBER 30, 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			Unappropriated profit	Sub total		
					Investments	Fixed assets	Non banking assets				
	(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 nine months ended September 30, 2021											
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	-	21,743,900	21,743,900	124,793	21,868,693
Other comprehensive income - net of tax	-	-	-	3,212,742	(2,122,043)	21,313	2,527	-	1,114,539	442,881	1,557,420
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	3,212,742	(2,122,043)	21,313	2,527	21,743,900	22,858,439	567,674	23,426,113
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(3,851)	(3,851)
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	(2,641)	-	2,641	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(37,896)	-	37,896	-	-	-
Transfer to statutory reserve	-	-	2,283,975	-	-	-	-	(2,283,975)	-	-	-
Transactions with owners, recorded directly in equity											
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)
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)
Balance as at September 30, 2021 (Un-audited)	12,241,797	3,000	37,683,353	38,830,950	188,633	27,003,399	3,440	85,605,226	201,559,798	8,071,205	209,631,003
Total comprehensive income for the three months ended December 31, 2021											
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	-	8,664,877	8,664,877	88,329	8,753,206
Other comprehensive income - net of tax	-	-	-	274,164	(2,750,184)	15,586,061	6,749	1,259,996	14,376,786	452,700	14,829,486
Total comprehensive income for the three months ended December 31, 2021	-	-	-	274,164	(2,750,184)	15,586,061	6,749	9,924,873	23,041,663	541,029	23,582,692
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	(474)	-	474	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(18,571)	-	18,571	-	-	-
Transfer to statutory reserve	-	-	812,323	-	-	-	-	(812,323)	-	-	-
Liquidation of subsidiary	-	(3,000)	-	-	-	-	-	-	(3,000)	-	(3,000)
Transactions with owners, recorded directly in equity											
Interim cash dividend - September 30, 2021 declared at Rs. 4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
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 nine months ended September 30, 2022											
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	18,472,706	18,472,706	320,016	18,792,722
Other comprehensive income - net of tax	-	-	-	15,032,239	(19,307,229)	5,045	(10,189)	-	(4,280,134)	(958,559)	(5,238,693)
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	15,032,239	(19,307,229)	5,045	(10,189)	18,472,706	14,192,572	(638,543)	13,554,029
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(4,186)	(4,186)
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	(102,988)	-	102,988	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	23,040	-	(23,040)	-	-	-
Transfer to statutory reserve	-	-	1,876,183	-	-	-	-	(1,876,183)	-	-	-
Transactions with owners, recorded directly in equity											
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)
Interim cash dividend - March 31, 2022 declared at Rs. 5.0 per share	-	-	-	-	-	-	-	(6,120,899)	(6,120,899)	-	(6,120,899)
Interim cash dividend - June 30, 2022 declared at Rs.4.0 per share	-	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Balance as at September 30, 2022 (Un-audited)	12,241,797	-	40,371,859	54,137,353	(21,868,780)	42,495,512	-	88,153,877	215,531,618	7,969,505	223,501,123

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

Arif Akmal Saifie	**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 NINE MONTHS ENDED SEPTEMBER 30, 2022

	January - September 2022	January - September 2021
	---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including discontinued operation	50,833,045	38,667,861
Less: Dividend income	918,331	958,470
Share of (loss) / profit associates	(627,287)	247,361
	50,542,001	37,462,030
Adjustments:		
Depreciation on fixed assets	2,711,526	2,197,957
Depreciation on Islamic financing against leased assets (Ijarah)	113,018	128,364
Depreciation on right-of-use assets	1,567,036	1,417,961
Depreciation on non-banking assets acquired in satisfaction of claims	34,561	-
Amortisation	643,994	651,683
Workers' Welfare Fund - charge	1,042,793	782,314
Provision for retirement benefits	769,323	835,518
Provision for compensated absences	187,080	126,749
(Reversal) / provision against loans and advances - net	(3,046,958)	629,593
Reversal of provision against off balance sheet items - net	(42,542)	(347,861)
Provision / (reversal) for diminution in value of investments - net	9,752,476	(1,249,114)
Interest expense on lease liability against right-of-use assets	786,863	716,947
Gain on sale of Ijarah assets - net	1,556	(3,928)
Gain on sale of fixed assets - net	(174,566)	(29,481)
Gain on sale of non-banking assets - net	(24,250)	-
Bad debts written off directly	26,257	73,432
Unrealised gain on revaluation of investments classified as held for trading	(15,045)	88,130
Provision / (reversals) against other assets	42,037	(97,031)
Other provisions / write-offs	97,352	345,751
	14,472,511	6,266,984
	65,014,512	43,729,014
(Increase) / decrease in operating assets		
Lendings to financial institutions	(3,990,831)	(15,935,539)
Held for trading securities	(2,449,580)	(139,847,310)
Advances	(63,996,233)	(67,838,330)
Other assets (excluding advance taxation)	(38,397,784)	(1,580,336)
	(108,834,428)	(225,201,515)
Increase / (decrease) in operating liabilities		
Bills payable	5,691,868	349,199
Borrowings	(368,593,071)	285,508,771
Deposits and other accounts	465,621,935	178,157,012
Other liabilities	24,079,672	9,762,627
	126,800,404	473,777,609
	82,980,488	292,305,108
Receipts / (payments) on account of staff retirement benefits	(1,082,411)	(2,040,913)
Income taxes paid	(16,132,431)	(10,680,904)
Net cash flows generated from operating activities	65,765,646	279,583,291
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(31,886,381)	(178,860,900)
Net investments in held to maturity securities	(46,176,861)	(102,013,399)
Net investments in associates	(268,317)	(572,062)
Dividend income received	918,331	1,064,122
Investment in fixed assets and intangible assets	(5,686,284)	(3,568,046)
Sale proceeds from disposal of fixed assets	1,009,237	198,248
Sale proceeds from disposal of ijarah assets	-	26,945
Sale proceeds from disposal of non banking assets	180,000	-
Exchange differences on translation of net investment in overseas branches and subsidiaries	15,494,110	3,757,689
Net cash flows used in investing activities	(66,416,165)	(279,967,403)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease obligations	4,920	3,659
Payment of lease liability against right-of-use assets	(2,035,125)	(1,856,584)
Dividends paid	(15,354,715)	(18,881,614)
Net cash flows used in financing activities	(17,384,920)	(20,734,539)
Decrease in cash and cash equivalents	(18,035,439)	(21,118,651)
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	285,889,645	266,603,836

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

Arif Akmal Saifie	**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 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 1,338 (December 31, 2021: 1,341) branches inside Pakistan including 150 (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 (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.

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 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.

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 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 consolidated 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 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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2022. These are either considered not to 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 accounting standards that are not yet effective

As per the SBP's BPRD Circular no. 3 dated July 05, 2022, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2023 (for banks having asset size of Rs. 500 billion or above). The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

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 consolidated condensed interim financial statements for the jurisdictions where IFRS 9 has been adopted.

There are certain other new 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.

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 improvements, furniture and fixtures and electrical, office and computer equipment as required by IAS 16 - Property, Plant and Equipment. 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 - Accounting Policies, Changes in Accounting Estimates and Errors. 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 - September 2022	January - December 2022	January - December 2023
	(Rupees in '000)		
Increase in depreciation expense			
Leasehold improvements	84,105	108,676	96,938
Furniture and fixtures	26,720	34,859	31,887
Electrical, office and computer equipment	119,133	127,967	32,246
Decrease in depreciation expense			
Electrical, office and computer equipment - ATM	72,666	92,537	8,647
Net impact on profit and loss before taxation	(157,292)	(178,965)	(152,424)

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) September 30, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	27,708,840	27,262,667
Foreign currencies	3,263,751	7,048,434
	30,972,591	34,311,101
With State Bank of Pakistan in		
Local currency current accounts	83,247,127	75,005,750
Foreign currency current accounts	5,696,791	5,312,400
Foreign currency deposit accounts	213,471	8,818,135
	89,157,389	89,136,285
With other central banks in		
Foreign currency current accounts	55,468,458	37,705,251
Foreign currency deposit accounts	5,377,207	8,148,977
	60,845,665	45,854,228
With National Bank of Pakistan in local currency current accounts	71,626,612	104,153,210
National prize bonds	98,505	494,696
	252,700,762	273,949,520
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	10,008	6,183
In deposit accounts	30,175	6,320,896
	40,183	6,327,079
Outside Pakistan		
In current accounts	26,613,431	16,480,728
In deposit accounts	6,535,269	7,167,757
	33,148,700	23,648,485
	33,188,883	29,975,564
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	1,964,395	636,971
Repurchase agreement lendings (reverse repo)	53,592,373	49,726,776
Placements with State Bank of Pakistan	672,110	1,874,300
	56,228,878	52,238,047

9. INVESTMENTS

9.1 Investments by type

	Note	September 30, 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		75,789,129	-	12,124	75,801,253	69,718,806	-	9,101	69,727,907
- Government of Pakistan Sukuks		-	-	-	-	-	-	-	-
- Pakistan Investment Bonds - fixed		1,529,112	-	3,049	1,532,161	4,883,004	-	7,053	4,890,057
- Pakistan Investment Bonds - floaters		-	-	-	-	250,697	-	128	250,825
		77,318,241	-	15,173	77,333,414	74,852,507	-	16,282	74,868,789
Available for sale securities									
Federal Government Securities									
- Market Treasury Bills		230,570,022	-	(188,265)	230,381,757	462,307,400	-	(295,082)	462,012,318
- Pakistan Investment Bonds - fixed		205,820,269	-	(5,018,965)	200,801,304	106,428,744	-	(956,951)	105,471,793
- Pakistan Investment Bonds - floaters		433,207,658	-	(2,781,408)	430,426,250	365,357,391	-	(1,612,561)	363,744,830
- Government of Pakistan Sukuks		102,867,122	(160,591)	(737,063)	101,969,468	43,996,036	-	(265,635)	43,730,401
- Islamic Naya Pakistan Certificates		3,963,378	-	-	3,963,378	924,941	-	-	924,941
- Government of Pakistan Eurobonds		38,017,514	(3,281,324)	(19,851,492)	14,884,698	25,516,697	(285,929)	89,226	25,319,994
Ordinary shares									
- Listed companies		15,099,321	(5,674,390)	625,954	10,050,885	13,269,396	(4,623,052)	1,019,365	9,665,709
- Unlisted companies		791,187	(60,346)	41	730,882	790,083	(60,438)	41	729,686
Non-Government debt securities									
- Corporate Sukuks		1,387,857	-	-	1,387,857	1,452,143	-	-	1,452,143
- Term Finance Certificates		782,335	(162,335)	-	620,000	782,335	(161,996)	-	620,339
- Corporate Bond		1,263,583	-	(742,479)	521,104	-	-	-	-
Foreign securities									
- Foreign bonds - sovereign		76,957,670	(3,378,932)	(9,695,728)	63,883,010	60,311,840	(383,468)	(2,274,095)	57,654,277
- Foreign bonds - others		2,406,483	(1,141)	(181,657)	2,223,685	2,736,387	(1,103)	(3,252)	2,732,032
Mutual Fund units		258,179	-	(50,478)	207,701	258,179	-	(15,711)	242,468
Real Estate Investment Trust units		533,453	-	119,991	653,444	458,590	-	48,360	506,950
		1,113,926,031	(12,719,059)	(38,501,549)	1,062,705,423	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		275,466,645	-	-	275,466,645	216,576,752	-	-	216,576,752
- Pakistan Investment Bonds - floaters		47,757,528	-	-	47,757,528	47,666,897	-	-	47,666,897
- Government of Pakistan Sukuks		10,002,480	-	-	10,002,480	10,002,935	-		10,002,935
- Government of Pakistan Eurobonds		13,367,745	(2,156,153)	-	11,211,592	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		8,965,384	(50,934)	-	8,914,450	10,580,384	(50,934)	-	10,529,450
- Term Finance Certificates		8,604,546	(69,951)	-	8,534,595	8,079,835	(69,951)	-	8,009,884
- Corporate Bond		2,220,413	(381,358)	-	1,839,055	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		3,557,729	-	-	3,557,729	2,682,985	-	-	2,682,985
- Foreign bonds - sovereign		42,625,812	(2,145,208)	-	40,480,604	33,578,466	(641,202)	-	32,937,264
- Foreign bonds - others		2,128,354	(2,629)	-	2,125,725	2,171,411	(11,610)	-	2,159,801
- CDC SAARC Fund		496	-	-	496	383	-	-	383
		414,699,836	(4,808,937)	-	409,890,899	364,655,369	(941,331)	-	363,714,038
Associates									
- UBL Liquidity Plus Fund		234,770	-	-	234,770	1,130,540	-	-	1,130,540
- UBL Financial Sector Fund		309,567	-	-	309,567	452,591	-	-	452,591
- UBL Special Savings Fund II		102,989	-	-	102,989	100,986	-	-	100,986
- UBL Pakistan Enterprise Exchange Traded Fund		19,403	-	-	19,403	24,961	-	-	24,961
- UBL Growth and Income Fund		-	-	-	-	100,049	-	-	100,049
- UBL Cash Fund		2,928,920	-	-	2,928,920	1,359,354	-	-	1,359,354
- UBL Dedicated Equity Fund		97,981	-	-	97,981	528	-	-	528
- UBL Government Securities Fund		501	-	-	501	-	-	-	-
- UBL Fixed Return Fund		102,303	-	-	102,303	-	-	-	-
- Al Ameen Islamic Energy Fund		128,071	-	-	128,071	118,211	-	-	118,211
- Al Ameen Islamic Dedicated Equity Fund		6,141	-	-	6,141	7,139	-	-	7,139
- Al-Ameen Islamic Cash Plan I		31,116	-	-	31,116	667,364	-	-	667,364
- Al-Ameen Shariah Stock Fund		47,235	-	-	47,235	111,778	-	-	111,778
- UBL Insurers Limited		576,478	-	-	576,478	521,450	-	-	521,450
- Khushhali Bank Limited	9.2	2,595,555	-	-	2,595,555	3,481,683	-	-	3,481,683
		7,181,030	-	-	7,181,030	8,076,634	-	-	8,076,634
Total Investments		1,613,125,138	(17,527,996)	(38,486,376)	1,557,110,766	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.

		Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
9.3	**Investments given as collateral**		---------- (Rupees in '000) ----------	
	Market Treasury Bills		-	215,584,125
	Pakistan Investment Bonds - fixed		-	1,853,526
	Pakistan Investment Bonds - floaters		126,738,698	232,144,261
	UBL Liquidity Plus Fund units		233,088	1,115,535
	UBL Cash Fund units		1,904,298	1,126,693
			128,876,084	451,824,140

The market value of securities given as collateral is Rs. 127,906 million (December 31, 2021: Rs. 450,960 million).

9.4 Provision for diminution in value of investments

9.4.1	Opening balance		6,457,317	8,164,875
	Exchange adjustments		1,318,203	171,743
	Charge / (reversals)			
	Charge for the period / year		11,110,619	446,250
	Reversals for the period / year		(1,271,468)	(555,978)
	Reversal on disposals		(86,675)	(1,688,189)
			9,752,476	(1,797,917)
	Amount written off		-	(81,384)
	Closing balance	9.6	17,527,996	6,457,317

9.4.2 Particulars of provision against debt securities

Category of classification	September 30, 2022 (Un-audited) Non-Performing Investments	September 30, 2022 (Un-audited) Provision	December 31, 2021 (Audited) Non-Performing Investments	December 31, 2021 (Audited) Provision
	---------- (Rupees in '000) ----------			
Domestic				
Loss	285,585	285,585	285,585	285,585
Overseas				
Defaulted exposure	11,633,934	4,887,534	-	-
Total	11,919,519	5,173,119	285,585	285,585

9.5 The market value of securities classified as held-to-maturity as at September 30, 2022 amounted to Rs. 380,825.017 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. 8,321.380 million including defaulted exposure (December 31, 2021: Rs. 1,488.282 million) on investments of overseas branches.

10. ADVANCES

	Note	Performing (Un-audited) September 30, 2022	Performing (Audited) December 31, 2021	Non-performing (Un-audited) September 30, 2022	Non-performing (Audited) December 31, 2021	Total (Un-audited) September 30, 2022	Total (Audited) December 31, 2021
		---------- (Rupees in '000) ----------					
Loans, cash credits, running finances, etc.		714,438,030	674,183,019	92,996,986	86,244,579	807,435,016	760,427,598
Islamic financing and related assets	40.2	67,801,325	43,859,593	135,583	197,330	67,936,908	44,056,923
Bills discounted and purchased		49,037,293	42,137,465	2,449,123	2,591,046	51,486,416	44,728,511
Advances - gross		831,276,648	760,180,077	95,581,692	89,032,955	926,858,340	849,213,032
Provision against advances	10.3						
- Specific		-	-	(81,518,463)	(74,961,336)	(81,518,463)	(74,961,336)
- General		(11,541,823)	(7,470,576)		-	(11,541,823)	(7,470,576)
		(11,541,823)	(7,470,576)	(81,518,463)	(74,961,336)	(93,060,286)	(82,431,912)
Advances - net of provision		819,734,825	752,709,501	14,063,229	14,071,619	833,798,054	766,781,120

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
10.1	**Particulars of advances - gross**	---------- (Rupees in '000) ----------	
10.1.1	In local currency	538,846,562	531,161,298
	In foreign currencies	388,011,778	318,051,734
		926,858,340	849,213,032

10.2 Advances include Rs. 95,581.692 million (December 31, 2021: Rs. 89,032.955 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2022 (Un-audited) Non-Performing Loans	Provision	December 31, 2021 (Audited) Non-Performing Loans	Provision
	---------- (Rupees in '000) ----------			
Domestic				
Other Assets Especially Mentioned*	174,342	1,109	155,903	-
Substandard	3,041,157	760,037	2,398,883	595,091
Doubtful	247,677	129,363	563,051	346,746
Loss	22,819,610	21,857,630	23,945,768	22,853,989
	26,282,786	22,748,139	27,063,605	23,795,826
Overseas				
Not past due but impaired**	4,097,249	1,406,099	4,207,043	1,233,410
Overdue by:				
Upto 90 days	2,644,896	1,703,838	1,004,416	303,038
91 to 180 days	176,979	32,266	1,811,745	1,620,231
181 to 365 days	1,731,876	128,917	7,473,154	3,664,825
> 365 days	60,647,906	55,499,204	47,472,992	44,344,006
	69,298,906	58,770,324	61,969,350	51,165,510
Total	95,581,692	81,518,463	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

	September 30, 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	14,127,474	1,923,120	16,050,594	5,091,021	739,835	5,830,856
(Reversals) / charge						
Charge for the period / year	639,087	329,039	968,126	4,924,107	391,797	5,315,904
Reversals for the period / year	(2,540,653)	(1,111,672)	(3,652,325)	(3,117,960)	(974,933)	(4,092,893)
	(1,901,566)	(782,633)	(2,684,199)	1,806,147	(583,136)	1,223,011
Amounts charged off - agriculture financing	-	-	-	(257,446)	-	(257,446)
Amounts written off	(2,738,021)	-	(2,738,021)	(3,711,835)	-	(3,711,835)
Transfers out - net	(2,930,760)	2,930,760	-	(3,548)	-	(3,548)
Closing balance	81,518,463	11,541,823	93,060,286	74,961,336	7,470,576	82,431,912

10.3.1 General provision represents provision amounting to Rs. 449.799 million (December 31, 2021: Rs. 402.418 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 11,092.024 million (December 31, 2021: Rs. 7,086.158 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 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. 12.363 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.4,989.308 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) September 30, 2022	(Audited) December 31, 2021
11.	**FIXED ASSETS**		-------- (Rupees in '000) ---------	
	Capital work-in-progress	11.1	1,407,925	1,298,146
	Property and equipment		69,094,613	67,683,161
	Right-of-use assets		7,696,896	7,212,591
			78,199,434	76,193,898

11.1	**Capital work-in-progress**		
	Civil works	372,144	422,943
	Equipment	1,035,781	875,203
		1,407,925	1,298,146

		(Un-audited) January - September 2022	January - September 2021
11.2	**Additions to fixed assets**	---------- (Rupees in '000) ---------	
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress - net additions	109,779	613,075
	Property and equipments		
	Leasehold improvements	340,503	248,215
	Furniture and fixtures	198,084	77,571
	Electrical, office and computer equipment	3,074,139	1,428,929
	Vehicles	230,737	117,851
		3,843,463	1,872,566
	Right-of-use assets	2,121,836	2,228,635
	Total	6,075,078	4,714,276

	(Un-audited)	
	January - September 2022	January - September 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	77,176	4,726
Leasehold Land	134,500	-
Leasehold Improvement	96,438	151,678
Furniture and fixtures	71,803	308
Electrical, office and computer equipment	438,513	3,925
Vehicles	16,241	8,130
	834,671	168,767
Derecognition of right-of-use assets	157,972	666,034
Total	992,643	834,801

11.4 During the period, the Group has reviewed the useful lives of its fixed assets. This review has resulted in a change in the useful lives of these assets. The effect of these changes are presented in note 4 to the consolidated condensed interim financial statements.

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
12. INTANGIBLE ASSETS	---------- (Rupees in '000) ----------	
Capital work-in-progress - Computer software	702,050	632,672
Intangible assets - Computer software	1,705,608	1,800,124
	2,407,658	2,432,796

	(Un-audited)	
	January - September 2022	January - September 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	69,378	253,825
Directly purchased - intangible assets	548,482	458,483
	617,860	712,308

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
13. DEFERRED TAX ASSETS	------- (Rupees in '000) -------	
Deductible temporary differences on		
Provision against advances, off-balance sheet obligations	5,690,974	5,172,302
Deficit on revaluation of investments	14,623,365	1,304,902
Post-retirement employee benefits	702,079	717,479
Workers' Welfare Fund	2,678,338	2,231,742
	23,694,756	9,426,425
Taxable temporary differences on		
Surplus on revaluation of fixed assets / non-banking assets	(2,654,339)	(2,837,880)
Accelerated tax depreciation	(621,344)	(578,224)
Share of profit from associates	(1,000,818)	(1,135,743)
Exchange reserve on subsidiaries under liquidation	(2,871,183)	(1,878,243)
Others	(32,269)	44,477
	(7,179,953)	(6,385,613)
	16,514,803	3,040,812

14. DISCONTINUED OPERATION

UBL Bank (Tanzania) Limited (UBTL) is a wholly owned subsidiary of United Bank Limited. The Banking operations of the subsidiary ceased on November 01, 2019 as UBTL sold materially all of its assets and liabilities held as at October 31, 2019 to EXIM Bank Tanzania Limited (Exim), in line with the Asset and Liabilities Purchase Agreement signed on May 22, 2019. The official liquidator was appointed by Board of Directors of UBTL on December 15, 2021 and after compliance of all law and regulations, proceeds has been realized and return of the Final meeting was duly filled with the Registrar of the Companies on August 12, 2022.

14.1 Assets and liabilities under discontinued operation

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Assets		
Balances with other banks	-	240,315
Liabilities		
Other liabilities	-	85,896

14.2 Discontinued operation

	(Un-audited) January - September 2022	January - September 2021
	------- (Rupees in '000) -------	
Mark-up / return / interest earned	-	161,872
Mark-up / return / interest expensed	-	152,905
Net mark-up / interest income	-	8,967
Non mark-up / interest income		
Fee, commission and brokerage income	-	468,055
Foreign exchange income	163	1,017
Income from derivatives	-	315,971
Other income	-	-
Total non mark-up / interest income	163	785,043
Total income	163	794,010
Non mark-up / interest expenses		
Operating expenses	(46,707)	1,627,641
Total non mark-up / interest expenses	(46,707)	1,627,641
Provisions and write-offs - net	-	220,593
Profit / (loss) before taxation	46,870	(1,054,224)
Taxation	-	15,962
Profit / (loss) after taxation	46,870	(1,070,186)

15. OTHER ASSETS	**Note**	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
Income / mark-up accrued in local currency		49,550,768	25,128,447
Income / mark-up accrued in foreign currencies	15.1	4,226,065	2,771,194
Advance taxation - net of provision for taxation	22.1	-	4,195,628
Receivable from staff retirement fund		-	2,077,069
Receivable from other banks against telegraphic transfers and demand drafts		35,000	365,000
Unrealised gain on forward foreign exchange contracts		6,351,160	4,167,926
Rebate receivable - net		2,630,217	652,112
Unrealised gain on derivative financial instruments		296,460	8,476
Suspense accounts		68,050	-
Stationery and stamps on hand		312,112	206,616
Non-banking assets acquired in satisfaction of claims		23,753	196,640
Advances, deposits, advance rent and other prepayments		3,582,349	1,850,434
Commission receivable - Branchless Banking		761,577	676,483
Commission receivable - Bancassurance		164,109	111,180
Receivable against fraud & forgery and looted notes		609,491	564,693
Acceptances		16,944,776	11,421,246
Others		2,751,702	1,902,464
		88,307,589	56,295,608
Provision held against other assets	15.2	(1,264,694)	(1,163,055)
Other assets - net of provision		87,042,895	55,132,553
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	-	16,704
Other assets - total		87,042,895	55,149,257

15.1 Unrealised mark-up held in suspense amounting to Rs. 25,184.118 million (December 31, 2021: Rs. 16,929.481 million) against non-performing overseas advances has been netted off.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
15.2 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	54,108	54,674
Fraud & forgery and looted notes	609,491	564,693
Others	601,095	543,688
	1,264,694	1,163,055
15.2.1 Movement of provision held against other assets		
Opening balance	1,163,055	1,392,976
Exchange adjustments	67,925	28,541
Charge / (reversals)		
Charge for the period / year	144,152	33,348
Reversals for the period / year	(102,115)	(201,953)
	42,037	(168,605)
Transfers out - net	(6,259)	(41,160)
Amounts written off	(2,064)	(48,697)
Closing balance	1,264,694	1,163,055

16. CONTINGENT ASSETS

There were no contingent assets as at September 30, 2022 (December 31, 2021: Nil).

17. BILLS PAYABLE

In Pakistan	31,152,181	25,898,903
Outside Pakistan	1,370,493	931,903
	32,522,674	26,830,806

18. BORROWINGS	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	27,559,357	38,881,750
Refinance facility for modernisation of SME	440,388	5,100
Long term financing facility	18,338,274	20,056,964
Refinance scheme for payment of wages and salaries	1,122,313	3,225,644
Renewable energy scheme	761,281	513,403
Temporary economic refinance facility	16,431,088	9,972,210
Refinance facility for combating COVID-19	451,354	390,962
Repurchase agreement borrowings	125,000,000	417,755,950
Financing facility for storage of agriculture products	51,563	-
Refinance for women entrepreneurs	28,091	18,487
	190,183,709	490,820,470
Repurchase agreement borrowings from other banks	1,661,200	54,783,321
Borrowing from commercial banks by subsidiary	1,896,821	1,885,182
	193,741,730	547,488,973
Unsecured		
Call borrowings	2,284,611	15,885,337
Overdrawn nostro accounts	553,510	1,798,612
Other borrowings	-	-
	2,838,121	17,683,949
	196,579,851	565,172,922

19. DEPOSITS AND OTHER ACCOUNTS

	September 30, 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	4,573,516	18,476,234	23,049,750	2,528,236	9,006,485	11,534,721
Current accounts - non-remunerative	723,519,002	177,035,421	900,554,423	633,109,393	130,940,383	764,049,776
Saving deposits	601,491,602	87,322,921	688,814,523	574,380,924	54,053,338	628,434,262
Term deposits	280,812,120	278,395,318	559,207,438	134,138,693	241,523,821	375,662,514
Sundry deposits	38,502,596	1,600,321	40,102,917	9,313,881	1,497,076	10,810,957
Margin deposits	6,504,092	4,882,332	11,386,424	4,356,837	3,182,745	7,539,582
	1,655,402,928	567,712,547	2,223,115,475	1,357,827,964	440,203,848	1,798,031,812
Financial Institutions						
Current deposits	26,211,367	2,948,926	29,160,293	33,903,284	3,937,927	37,841,211
Saving deposits	75,799,805	8,721,555	84,521,360	16,613,222	54,784	16,668,006
Term deposits	9,680,150	4,916,229	14,596,379	18,155,193	15,075,350	33,230,543
	111,691,322	16,586,710	128,278,032	68,671,699	19,068,061	87,739,760
	1,767,094,250	584,299,257	2,351,393,507	1,426,499,663	459,271,909	1,885,771,572

19.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,180,836.356 million (December 31, 2021: Rs 1,078,654.532 million).

20. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	September 30, 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	4,058	89	3,969	6,428	249	6,179
Later than one year and not later than five years	3,304	-	3,304	6,075	61	6,014
	7,362	89	7,273	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.

		Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
22.	**OTHER LIABILITIES**		------- (Rupees in '000) -------	
	Mark-up / return / interest payable in local currency		29,405,432	15,042,576
	Mark-up / return / interest payable in foreign currencies		1,253,143	921,324
	Accrued expenses		4,487,336	5,257,795
	Branch adjustment account		1,281,285	479,517
	Deferred income		1,050,984	997,320
	Current taxation (provisions less payments)	22.1	9,115,877	-
	Unearned commission and income on bills discounted		185,499	231,988
	Provision against off-balance sheet obligations	22.2	888,883	742,953
	Unrealised loss on forward foreign exchange contracts		4,706,801	1,560,903
	Unrealised loss on derivative financial instruments		33,943	-
	Suspense accounts		-	340,020
	Liability against trading of securities		-	1,521,590
	Provision for post-retirement medical benefits		2,224,678	2,175,874
	Payable to staff retirement fund		13,680	154,589
	Provision for compensated absences		817,868	895,897
	Deferred liabilities		722,458	590,579
	Workers' Welfare Fund payable		6,629,322	5,587,411
	Liabilities against ATM settlements		2,580,603	40,996
	Insurance payable against consumer assets		404,064	477,866
	Dividend payable		5,755,671	2,762,515
	Unclaimed dividends		306,966	292,141
	Acceptances		16,944,775	11,421,246
	Charity fund balance		6,415	4,039
	Lease liability against right-of-use assets		9,270,203	8,573,347
	Levies and taxes payable		2,454,899	3,060,045
	Others		2,646,920	1,994,356
			103,187,705	65,126,887

22.1 The Income Tax returns of the Bank have been filed upto the tax year 2021 (accounting 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 2021, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.14,668 million (December 31, 2021: Rs.13,752 million). The Group 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 Group has filed appeals before higher appellate forums. The management of the Group is confident that the appeals will be decided in favour of the Group.

The tax returns for Azad Jammu and Kashmir (AJK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2022 (financial year ended December 31, 2021) 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.

For USAG income tax return has been filed upto the accounting year December 31, 2021, for UBL UK 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. There are no material tax contingencies in any of the subsidiaries.

	(Un-audited) September 30 2022	(Audited) December 31, 2021
22.2 Provision against off-balance sheet obligations	------- (Rupees in '000) -------	
Opening balance	742,953	1,076,530
Exchange adjustments	199,318	15,953
Charge / (reversals)		
Charge for the period / year	6,337	8,819
Reversals for the period / year	(48,879)	(353,069)
	(42,542)	(344,250)
Transfer out - net	(10,846)	(5,280)
Closing balance	888,883	742,953

23. SURPLUS ON REVALUATION OF ASSETS

		September 30, 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) ----------					
Surplus / (deficit) arising on revaluation of:							
- Available for sale securities	9.1	(36,479,374)	(2,022,176)	(38,501,550)	(3,852,118)	(414,177)	(4,266,295)
- Fixed assets		44,740,080	2,629,110	47,369,190	44,882,510	2,551,040	47,433,550
- Non-banking assets acquired in satisfaction of claims	15	-	-	-	16,704	-	16,704
- Assets of associates		(12,771)	-	(12,771)	(14,335)	-	(14,335)
		8,247,935	606,934	8,854,869	41,032,761	2,136,863	43,169,624
Deferred tax on surplus / (deficit) on revaluation of:							
- Available for sale securities		(14,623,365)	-	(14,623,365)	(1,304,902)	-	(1,304,902)
- Fixed assets		2,244,568	409,771	2,654,339	2,312,095	519,270	2,831,365
- Non-banking assets acquired in satisfaction of claims		-	-	-	6,515	-	6,515
		(12,378,797)	409,771	(11,969,026)	1,013,708	519,270	1,532,978
		20,626,732	197,163	20,823,895	40,019,053	1,617,593	41,636,646

		Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
24.	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	24.1	212,376,508	167,903,371
	Commitments	24.2	1,286,268,997	998,421,712
	Other contingent liabilities	24.3	15,387,155	16,452,188
			1,514,032,660	1,182,777,271
24.1	**Guarantees**			
	Financial guarantees		87,256,521	55,744,389
	Performance guarantees		124,662,803	107,821,730
	Other guarantees		457,184	4,337,252
			212,376,508	167,903,371
24.2	**Commitments**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		247,263,582	169,653,706
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.2	829,101,657	691,686,595
	- forward Government securities transactions	24.2.3	17,678,000	11,780,000
	- derivatives	24.2.4	20,580,601	1,808,940
	- forward lending	24.2.5	166,664,204	120,620,043
	- operating leases	24.2.6	174,353	168,870
			1,034,198,815	826,064,448
	Commitments for acquisition of:			
	- fixed assets		3,045,421	1,049,017
	- intangible assets		1,574,097	1,560,475
			4,619,518	2,609,492
	Others commitments		187,082	94,066
			1,286,268,997	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) September 30, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
24.2.2	**Commitments in respect of forward foreign exchange contracts**		
	Purchase	442,977,770	369,989,325
	Sale	386,123,887	321,697,270
		829,101,657	691,686,595
24.2.3	**Commitments in respect of forward Government securities transactions**		
	Purchase	17,678,000	9,081,000
	Sale	-	2,699,000
		17,678,000	11,780,000

		Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
			------- (Rupees in '000) -------	
24.2.4	**Commitments in respect of derivatives**			
	Cross Currency Swaps		202,100	-
	Interest Rate Swaps			
	Purchase		7,709,955	-
	Sale		7,716,260	-
			15,426,215	-
	FX options			
	Purchase		2,476,143	904,470
	Sale		2,476,143	904,470
			4,952,286	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	107,407,080	74,031,695
	Others		59,257,124	46,588,348
			166,664,204	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) September 30, 2022	(Audited) December 31, 2021
		------- (Rupees in '000) -------	
24.2.6	**Commitments in respect of operating leases**		
	Not later than one year	116,416	108,239
	Later than one year and not later than five years	36,715	34,335
	Later than five years	21,222	26,296
		174,353	168,870
24.3	**Other contingent liabilities**		
24.3.1	Claims against the Group not acknowledged as debts	11,297,852	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 the Group's favour and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

24.3.2 During 2016, penalties amounting to Rs. 4.089 billion were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.

24.3.3 Punjab Revenue Authority issued show cause notice to UBL Fund Managers Limited requiring them to pay sales tax under Punjab sales tax on Service Act 2012 on management fee earned in Punjab from May 22, 2013. The Company has filed a petition on July 8, 2015 in the High Court of Sindh. A favorable outcome of this petition is expected.

24.4 For contingencies relating to taxation, refer note 22.1

25. DERIVATIVE INSTRUMENTS

25.1 Product analysis

	September 30, 2022 (Un-audited)											
	FX options		Cross Currency Swaps		Interest Rate Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market loss	Notional principal	Mark to Market gain	Notional principal	Mark to Market loss	Notional principal	Mark to Market loss	Notional principal	Mark to Market loss	Notional principal	Mark to Market (loss) / gain
	(Rupees in 000)											
Hedging	2,476,143	-	-	-	7,709,955	296,460	17,678,000	479	-	-	27,864,098	296,939
Market making	2,476,143	-	202,100	(34,422)	7,716,260	-	-	-	-	-	10,394,503	(34,422)
	4,952,286	-	202,100	(34,422)	15,426,215	296,460	17,678,000	479	-	-	38,258,601	262,517

	December 31, 2021 (Audited)											
	FX options		Cross Currency Swaps		Interest Rate Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
	Notional principal	Mark to Market gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	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 - September 2022	(Un-audited) January - September 2021
26. MARK-UP / RETURN / INTEREST EARNED		------- (Rupees in '000) -------	
On:			
Loans and advances		51,534,918	31,390,891
Investments		123,694,312	79,375,622
Lendings to financial institutions		5,141,179	1,157,566
Balances with banks		880,136	401,803
		181,250,545	112,325,882
27. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		74,514,691	42,765,005
Borrowings		26,607,123	10,072,478
Subordinated debt		1,075,721	667,666
Cost of foreign currency swaps against foreign currency deposits / borrowings		2,352,298	2,381,506
Lease liability against right-of-use assets		786,863	716,947
		105,336,696	56,603,602
28. FEE AND COMMISSION INCOME			
Branch banking customer fee		1,779,267	1,253,704
Consumer finance related fee		1,035,907	916,521
Card related fees (debit and credit cards)		2,270,310	1,786,892
Investment banking fees		231,524	456,124
Financial Institution rebate / commission		427,421	258,034
Corporate service charges / facility fee		564,493	375,409
Commission on trade		804,246	534,693
Commission on guarantees		516,658	434,630
Commission on cash management		828,035	710,891
Commission on remittances including home remittances - net		1,927,517	1,663,814
Commission on bancassurance		1,157,366	1,179,826
Management fee		710,684	604,194
Rent on lockers		150,349	143,817
Others		254,406	215,336
		12,658,183	10,533,885
29. GAIN ON SECURITIES - NET			
Realised	29.1	742,386	3,079,711
Unrealised - held for trading		15,045	(88,219)
		757,431	2,991,492
29.1 Realised gain on:			
Federal Government securities		570,287	1,075,489
Shares		25,859	492,257
Foreign securities		146,240	1,511,981
Other securities		-	(16)
		742,386	3,079,711
30. OTHER INCOME			
Charges recovered		296,323	179,065
Rent on properties		60,535	54,428
Gain on sale of fixed assets - net		174,566	29,481
Gain on sale of non-banking assets - net		24,250	-
Gain / (loss) on sale of Ijarah assets - net		(1,556)	3,928
Gain / (loss) on trading liabilities - net		204,584	(17,345)
		758,702	249,557

	(Un-audited)	
	January - September 2022	January - September 2021
	------- (Rupees in '000) -------	
31. OPERATING EXPENSES		
Total compensation expense	16,042,440	13,676,510
Property expense		
Rent and taxes	906,592	919,056
Insurance	211,230	174,515
Utilities cost	1,908,821	1,157,789
Security (including guards)	897,513	755,258
Repair and maintenance (including janitorial charges)	262,221	155,402
Depreciation on owned fixed assets	900,228	625,749
Depreciation on right-of-use assets	1,567,036	1,417,961
Depreciation on non-banking assets acquired in satisfaction of claims	34,561	-
Others	30,907	43,157
	6,719,109	5,248,887
Information technology expenses		
Software maintenance	1,597,808	1,207,750
Hardware maintenance	632,958	497,462
Depreciation	769,027	642,033
Amortisation	643,994	651,683
Network charges	562,858	567,961
	4,206,645	3,566,889
Other operating expenses		
Directors' fees and allowances	64,200	81,681
Fees and allowances to Shariah Board	5,670	7,422
Legal and professional charges	1,042,127	549,205
Outsourced service costs	1,254,834	311,272
Commission paid to branchless banking agents	277,743	989,473
Commission paid to sales force	1,199,681	1,023,998
Travelling and conveyance	143,683	70,690
Clearing charges	181,332	156,481
Depreciation others	1,042,271	930,175
Depreciation on Islamic financing against leased assets	113,018	128,364
Training and development	62,349	16,454
Postage and courier charges	314,110	269,041
Communication	318,709	344,683
Stationery and printing	704,346	575,283
Marketing, advertisement and publicity	769,430	553,250
Donations	137,600	109,986
Auditors' remuneration	122,616	92,688
Insurance	87,175	77,401
Deposit protection premium expense	1,294,385	1,190,026
Cash transportation and sorting charges	666,792	619,235
Entertainment	165,115	122,910
Banking service charges	2,194,396	1,537,925
Repairs and maintenance	713,239	579,421
Miscellaneous expenses	584,485	833,211
	13,459,306	11,170,275
	40,427,500	33,662,561

	(Un-audited)	
	January - September 2022	January - September 2021
32. OTHER CHARGES	------- (Rupees in '000) -------	
Penalties imposed by the SBP	15,526	73,018
Penalties imposed by other regulatory bodies of overseas branches	2,263	12,892
	17,789	85,910
33. PROVISIONS / (REVERSALS) AND WRITE-OFFS - NET		
Provision / (reversals) for diminution in value of investments - net	9,752,476	(1,469,707)
(Reversals) / provision against loans and advances - net	(2,684,199)	987,005
Bad debts written-off directly	26,257	73,432
Reversal of provision against other assets - net	42,037	(97,031)
Reversal of provision against off-balance sheet obligations - net	(42,542)	(347,861)
Recovery of written-off / charged-off bad debts	(362,759)	(357,412)
Other provisions / write-offs	97,352	345,751
	6,828,622	(865,823)
34. TAXATION		
Current	29,443,054	16,747,554
Prior years	3,699,995	(190,085)
Deferred	(1,102,726)	225,737
	32,040,323	16,783,206
35. EARNINGS PER SHARE		
Profit after tax attributable to equity shareholders of the Bank	18,472,706	21,743,900
	----- (Number of shares) -----	
Weighted average number of ordinary shares	1,224,179,687	1,224,179,687
	------- (Rupees) -------	
Earnings per share - basic and diluted	15.09	17.76

There were no convertible dilutive potential ordinary shares outstanding as at September 30, 2022 and September 30, 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.

	September 30, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On-balance sheet financial instruments					
Financial assets measured at fair value	(Rupees in '000)				
Investments					
- Federal Government Securities	1,059,760,269	-	1,059,760,269	-	1,059,760,269
- Foreign Bonds - sovereign	63,883,010	-	63,883,010	-	63,883,010
- Foreign Bonds - others	2,223,685	-	2,223,685	-	2,223,685
- Ordinary shares of listed companies	10,050,885	10,050,885	-	-	10,050,885
- Mutual Fund units	207,701	-	207,701	-	207,701
- Non-Government debt securities	2,007,857	-	2,007,857	-	2,007,857
- Real Estate Investment Trust units	653,444	653,444	-	-	653,444
	1,138,786,851	10,704,329	1,128,082,522	-	1,138,786,851
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	344,438,245	-	322,410,900	-	322,410,900
- Foreign Bonds - Market Treasury Bills	3,557,729	-	3,557,729	-	3,557,729
- Foreign Bonds - sovereign	40,480,604	-	34,350,429	-	34,350,429
- Foreign Bonds - others	2,125,725	-	1,969,294	-	1,969,294
- Non-Government debt securities	19,288,100	-	18,536,665	-	18,536,665
	409,890,403	-	380,825,017	-	380,825,017
	1,548,677,254	10,704,329	1,508,907,539	-	1,519,611,868
Off-balance sheet financial instruments - measured at fair value					
Foreign exchange contracts - purchased and sold	829,101,657	-	1,644,359	-	1,644,359
FX options - purchased and sold	4,952,286	-	-	-	-
Cross currency swaps	202,100	-	(34,422)	-	(34,422)
Interest rate swaps	15,426,215	-	296,460	-	296,460
Forward Government Securities - purchased and sold	17,678,000	-	479	-	479

	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					
Foreign exchange contracts - purchased and sold	691,686,595	-	2,607,023	-	2,607,023
FX options - purchased and sold	1,808,940	-	-	-	-
Forward Government Securities - purchased and sold	11,780,000	-	8,476	-	8,476

36.3 Fair value of non-financial assets

	September 30, 2022 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Fixed Assets	59,736,484	-	-	59,736,484	59,736,484
Non-banking assets acquired in satisfaction of claims	23,753	-	-	23,753	23,753
	59,760,237	-	-	59,760,237	59,760,237

	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 satisfactions 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 nine months ended September 30, 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	28,735,586	85,747,056	(54,349,429)	6,039,634	7,565,316	3,140,137	(964,451)	75,913,849
Inter segment (expense) / revenue - net	(26,604,828)	(98,604,672)	118,025,032	-	-		7,184,468	-
Non mark-up / return / interest income	3,587,999	5,955,323	8,147,798	360,731	2,106,762	2,553,631	476,786	23,189,030
Total income	5,718,757	(6,902,293)	71,823,401	6,400,365	9,672,078	5,693,768	6,696,803	99,102,879
Segment direct expenses	1,007,928	172,408	24,715,327	1,951,637	4,452,344	2,664,621	6,523,817	41,488,082
Inter segment expense allocation	188,160	66,174	5,607,088	-	332,129		(6,193,551)	-
Total expenses	1,196,088	238,582	30,322,415	1,951,637	4,784,473	2,664,621	330,266	41,488,082
Provision (charge) / reversal - net	614,809	(1,038,994)	665,569	(12,664)	(3,725,715)	(1,412,305)	(1,919,322)	(6,828,622)
Profit / (loss) before taxation from continuing operations	5,137,478	(8,179,869)	42,166,555	4,436,064	1,161,890	1,616,842	4,447,215	50,786,175

	For the nine months ended September 30, 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	17,931,147	58,490,909	(31,372,333)	3,267,488	5,822,229	2,032,794	(449,954)	55,722,280
Inter segment (expense) / revenue - net	(14,395,626)	(52,412,399)	62,493,577	-	-	-	4,314,448	-
Non mark-up / return / interest income	2,358,406	3,345,356	6,715,250	263,412	3,915,317	571,026	496,000	17,664,767
Total income	5,893,927	9,423,866	37,836,494	3,530,900	9,737,546	2,603,820	4,360,494	73,387,047
Segment direct expenses	931,932	489,431	20,257,911	1,308,141	3,535,163	2,467,699	5,540,508	34,530,785
Inter segment expense allocation	339,433	60,543	4,527,465	-	406,223	-	(5,333,664)	-
Total expenses	1,271,365	549,974	24,785,376	1,308,141	3,941,386	2,467,699	206,844	34,530,785
Provision reversal / (charge) - net	(231,351)	(614,275)	(597,602)	52,475	955,867	(451,302)	20,365	(865,823)
Profit before taxation from continuing operations	4,853,913	9,488,167	13,648,720	2,170,284	4,840,293	587,423	4,133,285	39,722,085

	As at September 30, 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	12,435	76,325,093	94,880,372	22,924,568	82,793,201	8,953,976	-	285,889,645
Investments	9,364,409	1,276,020,165	-	124,682,765	115,422,309	30,102,550	1,518,566	1,557,110,764
Net inter segment lending	-	-	1,466,968,862	37,187,172	-		97,727,753	1,601,883,787
Lendings to financial institutions	-	53,592,373	-	-	-	1,964,395	672,110	56,228,878
Advances - performing	406,230,793	68,464	51,961,687	67,714,161	129,410,969	160,964,408	3,384,343	819,734,825
Advances - non-performing net	2,848,494	38,134	553,420	46,249	8,928,223	1,602,003	46,706	14,063,229
Others	35,496,192	40,953,909	21,813,504	7,984,555	18,239,999	7,314,701	52,361,930	184,164,790
Total assets	453,952,323	1,446,998,138	1,636,177,845	260,539,470	354,794,701	210,902,033	155,711,408	4,519,075,918
Borrowings	51,651,659	127,209,942	5,321,783	8,210,267	2,284,611	1,901,589	-	196,579,851
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	82,415,583	136,039	1,556,673,368	233,857,883	294,353,225	183,390,027	567,381	2,351,393,506
Net inter segment borrowing	282,076,887	1,319,216,878	-	-	590,022		-	1,601,883,787
Others	35,733,714	5,165,001	62,415,317	4,326,530	9,214,157	3,013,128	15,849,805	135,717,652
Total liabilities	451,877,843	1,451,727,860	1,624,410,468	246,394,680	306,442,015	188,304,744	26,417,186	4,295,574,796
Equity	2,074,480	(4,729,722)	11,767,377	14,144,790	48,352,686	22,597,289	129,294,222	223,501,122
Total equity and liabilities	453,952,323	1,446,998,138	1,636,177,845	260,539,470	354,794,701	210,902,033	155,711,408	4,519,075,918
Contingencies and Commitments	334,421,176	382,163,629	90,542,503	8,910,338	630,949,960	64,180,986	2,864,068	1,514,032,660

	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	-	-	1,200,813,673	3,061,160	-	-	73,725,465	1,277,600,298
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	17,122,102	2,493,298	12,940,001	4,541,689	62,100,916	136,816,763
Total assets	448,019,189	1,433,468,485	1,397,398,221	156,952,131	306,599,335	169,397,150	146,994,143	4,058,828,654
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	307,488,592	969,169,066	-	-	942,640	-	-	1,277,600,298
Others	26,327,113	(10,792,063)	49,140,583	4,697,855	7,199,243	2,847,329	12,549,826	91,969,886
Total liabilities	444,258,057	1,433,014,387	1,384,734,413	149,946,292	256,041,952	139,808,533	22,711,044	3,830,514,678
Equity	3,761,132	454,098	12,663,808	7,005,839	50,557,383	29,588,617	124,283,099	228,313,976
Total equity and liabilities	448,019,189	1,433,468,485	1,397,398,221	156,952,131	306,599,335	169,397,150	146,994,143	4,058,828,654
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 September 30, 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	-	-	-	-	3,996,304
Repaid during the period	-	-	-	-	(4,852,216)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	1,499,203
Investments					
Opening balance	-	-	-	8,436,634	4,654,612
Investment made during the period	-	-	-	30,125,688	(131,107)
Investment disposed off during the period	-	-	-	(30,050,883)	-
Transfers out	-	-	-	-	-
Equity method adjustments	-	-	-	(745,409)	-
Closing balance	-	-	-	7,766,030	4,523,505
Provision for diminution in value of investments	-	-	-	-	945,969
Provision written off	-	-	-	-	-
Advances					
Opening balance	-	645	332,006	-	1,768
Addition during the period	-	9	110,867	-	23,377,697
Repaid during the period	-	(648)	(111,140)	-	(3,563,209)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	6	331,733	-	19,816,256
Provision held against advances	-	-	-	-	-
Other Assets					
Income / mark-up accrued	-	-	-	14,078	762,101
Receivable from staff retirement funds				-	-
Prepaid insurance	-	-	-	185,105	-
Remuneration receivable from management of funds	-	-	-	111,571	-
Sales load receivable	-	-	-	32,590	-
Formation cost receivable	-	-	-	7,000	-
Provision written off	-	-	-	-	-
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the period	-	-	-	-	1,769,000
Settled during the period	-	-	-	-	(107,800)
Closing balance	-	-	-	-	1,661,200
Deposits and other accounts					
Opening balance	18,601	7,769,284	72,204	2,209,154	16,151,170
Received during the period	19,125	32,699,909	994,342	139,679,652	252,146,059
Withdrawn during the period	(22,432)	(30,593,377)	(893,941)	(133,008,868)	(258,086,961)
Transfers in - net	-	-	-	-	-
Closing balance	15,294	9,875,816	172,605	8,879,938	10,210,268
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	-	45,613	-	46,410	57,807
Dividend payable	5,685,560	151,123	-	-	39,550
Payable to staff retirement fund	-	-	-		13,680
Unearned income	-	-	-	-	1,950
Other payable	-	-	-	4,768	-
Contingencies and Commitments					
Forward Government securities sale	-	-	-	-	-
Letter of guarantee	-	-	-	-	-

	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
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	-	-	-	-	-
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 nine months ended September 30, 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	-	-	13,669	76,304	160,812
Commission / charges recovered	-	34	875	24,286	9,746
Dividend received	-	-	-	117,917	203,720
Net gain on sale of securities	-	-	-	69,698	-
Other income	-	-	-	-	17,557
Gain on sale of fixed assets	-	-	715	1,454	-
Remuneration from management of fund	-	-	-	788,876	-
Sales load	-	-	-	27,630	-
Reversal of provision	-	-	-	-	107,941
Switch revenue	-	-	-	-	200,992
Management Fee	-	-	-	-	-
Expenses					
Mark-up / return / interest paid	825	459,215	4,002	272,235	585,958
Remuneration paid	-	-	931,186	-	-
Post employment benefits	-	-	8,285	-	-
Directors' fees and allowances	-	69,617	20,513	-	-
Net charge for defined contribution plans	-	-	37,927	-	327,412
Net charge for defined benefit plans	-	-	37,419	-	436,713
Other expenses	-	-	-	-	178,140
Clearing charges	-	-	-	-	115,186
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	6,406
Other information					
Dividend paid	6,127,770	172,327	5,811	88,801	1,527,244
Insurance premium paid	-	-	1,452	532,495	-
Insurance claims settled	-	-	-	325,190	-

	For the nine months ended September 30, 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	-	-	11,908	27,034	383,358
Commission / charges recovered	22	232	1,673	19,933	17,825
Dividend received	-	-	-	129,493	421,912
Net gain on sale of securities	-	78	-	48,808	-
Other income	-	-	7,397	-	16,077
Gain on sale of fixed assets	-	-	-	-	-
Remuneration from management of fund	-	-	-	669,562	
Sales load	-	-	-	33,797	-
Reversal of provision	-	-	-	-	142,388
Switch revenue	-	-	-	-	176,757
Expenses					
Mark-up / return / interest paid	269	257,972	773	43,874	818,235
Remuneration paid	-	-	1,244,919	-	-
Post employment benefits	-	-	19,848	-	-
Directors' fees and allowances	-	49,950	17,089	-	-
Net charge for defined contribution plans	-	-	20,818	-	295,507
Net charge for defined benefit plans	-	-	-	-	236,932
Other expenses	-	-	26,034	-	66,500
Clearing charges	-	-	-	-	109,475
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	44,100
Custody charges	-	-	-	-	-
Seminar and membership fees	-	-	-	-	17,022
Other information					
Dividend paid	2,147,878	57,753	1,657	18,310	543,598
Insurance premium paid	-	-	1,498	505,181	-
Insurance claims settled	-	-	-	358,713	-

39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 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	142,258,034	142,696,673
Eligible Additional Tier 1 (ADT 1) Capital	9,675,143	10,030,732
Total Eligible Tier 1 Capital	151,933,177	152,727,405
Eligible Tier 2 Capital	51,790,826	48,696,456
Total Eligible Capital (Tier 1 + Tier 2)	203,724,003	201,423,861
Risk Weighted Assets (RWAs):		
Credit Risk	917,020,784	763,003,152
Market Risk	106,130,053	95,817,985
Operational Risk	174,186,005	174,186,005
Total	1,197,336,842	1,033,007,142
Common Equity Tier 1 Capital Adequacy Ratio	11.88%	13.81%
Tier 1 Capital Adequacy Ratio	12.69%	14.78%
Total Capital Adequacy Ratio	17.01%	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 nine months ended September 30, 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% of the risk weighted assets 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 with 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 September 30, 2022. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 17.01% whereas CET 1 and Tier 1 ratios stood at 11.88% and 12.69% respectively.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------- (Rupees in '000) -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	151,933,177	152,727,405
Total Exposures	3,622,488,122	3,672,809,400
Leverage Ratio	4.19%	4.16%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	918,093,961	1,597,732,985
Total Net Cash Outflow	280,640,974	476,786,878
Liquidity Coverage Ratio	327.14%	335.10%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,198,877,476	2,409,606,992
Total Required Stable Funding	1,210,193,058	1,341,535,238
Net Stable Funding Ratio	181.70%	179.62%

40. ISLAMIC BANKING BUSINESS

The Bank operates 150 (December 31, 2021: 145) Islamic Banking branches and 197 (December 31, 2021: 197) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		--------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks		22,288,762	13,367,864
Balances with other banks		635,806	7,049,825
Due from financial institutions		-	-
Investments	40.1	124,682,765	87,124,858
Islamic financing and related assets - net	40.2	67,760,410	43,855,127
Fixed assets		1,376,947	1,289,983
Intangible assets		313	2,084
Due from Head Office		37,187,172	4,712,655
Other assets		6,607,295	1,201,231
		260,539,470	158,603,627
LIABILITIES			
Bills payable		1,701,673	1,672,972
Due to financial institutions		8,210,267	5,714,199
Deposits and other accounts	40.3	233,857,883	139,534,238
Other liabilities		2,624,857	1,671,905
		246,394,680	148,593,314
NET ASSETS		14,144,790	10,010,313
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		(567,222)	(265,635)
Unappropriated profit	40.4	12,531,012	8,094,948
		14,144,790	10,010,313
CONTINGENCIES AND COMMITMENTS	40.5		

PROFIT AND LOSS ACCOUNT		(Un-audited) January - September 2022	January - September 2021
		--------- (Rupees in '000) ---------	
Profit / return earned	40.6	13,948,407	6,596,468
Profit / return expensed	40.7	7,908,773	3,328,980
Net profit / return		6,039,634	3,267,488
Other income			
Fee and commission income		254,480	213,100
Foreign exchange income		77,089	30,608
Loss on securities - net		-	(736)
Other Income		29,162	20,440
Total other income		360,731	263,412
Total income		6,400,365	3,530,900
Other operating expenses		1,951,637	1,308,141
Profit before provisions		4,448,728	2,222,759
Provisions / (reversals) and write-offs - net		12,664	52,475
Profit before taxation		4,436,064	2,170,284
Taxation		1,996,229	846,411
Profit after taxation		2,439,835	1,323,873

40.1 Investments by segments

		As at September 30, 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		102,519,679	-	(567,222)	101,952,457	53,998,970	-	(265,635)	53,733,335
- Islamic Naya Pakistan Certificate		3,963,378	-	-	3,963,378	924,941	-	-	924,941
- Bai Muajjal with Govt. of Pakistan	40.1.1	-	-	-	-	21,214,989	-	-	21,214,989
		106,483,057	-	(567,222)	105,915,835	76,138,900	-	(265,635)	75,873,265
Non Government Debt Securities									
-Listed		561,607	-	-	561,607	657,143	-	-	657,143
-Unlisted		18,205,323	-	-	18,205,323	10,594,450	-	-	10,594,450
		18,766,930	-	-	18,766,930	11,251,593	-	-	11,251,593
Total Investments		125,249,987	-	(567,222)	124,682,765	87,390,493	-	(265,635)	87,124,858

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	

40.1.1 Bai Muajjal with Government of Pakistan

Bai Muajjal Investment	-	21,611,000
Less: Deferred Income	-	(396,011)
Bai Muajjal Investment - net	-	21,214,989

40.2 Islamic financing and related assets

Ijarah	276,255	376,317
Murabaha	500,618	263,312
Musharakah	26,156,120	12,401,891
Diminishing Musharakah	23,316,395	20,091,403
Mera Pakistan Mera Ghar (MPMG)	4,801,584	832,542
Istisna	82,567	80,112
Islamic Export Refinance scheme - Musharakah	4,897,905	4,598,162
Islamic Export Refinance scheme - Istisna	437,233	542,915
Advances against Islamic assets		
Advances against Ijarah	63,044	6,528
Advances for Diminishing Musharakah	1,320,836	1,941,910
Advances for Murabaha	93,498	100,346
Advances against MPMG	578,304	1,343,196
Advances for Istisna	595,613	407,065
Advances against Ameen ITERF	3,442,919	463,846
Inventory related to Islamic financing		
Istisna	6,580	136,399
Profit and other receivables against financings	1,367,437	470,979
Gross Islamic financing and related assets	67,936,908	44,056,923
Less: Provision against Islamic financing		
- Specific	(89,334)	(131,139)
- General	(87,164)	(70,657)
	(176,498)	(201,796)
Islamic financing and related assets - net of provision	67,760,410	43,855,127

40.3 Deposits and other accounts

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
Customers		
Current deposits	89,231,625	74,840,685
Saving deposits	39,326,385	26,341,608
Term deposits	32,216,362	9,833,547
	160,774,372	111,015,840
Financial Institutions		
Current deposits	5,639,064	11,355,282
Saving deposits	57,884,447	4,113,116
Term deposits	9,560,000	13,050,000
	73,083,511	28,518,398
	233,857,883	139,534,238

40.3.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 103,940.329 million (December 31, 2021: Rs. 87,997.015 million).

40.4 Islamic Banking Business Unappropriated Profit

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	---------- (Rupees in '000) ----------	
Opening balance	8,094,948	4,625,774
Profit for the period / year	4,436,064	3,469,174
	12,531,012	8,094,948
Taxation	(1,996,229)	(1,414,045)
Closing balance	10,534,783	6,680,903

40.5 Contingencies and commitments

- Guarantees	125,087	400
- Commitments	8,785,251	14,347,212
	8,910,338	14,347,612

40.6 Profit / Return earned

	(Un-audited) January - September 2022	January - September 2021
	---------- (Rupees in '000) ----------	
On:		
Financing	4,925,431	1,750,968
Investments	8,432,273	4,429,831
Placements	423,022	252,241
Rental Income from Ijarah	167,681	163,428
	13,948,407	6,596,468

40.7 Profit / Return expensed

On:		
Deposits and other accounts	7,664,317	3,204,910
Due to Financial Institutions	158,088	51,452
Others	86,368	72,618
	7,908,773	3,328,980

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 September 30, 2022 is Rs. 3,671.71 million (37.59% of distributable profit of Mudarabah Pool). of this, an amount of Rs. 1,605.76 million (43.74% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 13.31% per annum and the rate of profit paid on average deposits was 10.51% 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 nine months ended September 30, 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	9	Mudarbaha	Monthly	10.22%	43.85%	114,422	7.44%	36.44%	41,697
Special Pools	125	Mudarbaha	Monthly	13.15%	14.57%	491,654	11.67%	38.17%	187,642
IERS Pools	18	Musharkah	Monthly	10.42%	89.53%	1,009,658	3.29%	0.00%	-
FCY Pools	18	Mudarbaha	Monthly	2.13%	50.00%	3,309	1.06%	0.00%	-
General Pools	9	Mudarbaha	Monthly	13.38%	50.00%	3,065,095	9.69%	44.91%	1,376,423
Treasury Pools	6	Musharkah	Monthly	10.61%	5.42%	356	10.08%	0.00%	-

For the nine months ended September 30, 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	9	Mudarbaha	Monthly	7.28%	46.19%	38,856	5.71%	53.39%	20,744
Special Pools	85	Mudarbaha	Monthly	8.38%	32.93%	490,597	6.75%	38.16%	187,211
IERS Pools	18	Musharkah	Monthly	6.43%	82.94%	244,413	2.00%	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	1.94%	50.00%	1,544	1.06%	0.00%	-
General Pools	9	Mudarbaha	Monthly	9.66%	50.00%	1,833,782	5.38%	11.41%	209,290

40.9 Deployment of Mudarabah based deposits by class of business

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	-------Rupees in '000-----	
Chemical and pharmaceuticals	3,710,327	3,815,014
Agriculture	22,051,814	12,686,234
Textile	8,569,058	2,362,688
Financial	1,250,806	7,664,825
Food industries	120,232	152,269
Plastic	245,874	301,339
Individuals	17,369,172	13,303,854
Production and transmission of energy	18,522,407	18,441,835
Government of Pakistan securities	115,110,458	75,873,265
Others	6,305,332	3,630,282
	193,255,480	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 central bank of Yemen Sana'a, 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 October 19, 2022 has declared an interim cash dividend in respect of quarter ended September 30, 2022 of Rs. 4.0 per share (September 30, 2021: Rs. 4.0 per share). This is in addition to Rs. 9.0 already paid during the year bringing the total dividend for the nine months to Rs. 13.0 per share (September 30, 2021: Rs. 12.0). These consolidated condensed interim financial statements for the nine months ended September 30, 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. However, there is no material reclassification to report.

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 October 19, 2022, by the Board of Directors of the Bank.

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

ایوارڈ اور اعترافات (Award and Recognition)

یورومنی کی ایک تنظیم ایشیا منی نے مسلسل تیسری بار یو بی ایل کو پاکستان کا بہترین ڈیجیٹل بینک قرار دیا ہے۔ یہ ایوارڈ یو بی ایل کی ان بہترین خدمات کا اعتراف ہے جو بینک پاکستان میں ڈیجیٹل چینلز کے ذریعے مالیاتی خدمات میں وسعت اور مقامی بینکاری میں جدت لانے کے لیے پیش کر رہا ہے۔ بینک ڈیجیٹل پلیٹ فارمز اور ایسی ٹیموں کی تشکیل کے لیے سرمایہ کاری جاری رکھے گا جو پاکستان میں مستقبل کی بینکاری کو نئی جہت سے ہمکنار کریں گی۔

مستقبل کا منظر نامہ (Future Outlook)

نجی شعبے میں ملک کے سب سے بڑے مالیاتی اداروں میں سے ایک ہونے کے ناطے، یو بی ایل اپنے وسیع مالیاتی خدمات کے دائرہ کار میں وسعت اور خاص طور پر بینکاری کی سہولیات سے محروم وسیع طبقات میں بینکاری کے فروغ سے معیشت میں اپنا کردار ادا کرتا رہے گا۔ یو بی ایل میں برانچ بینکنگ گروپ اپنے وسیع ترنیٹ ورک کی موجودگی اور ملک گیر پہنچ کے ساتھ بینک کا سب سے اہم شعبہ ہے۔ بینک اپنے کسٹمرز کی وسیع تر بنیاد کے لیے خدمات، پروسسز اور مصنوعات کی بہتر فراہمی اور سرمایہ کاری کے لیے مزید کوشاں ہے ۔ ملک کے تیزی سے ترقی پذیر اور اختراعی بینک کے طور پر یو بی ایل نت نئی اور منفرد بینکاری کی سہولیات کی فراہمی سے اپنی بڑھتی ہوئی کسٹمر بیس کے لیے آسانی اور پہنچ میں وسعت لانے کا عمل جاری رکھے گا۔ قرضوں کے اجراء کے دوران اثاثوں سے متعلق تمام فیصلوں میں چنیدہ کے ساتھ ساتھ کریڈٹ کوالٹی کو پیش نظر رکھنا ہماری بنیادی ترجیح ہے۔ بینک کا انٹرنیشنل کاروبار بھی مستحکم ہے اور اب ہماری فرنچائز میں مضبوط کردار ادا کر رہا ہے۔ یو بی ایل اپنے پروسسز اور ثقافت میں مزید بہتری کا پختہ عزم رکھتا ہے۔ کمپلائنس اور انضباطی معیارات کو بہترین عالمی پریکٹسز کے مطابق مستحکم بنانا ہماری ترویراتی ترجیح رہی ہے۔ ہم پاکستان کے کارپوریٹ منظر نامے میں ماحولیات، سماج اور گورننس (ESG) کے معیارات کا اعلیٰ معیار قائم کرنے کے لیے پُرعزم ہیں۔ بینک کا سب سے گرانقدر اثاثہ اس کے عوام ہیں۔ اسی لیے بہترین صلاحیتوں کے حامل افراد کا حصول اور بینک کے ساتھ مسلسل وابستگی ہماری ترجیح ہے جو ہمارا یقین ہے کہ یو بی ایل کے آئندہ ترقیاتی اہداف کے حصول میں کلیدی اہمیت کی حامل ہے۔

کلماتِ تشکر (Acknowledgements)

آخر میں، ہم بورڈ آف ڈائریکٹرز کی جانب سے اپنے تمام اسٹیک ہولڈرز اور کسٹمرز کا یو بی ایل برانڈ پر مسلسل اعتماد کرنے پر تہہ دل سے شکر ادا کرتے ہیں۔ ہم اپنے اسٹاف کی شبانہ روز محنت کو سراہتے ہیں جنہوں نے اِن مشکل حالات اور اوقات میں اپنے صارفین کو ہر سطح پر بلاتعطل خدمات کی فراہمی کو مسلسل یقینی بنایا ہے۔ ہم حکومت پاکستان، اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ضابطہ کار اداروں کے بھی شکر گزار ہیں جو بینک کو رہنمائی اور تعاون فراہم کرتے ہیں۔

ارشد احمد میر
ڈائریکٹر

شہزاد جی دادا
صدر اور سی ای او

اسلام آباد،
19 اکتوبر 2022

جیسا کہ ملک کو مالی سال 2023 کے لیے بیرونی فنانسنگ حاصل کرنے میں دقت پیش آ رہی ہے (Moody's) نے 6 اکتوبر 2022 کو حکومت پاکستان کی لوکل اور فارن کرنسی ایشوئرز اور سینئران سیکیورلون ریٹنگ B3 سے کم کر کے Caa1 کر دی ہے جب کہ آؤٹ لک منفی ہی رہے گی۔

ملک میں مہنگائی کی شرح تاریخ کی بلند ترین سطح پر ہے اور کنزیومر پرائس انڈیکس ستمبر 2022 میں 23.2 فیصد ریکارڈ کیا گیا جو کہ ستمبر 21 میں 9.0 فیصد تھا۔ توانائی کی قیمتوں میں اضافے اور غذائی اشیاء مہنگی ہونے سے ملکی معاشی سرگرمیوں میں کمی ہوئی ہے اور اسی مدت میں جی ڈی پی کی نمو پر منفی اثرات پڑے ہیں۔ اسٹیٹ بینک آف پاکستان نے اپنی حالیہ مانیٹری پالیسی کے اجلاس منعقدہ 10 اکتوبر 2022 میں شرح سود کو 15.0 کی سطح پر برقرار رکھا ہے۔

KSE-100 انڈیکس پر بھی موجودہ معاشی ماحول کے اثرات پڑے ہیں اور ستمبر 22 میں 41,129 پوائنٹس پر بند ہوا جو دسمبر 21 کے مقابلے میں 8 فیصد کم ہے۔ 23 ستمبر 2022 میں بینکنگ کے شعبے میں ڈیپازٹس 22.1 ٹریلین روپے تھے جو دسمبر 21 سے 5 فیصد زیادہ ہیں۔ اسی طرح 23 ستمبر 2022 کو بینکنگ شعبے میں ایڈوانسز 8 فیصد (دسمبر 21 کی نسبت) اضافے کے ساتھ 11.0 ٹریلین روپے ریکارڈ کیے گئے۔ جون 22 میں بینکنگ انڈسٹری کے غیر فعال قرضہ جات 879 ارب روپے ریکارڈ کیے گئے جو کہ دسمبر 21 کی نسبت 2 فیصد زیادہ ہیں جب کہ ایسٹ کوالٹی دسمبر 21 میں 7.9 فیصد سے بہتر ہو کر جون 22 میں 7.5 فیصد ہو گئی۔

یو بی ایل انٹرنیشنل (UBL International)

یو بی ایل انٹرنیشنل نے سال 2022 کے پہلے 9 ماہ کے دوران 5.9 ملین امریکی ڈالر کا منافع قبل از ٹیکس کمایا (جو کہ گزشتہ سال کی اسی مدت کے دوران 30.1 ملین امریکی ڈالر تھا)۔ بین الاقوامی کاروبار کے لیے کل محاصل 48.7 ملین امریکی ڈالر رہے (2021 کے 9 ماہ 60.6 ملین امریکی ڈالر)۔ سود سے حاصل ہونے والی خالص آمدنی 5 فیصد اضافے کے ساتھ رواں سال کے پہلے 9 ماہ کے دوران 38.1 ملین امریکی ڈالر رہی۔ اسی مدت کے دوران نان مارک اپ آمدنی 10.6 ملین امریکی ڈالر رہی جو کہ گزشتہ سال کے 9 ماہ میں 24.4 ملین امریکی ڈالر تھی جس کی وجہ کیپیٹل گینز سے حاصل ہونے والی کمائی تھی۔ آپریشنل اخراجات گزشتہ سال کے مقابلے میں معمولی اضافے کے ساتھ 22.4 ملین امریکی ڈالر رہے۔ سال 2022 کے 9 ماہ کے دوران کاروبار میں نیٹ پروویژن چارج 18.8 ملین امریکی ڈالر ریکارڈ کیا گیا جس کی بڑی وجہ پاکستان اور سری لنکا میں (Sovereign Debt Investments) پر چارج تھا۔ گزشتہ سال قرض پورٹ فولیو کی مد میں زیادہ تر قرضوں کی مد میں نیٹ چارج 5.9 ملین امریکی ڈالر تھا۔ خود مختار قرضوں پر مالی دباؤ کے اثرات کے سبب قرضوں پر اخراجات کے علاوہ یو بی ایل انٹرنیشنل کا منافع قبل از ٹیکس رواں سال کے 9 ماہ کے دوران 35 ملین امریکی ڈالر ریکارڈ کیا گیا۔

یو بی ایل انٹرنیشنل کا 2022 کے 9 ماہ کے دوران اوسط ڈیپازٹ پورٹ فولیو 1.3 ارب امریکی ڈالر رہا جو کہ گزشتہ سال کی مدت سے تھوڑا زیادہ ہے۔ ڈیپازٹس کی لاگت 2022 کے 9 ماہ کے دوران 1.1 فیصد ریکارڈ کی گئی جو کہ گزشتہ سال کی اسی مدت کے مطابق ہے۔ سال 2022 کے 9 ماہ کے دوران فعال ایڈوانسز کی اوسط 716 ملین امریکی ڈالر رہی جو کہ 11 فیصد کی مسلسل نمو کو ظاہر کرتی ہے۔ غیر ملکی بانڈز پر سرمایہ کاری کے پورٹ فولیو کی اوسط 635 ملین امریکی ڈالر رہی جس سے بینک کو سال 2022 کے 9 ماہ کے دوران 5.7 فیصد کی شرح آمدن حاصل ہوئی۔

کریڈٹ ریٹنگ (Credit Rating)

30 جون، 2022 کو VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے یونائیٹڈ بینک لمیٹڈ (یو بی ایل) کی بطور ادارہ ریٹنگ AAA/A-1+ کی دوبارہ توثیق کی ہے (ٹرپل اے، اے ون پلس)۔ مزید برآں، یو بی ایل کے اضافی TFC Tier-1 (ADT-1) کی بھی 'AA+' ریٹنگ کی دوبارہ توثیق کی ہے اس طرح ادارہ کو تفویض شدہ ریٹنگ پر آؤٹ لک 'مستحکم' ہے۔

2022 کی تیسری سہ ماہی میں بینک کے آپریشنل اخراجات 21 فیصد اضافے کے ساتھ 37.8 ارب روپے ریکارڈ کیے گئے۔ ملازمین کی مراعات اور معاوضوں کی مد میں اسی مدت کے دوران 14.4 ارب روپے خرچ ہوئے جو کہ 16 فی صد اضافہ ہے جس کی وجہ مہنگائی کے مطابق تنخواہوں میں ردوبدل کے ساتھ ساتھ میرٹ پر اضافہ ہے۔ پراپرٹی کے ضمن میں اخراجات 28 فی صد اضافے کے ساتھ 6.5 ارب روپے رہے۔ اس میں جائیدادوں کی خسارگی کے تخمینوں کے ضمن میں ایک بار کا ردوبدل بھی شامل ہے۔ آئی ٹی کے اخراجات میں 17 فی صد اضافہ ریکارڈ کیا گیا جس کی وجہ مقامی کرنسی یعنی روپے کی قدر میں بہت زیادہ گراوٹ ہے اور اس سے لائسنسز کی بیرونی کرنسیوں میں ادائیگی پر اثرات پڑے ہیں۔ دیگر آپریٹنگ اخراجات سال 2022 کے 9 ماہ کے لیے 25 فیصد اضافہ کے ساتھ 13.1 ارب روپے ریکارڈ کیے گئے۔ جس کی بڑی وجہ گزشتہ سال کی نسبت کاروباری حجم میں خاطر خواہ اضافے سے سیلز کمیشن اور دیگر چارجز کی مد میں زیادہ ادائیگیاں ہیں۔

سرمائے کا تناسب (Capital Ratios)

بینک سرمائے کی مضبوط بنیاد برقرار رکھنے کا خواہشمند ہے تاکہ مستقبل کی نمو کے لیے مضبوط بنیاد کی فراہمی کے ساتھ ساتھ ضابطوں کے تقاضوں کی مقررہ موزوں حدود کی پاسداری بھی کی جائے۔

اکتوبر 2021 میں اسٹیٹ بینک آف پاکستان کی جانب سے کم تر خطرے کی پروفائل کے ضمن میں کرائے گئے تشخیصی جائزے کے مطابق یو بی ایل اب D-SIB میں ہرگز نہیں۔ تاہم بینک کو 30 جون 2022 تک اضافی عام ایکویٹی ٹیئر۔1 (CET-1) کیپٹل ایک فیصد غیر مجتمع اور مجموعی صورت میں HLA کیپٹل سرچارج کے تقاضے کو پورا کرنا تھا۔ تازہ ترین تشخیص کے نتیجے میں 30 جون 2022 میں یو بی ایل کے لیے غیر مجتمع اور مجموعی دونوں بنیادوں پر کم سے کم سرمائے کی حد 12.5 فیصد سے کم ہو کر ستمبر 2022 کے بعد 11.5 فیصد رکھی گئی ہے۔

ستمبر 22 میں مجموعی CAR کی سطح 18.4 فیصد رہی (دسمبر 21 میں 21.5 فیصد) جو کہ کم سے کم ریگولیٹری بفر 11.5 فیصد سے 6.9 فیصد زیادہ ہے۔ کامن ایکویٹی ٹیئر۔1 (CET-1) کا تناسب ستمبر 22 میں 12.7 فیصد ریکارڈ کی گئی (دسمبر 21 میں 15.1 فیصد)۔ ستمبر 2022 میں ٹیئر۔1 کے سرمائے کا تناسب 13.7 فیصد ریکارڈ کیا گیا جو کہ دسمبر 21 میں 16.3 فیصد تھا۔

یو بی ایل کے بورڈ آف ڈائریکٹرز نے 19 اکتوبر 2022 کو اسلام آباد میں منعقدہ اپنے اجلاس میں عبوری منافع 4 روپے فی شیئر کے ساتھ ساتھ 30 ستمبر 2022 کو ختم ہونے والے 9 ماہ کے نتائج کا بھی اعلان کیا ہے۔

معاشی جائزہ (Economy Review)

ملک کے زرمبادلہ کے اکاؤنٹس پر مسلسل دباؤ کے ملکی معیشت پر منفی اثرات مرتب ہوئے۔ ملک میں حالیہ سیلاب سے معاشی صورتحال مزید ابتر ہوئی جس سے ملک کی بڑی آبادی کی زندگیوں اور ذرائع معاش کو شدید نقصانات اٹھانے پڑے۔

ملک کے کرنٹ اکاؤنٹ کو مالی سال 2023 کے 2 ماہ میں 1.9 ارب امریکی ڈالر خسارے کا سامنا ہوا جو کہ گزشتہ مالی سال کی اس مدت کی نسبت 19 فیصد کمی کو ظاہر کرتا ہے۔ اسی طرح تجارتی توازن میں بھی ملک کو مالی سال 2023 کی پہلی سہ ماہی میں 9.2 ارب امریکی ڈالر خسارہ ریکارڈ کیا گیا جو کہ گزشتہ سال 11.7 ارب امریکی ڈالر تھا۔ مالی سال 2023 کی پہلی سہ ماہی میں برآمدات 1.8 فیصد اضافے کے ساتھ 7.1 ارب امریکی ڈالر ریکارڈ کی گئیں جب کہ درآمد کا حجم 16.3 ارب ڈالر رہا جو کہ سال بہ سال 12.7 فیصد کمی کو ظاہر کرتا ہے۔ مالی سال 2023 کی پہلی سہ ماہی کے دوران بیرونی ملک پاکستانیوں کی بھیجی گئی رقوم سال بہ سال 6 فیصد کمی کے ساتھ 7.7 ارب امریکی ڈالر ریکارڈ کی گئیں۔ پاکستان کی فارن ایکسچینج مارکیٹ اس مدت میں مندی کا شکار رہی اور دسمبر 2021 سے روپے کی قدر میں 22 فیصد کمی دیکھی گئی اور 12 اکتوبر 2022 میں ڈالر 217.9 روپے کا تھا۔ ملک کے زرمبادلہ کے ذخائر ستمبر 2022 میں 13.6 ارب امریکی ڈالر تھے جو کہ دسمبر 21 کی نسبت 43 فیصد کم ہیں۔ جب کہ اسٹیٹ بینک آف پاکستان کے پاس ڈالر کے ذخائر ستمبر 2022 میں 7.9 ارب امریکی ڈالر تھے جو کہ دسمبر 21 کی نسبت 55 فیصد کم ہیں۔

سال 2022 کے 9 ماہ میں ڈیبٹ اور کریڈٹ کارڈ فیس کی مد میں 2.3 ارب روپے کی آمدن ہوئی جو کہ 27 فیصد زیادہ ہے، کیونکہ فعال کسٹمرز کا پورٹ فولیو بہتر طور پر تیار کیا گیا تھا، کیش مینجمنٹ سے کمیشن آمدن سال 2022 کے 9 ماہ میں 838 ملین روپے ریکارڈ کی گئی ہے، جو کہ سال بہ سال 16 فیصد کا اضافہ ہے جس کی وجہ کارپوریٹ اور ایس ایم ای کسٹمر ایک وسیع بنیاد کے ساتھ تھروپُٹ (throughtput) میں نمایاں اضافہ ہے۔ تجارت اور گارنٹی بزنس سے 1.3 ارب روپے کی آمدن ہوئی ہے، طویل مدت سے کسٹمرز کے ساتھ ایک مستحکم تعلقات کے ساتھ یہ 37 فیصد کی یہ ایک مضبوط نمو ہے۔

بینک کو گزشتہ سال 2.6 ارب روپے کے مقابلے میں سال 2022 کے پہلے 9 ماہ میں غیر ملکی زرمبادلہ کی مد میں 7.6 ارب روپے کی آمدن حاصل ہوئی ہے۔ جس کی بنیادی وجہ، کسٹمرز کے فلوز کا بڑھنا اور فعال بیلنس شیٹ کی پوزیشنگ ہے۔ سال 2022 کے 9 ماہ میں 4 فیصد کے اضافہ کے ساتھ ڈیویڈنڈ آمدن 1.5 ارب روپے ریکارڈ کی گئی، اس کی وجہ بینک کے ہولڈنگز میں توانائی اور کھاد کے شعبہ جات اور گروپ اداروں سے مستحکم ادائیگیاں ہیں۔

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

یو۔بی۔ایل نے گزشتہ سال کی اسی مدت میں 415 ملین روپے کے نیٹ پرویژن ریورسل کے مقابلے میں سال 22 کے 9 ماہ میں 5.4 ارب روپے کے نیٹ پرویژن چارج ریکارڈ کیے ہیں۔

بینک کی سطح کے غیر فعال قرضہ جات (این پی ایل ایس) ستمبر 2022 تک 93.7 ارب روپے رہے (دسمبر 21 میں یہ 86.0 ارب روپے تھے) یہ 7.7 ارب روپے کا اضافہ ہے۔ بینک کی سطح پر اثاثہ جات کے معیار دسمبر 2021 کے 11.8 فیصد سے ستمبر 22 میں بڑھ کر 12.3 فیصد ریکارڈ کیا گیا۔ جبکہ مخصوص کوریج ستمبر 22 تک 86.7 فیصد پر مستحکم تھی (دسمبر 21 میں 86.9 فیصد تھی)۔

یو بی ایل ڈومیسٹک (UBL Domestic)

ڈومیسٹک بینک کے مجموعی ایڈوانسز ستمبر 2022 تک 556 ارب روپے رہے (دسمبر 2021 میں 544 ارب روپے تھے)، جو کہ بینک کے کل پورٹ فولیو کا 73 فیصد بنتے ہیں۔ اندرون ملک غیر فعال قرضہ جات دسمبر 2021 میں 27.1 ارب روپے تھے جو کہ کم ہو کر ستمبر 2022 میں 26.3 ارب روپے تک پہنچ گئے، اس میں کم و بیش 781 ملین روپے کی کمی ہوئی ہے۔

گزشتہ سال کی اسی مدت میں 1.4 ارب روپے کے نیٹ پرویژن ریورسل کے مقابلہ میں سال 2022 کی 9 ماہ کے دوران ڈومیسٹک بینک میں نیٹ پرویژن چارج کی مد میں 1.7 ارب روپے ریکارڈ کیے گئے ہیں۔ ستمبر 22 تک، ڈومیسٹک بینک کے اثاثہ جات کے معیار (کوالٹی) مزید بہتر ہو کر 4.7 فیصد رہی (دسمبر 21 میں: 5.0 فیصد تھی)

یو بی ایل انٹرنیشنل (UBL International)

یو بی ایل انٹرنیشنل کے غیر فعال قرضہ جات ستمبر 2022 تک 295 ملین امریکی ڈالر پر تھے (دسمبر 2021 میں 334 ملین امریکی ڈالر)۔ سال 2021 کے 9 ماہ کے دوران 5.9 ملین امریکی ڈالر کی نیٹ پرویژن چارج کے مقابلہ میں سال 2022 کے 9 ماہ کی مدت میں 18.8 ملین امریکی ڈالر نیٹ پرویژن چارج ریکارڈ کیا گیا۔ بنیادی طور پر، پاکستان میں یوروبانڈز اور سری لنکا میں خودمختار قرضوں پر بینک کے سرمائے کے سلسلہ میں کوریج تیار کرنا تھی۔ ستمبر 22 تک قرضوں (لون) پر مخصوص کوریج 86.8 فیصد ریکارڈ کی گئی (دسمبر 21 میں یہ 86.4 فیصد تھی)

اخراجات کا نظم و نسق (Cost Management)

بینک، اپنے عملے اور اسی طرح فزیکل اور آئی ٹی / ڈیجیٹل انفراسٹرکچر میں مسلسل سرمایہ کاری کے ذریعے، اپنی لاگت کی بنیاد پر، وسیع و عریض نیٹ ورک کی ضروریات اور اپنے کسٹمرز کو بہتر انداز میں اپنی خدمات کی فراہمی کے لیے مسلسل کوشاں ہے۔

نیٹ مارک اپ آمدنی (Net Markup Income)

سال 2022 کے 9 ماہ میں، سال بہ سال 36 فیصد اضافے کے ساتھ بینک کو نیٹ مارک اپ 72.8 ارب روپے کی آمدن ہوئی ہے۔ سال 2022 کے 9 ماہ میں بینک کی اوسط آمدنی کے اثاثے 2.2 ٹریلین روپے رہے اور یہ اضافہ 12 فیصد ہے۔ بینک کی سطح پر مجموعی خالص منافع (نیٹ انٹرسٹ مارجن) سال 2022 کی 9 ماہ کے دوران 4.6 فیصد ریکارڈ کیا گیا (سال 2021 کی اسی مدت میں: 3.8 فیصد)۔ سال کے دوران مانیٹری پالیسی کے تحت سال 2021 کے 9 ماہ میں 7.0 فیصد کے مقابلے میں سال 2022 میں بینچ مارک شرح سود اوسطاً 12.5 فیصد رہا۔

سرمایہ کاری بک میں بروقت ری پوزیشنگ کی وجہ سے فکسڈ اور فلوٹنگ سرمایہ کاری کی شرح کے تناظر میں متنوع پورٹ فولیو کے ساتھ انٹرسٹ مارجنز میں مضبوط نمو دیکھی گئی ہے۔ سال 2022 کے 9 ماہ میں 100 ارب روپے کے نیٹ انکریمنٹل اضافے کے ساتھ ڈومیسٹک ڈیپازٹس اوسطاً 1.60 ٹریلین روپے رہے، جس میں گزشتہ سال کے مقابلہ میں 7 فیصد اضافہ ہے۔ سال 22 کے 9 ماہ میں ڈومیسٹک CASA ڈیپازٹس سال بہ سال 7 فیصد اضافہ کے ساتھ 1.37 ٹریلین اوسطاً رہے۔ کل ڈیپازٹ سے CASA کا اوسط مضبوط رہا ہے اور یہ سال 22 کے 9 ماہ میں 85.8 فیصد ریکارڈ کیا گیا (سال 21 کی اسی مدت میں: 85.5 فیصد)۔ بینک نے گزشتہ سال کی اسی مدت میں 413,000 کرنٹ اکاؤنٹ ریلیشن شپ کے مقابلے میں سال 2022 کے 9 ماہ میں تقریباً 450,000 نئے کرنٹ اکاؤنٹ ریلیشن شپ کا اضافہ کیا ہے۔ اِن نئے اکاؤنٹس کے اضافہ کی وجہ سے کرنٹ ڈیپازٹس، سال بہ سال 13 فیصد نمو کے ساتھ سال 2022 کے 9 ماہ میں 706 ارب روپے ریکارڈ کئے گئے۔ اس کے نتیجہ میں، سال 2021 کے 9 ماہ میں 42.0 فیصد کے مقابلہ میں اوسط کرنٹ اور کل ڈیپازٹ کے تناسب میں سال 2022 کے 9 ماہ میں بہتر ہو کر 44.3 فیصد رہا۔ سال 2022 کے 9 ماہ میں ڈومیسٹک سیونگز اکاؤنٹس کا پورٹ فولیو 663 ارب روپے اوسطاً رہا (سال 2021 کی اسی مدت میں 651 ارب روپے)۔ گزشتہ سال کی اسی مدت میں 3.5 فیصد کے مقابلہ میں اس سال ڈومیسٹک ڈیپازٹس کی لاگت 5.9 فیصد ریکارڈ کی گئی، اور گزشتہ سال کے مقابلہ میں شرح سود میں تیزی سے اضافہ کے باوجود یہ لاگت قابو میں رہی۔

سال 2022 کے 9 ماہ میں 19 فیصد اضافہ کے ساتھ، بینک لیول پر وفارمنگ ایڈونسز اوسطاً 647 ارب روپے رہے۔ سال 2022 کے 9 ماہ میں، 15 فیصد اضافہ کے ساتھ ڈومیسٹک پرفارمنگ ایڈونسز اوسطاً 505 ارب روپے رہے، جس کی بڑی وجہ کارپوریٹ، ایس ایم ای اور زرعی شعبوں میں مضبوط بڑھوتری ہے۔ بینک اسلامی بینکنگ کے میدان میں اپنے کاروبار کے پھیلاؤ کو جاری رکھا ہوا ہے، کیونکہ سال 2022 کے 9 ماہ میں 81 فیصد کے اضافہ کے ساتھ لون بک اوسطاً 62 ارب روپے ریکارڈ کی گئی ہے۔

سال 2022 کے 9 ماہ میں، 7 فیصد اضافہ کے ساتھ بینک کی منافع بخش سرمایہ کاری اوسطاً 1.46 ٹریلین روپے رہی ہے۔ ڈومیسٹک حکومتی سیکیورٹیز پورٹ فولیو نے زیرِ جائزہ مدت کے دوران ایک پُرکشش آمدنی (yield) حاصل کی ہے۔ سرمایہ کاری کی پورٹ فولیو، جو ابتدائی طور پر غیر ملکی خودمختار قرضوں کے انسٹرومنٹس پر مشتمل ہوتے ہیں، میں 5.7 فیصد کی شرح آمدن کے ساتھ، یو بی ایل انٹرنیشنل نے بھی بینک کی مجموعی نیٹ مارک۔اپ آمدن میں صحت مندانہ شراکت کو برقرار رکھا ہے۔

نان مارک اپ آمدن (Non-Markup Income)

بینک کو سال 2022 کے 9 ماہ میں 22.1 ارب روپے کی نان مارک اپ آمدن حاصل ہوئی ہے، جو کہ ایک قابل ذکر اضافہ کے ساتھ 28 فیصد ہے۔ نان مارک اپ آمدن، بینک کے کل ریونیو (محاصل) کا 23 فیصد حصہ رہی۔ (سال 2021 کے پہلے 9 ماہ میں: 24 فیصد)

سال 2022 کے پہلے 9 ماہ میں، فیس اور کمیشن کی مد میں بینک کو 11.7 ارب روپے کی آمدن ہوئی ہے جو کہ 20 فیصد کی ایک مضبوط نمو کو ظاہر کرتی ہے۔ سال 2022 کے 9 ماہ کی مدت میں 44 فیصد اضافہ کے ساتھ برانچ بینکنگ آپریشن سے کسٹمر فیس کی مد میں 1.8 ارب روپے ریکارڈ کیے گئے، اس کی بنیادی وجہ تمام ریجن کی جانب سے کاروبار کا حصول رہا ہے۔ یو بی ایل نے تقریباً 21 فیصد مارکیٹ شیئر کے ساتھ ترسیلات زر میں اپنی قائدانہ حیثیت برقرار رکھی، جس کے نتیجہ میں، 17 فیصد کی ایک زبردست نمو کے ساتھ، سال 2022 کے 9 ماہ میں 1.5 ارب روپے کی کمیشن آمدن حاصل ہوئی ہے۔ گزشتہ سال کی طرح، اس مدت کے دوران 1.2 ارب روپے کی کمیشن آمدن کی بنیاد پر بینک ایشورنس کے بزنس نے نان۔مارک اپ ریونیو میں نمایاں شراکت داری کو برقرار رکھا ہے۔

یونائیٹڈ بینک لمیٹڈ

ارکان کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2022 کو ختم ہونے والی 9 ماہ کی مدت کے لئے یونائیٹڈ بینک لمیٹڈ (یو بی ایل) کے مالیاتی گوشوارے پیش کرنا ہمارے لئے باعث مسرت ہے۔

کارکردگی کا جائزہ (Performance Overview)

یو بی ایل نے غیر مجتمع بنیادوں پر 30 ستمبر 2022 کو ختم ہونے والی 9 ماہ کی مدت کے دوران 29 فیصد کی سال بہ سال مضبوط نمو کے ساتھ 50.7 ارب روپے کا منافع قبل از ٹیکس ریکارڈ کیا۔

یو بی ایل کو سال 2022 کے 9 ماہ میں 94.9 ارب روپے کے مجموعی ریونیوز حاصل ہوئے، گزشتہ سال کی اسی مدت کے مقابلے میں 34 فیصد زیادہ ہے۔ سال 2022 کے 9 ماہ میں نیٹ مارک اپ آمدنی 72.8 ارب روپے رہی، سرمایہ کاری میں بہترین پوزیشن اور ڈیپازٹس کی موثر قیمت کے نتیجے میں سال بہ سال 36 فیصد کا یہ نمایاں اضافہ ہے۔ سال 2022 کے 9 ماہ میں نان مارک اپ آمدن 22.1 ارب روپے رہی جو کہ 28 فیصد زیادہ ہے، اس میں مضبوط نمو کی بڑی وجہ فیس کی مد کے تمام بڑے ریونیوز ہیں۔

سال 2022 کے 9 ماہ میں بینک کے انتظامی (Operating) اخراجات 37.8 ارب روپے ریکارڈ کیے گئے، اور اس میں 21 فیصد سال بہ سال اضافہ ہے۔ اس کی بڑی وجوہات میں افراط زر کی سطح کا نمایاں حد تک بڑھ جانا پاکستانی روپے کی قدر میں نمایاں گراوٹ اور تمام نیٹ ورک میں اوور ہیڈز ہیں۔ سال 2022 کے 9 ماہ کی مدت میں اخراجات میں اضافہ کے باوجود، لاگت اور آمدن کے تناسب میں بہتری جاری رہی اور یہ کم ہو کر 39.8 فیصد رہی (گزشتہ سال کی اسی مدت میں یہ 44.0 فیصد تھی)۔

بینک نے سال 2022 کی 9 ماہ کی مدت میں 5.4 ارب روپے کے نیٹ پروویژن اخراجات ریکارڈ کیے ہیں (سال 2021 کی 9 ماہ کی مدت میں نیٹ پروویژن ریورسل 415 ملین روپے)، یو بی ایل انٹرنیشنل کے پاس موجود غیر ملکی کرنسی کے حوالے سے سرمایہ کاری کے لیے ایک کوریج تیار کرنا، اس کا بنیادی مقصد تھا۔

مالیاتی اہم نکات (Financial Highlights)

یو بی ایل نے غیر مجتمع بنیادوں پر، 2022 کی 9 ماہ کی مدت کے دوران 18.8 ارب روپے کا بعد از ٹیکس منافع ریکارڈ کیا ہے جبکہ یہ گزشتہ سال 2021 کی اسی مدت میں بعد از ٹیکس منافع 22.8 ارب روپے تھا۔ سال 2022 کے 9 ماہ کے دوران فی شیئر آمدنی (EPS) 15.33 روپے رہی (جبکہ گزشتہ سال 2021 کی اسی مدت میں 18.59 روپے تھی)۔

یو بی ایل نے مجتمع بنیادوں پر 18.8 ارب روپے کا منافع بعد از ٹیکس ریکارڈ کیا (جبکہ گزشتہ سال کے اسی عرصہ میں 21.9 ارب روپے تھا)۔ سال 2022 کی 9 ماہ کی مدت میں فی شیئر آمدنی 15.09 روپے رہی ہے (سال 2021، کے 9 ماہ میں: 17.76 روپے)۔

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