



# DEFINED BY SERVICE DRIVEN BY EXCELLENCE

SIX MONTHS ENDED (UN-AUDITED)  
JUNE 30, 2025

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# **COMPANY INFORMATION**

## **BOARD OF DIRECTORS**

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

Mr. Rizwan Pervez  
Non-Executive Director

Mr. Daniel Michael Howlett  
Independent Director

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

Mr. Tariq Rashid  
Independent Director

Mr. Muhammad Irfan A. Sheikh  
Non-Executive Director

The Honourable Haider Zameer Choudrey  
Non-Executive Director

Ms. Shazia Syed  
Independent Director

Mr. Muhammad Jawaid Iqbal  
President & CEO

## **COMMITTEES OF THE BOARD**

### **BOARD AUDIT COMMITTEE (BAC):**

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

### **BOARD HUMAN RESOURCE & COMPENSATION COMMITTEE (HRCC):**

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

### **BOARD RISK & COMPLIANCE COMMITTEE (BRCC):**

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

### **BOARD IT COMMITTEE (BITC):**

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

### **BOARD INTERNATIONAL COMMITTEE (BIC):**

Lord Zameer M. Choudrey, CBE, SI Pk	Chairman
Sir Mohammed Anwar Pervez, OBE, H Pk	Member
The Honourable Haider Zameer Choudrey	Member
Mr. Rizwan Pervez	Member
Mr. Tariq Rashid	Member
Ms. Shazia Syed	Member
Mr. Daniel Michael Howlett	Member
Mr. Muhammad Irfan A. Sheikh	Member
Mr. Muhammad Jawaid Iqbal	Member
Mr. Munawar Raza Shah	Secretary

### **BOARD NOMINATION COMMITTEE (BNC):**

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

### **Chief Financial Officer**

Syed Manzoor Hussain Zaidi

### **Company Secretary & Chief Legal Counsel**

Mr. Aqeel Ahmed Nasir

### **Registered Office:**

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

### **UBL Head Office**

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

### **Share Registrar**

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

### **Auditors**

M/s. EY Ford Rhodes  
Chartered Accountants

### **Legal Advisors**

M/s. Mehmood Abdul Ghani & Co.  
Advocates

### **Contacts**

UAN: 111-825-111  
Contact Centre: 111-825-888  
Website: [www.ubldigital.com](http://www.ubldigital.com)  
Email: [customer.services@ubl.com.pk](mailto: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 half year ended June 30, 2025.

## **Performance Overview**

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 148.7 billion for the six months ended June 30, 2025, with a strong growth of 158% year on year. Profit After Tax (PAT) stood at Rs. 63.8 billion for H1'25 as compared to Rs. 29.4 billion for H1'24 with Earnings per share (EPS) of Rs. 25.69 compared to Rs. 12.03 for last year. On a consolidated basis, UBL reported PAT of Rs. 64.7 billion (H1'24: Rs. 31.4 billion) with consolidated EPS of Rs. 26.07 (H1'24: Rs. 12.58).

The Board of Directors declared an interim cash dividend of Rs. 8.0 per share in their meeting held in London on July 11, 2025 along with the results for the half-year ended June 30, 2025.

The Bank's gross revenues were Rs. 206.2 billion in H1'25, a year on year growth of 123% with net mark-up income growing solidly to Rs. 175.4 billion. The Bank earned non-markup income of Rs. 30.8 billion in H1'25 with a strong build up in core revenues. Fees and commission income of Rs. 14.5 billion was earned in H1'25, a year on year growth of 44%. This was led by strong growth in card related fees, supported by solid trade income, corporate service fees and UBL's continued leadership position in the domestic home remittances space.

The Bank's operating expenses recorded a 64% increase over H1'24 and stood at Rs. 58.5 billion in H1'25. This was driven by staff costs increasing by 59% year on year to Rs. 23.0 billion, property related expenses rising 47% year on year to Rs. 7.2 billion and IT expenses increasing 20% year on year to Rs 4.8 billion.

UBL recorded a net provision reversal of Rs. 3.9 billion for H1'25 against a net provision reversal of Rs. 2.4 billion in H1'24 mainly resulting from recoveries in the international portfolio.

## **Capital Ratios - Consolidated**

The bank seeks to maintain an efficient capital base that provides a foundation for future growth as well as maintaining adequate buffers over regulatory requirements. The consolidated CAR stood at 23.4% as of Jun'25 (Dec'24: 20.6%), with a buffer of 10.9% over the minimum regulatory requirement of 12.5%. The Common Equity Tier 1 (CET-1) ratio stood at 18.7% as of Jun'25 (Dec'24: 14.8%). The Total Tier 1 Capital ratio was 19.2% as of Jun'25 (Dec'24: 15.5%).

## **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, 2025. Moreover, UBL's Additional Tier-1 (ADT-1) TFC has also been re-affirmed at 'AA+' (Double A plus). In addition, the rating of the Tier-2 TFC of United Bank Limited (formerly Silk Bank Limited) has been finalized at 'AAA' (Triple A). Outlook on the assigned ratings is 'Stable'.

## Future Outlook

UBL has continued to demonstrate strong momentum and operational resilience in the first six months of 2025. The merger with Silk Bank has progressed steadily, with integration efforts underway to realize synergies that will deepen market penetration, and enhance customer service capabilities across key urban and regional centers. UBL's commitment to digital transformation has accelerated, with key platform enhancements launched to improve customer experience, increase operational efficiency, and strengthen cybersecurity frameworks. The Bank's human capital remains a critical pillar of our success. We continue to invest in talent development and leadership programs to nurture a high-performance culture aligned with our strategic goals. Looking ahead, we remain confident in UBL's ability to deliver sustained growth, profitability, and value creation for our stakeholders.

## Acknowledgements

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



Muhammad Jawaid Iqbal  
President & CEO



Daniel Michael Howlett  
Director

London,  
July 11, 2025



where *you* come *first*

# UNITED BANK LIMITED

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**UNCONSOLIDATED CONDENSED  
INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2025  
(Un-audited)**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of United Bank Limited**

**Report on Review of Unconsolidated Condensed Interim Financial Information**

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **United Bank Limited** (the Bank) as at **30 June 2025**, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity, and notes to the financial information for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the financial information based on our review.

### **Scope of review**

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

### **Conclusion**

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

## **Other Matter**

Pursuant to the requirement of section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by statutory auditors of the bank. Accordingly, the figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the three months period ended 30 June 2025 and 30 June 2024 have not been subject to limited scope review by us.

The engagement partner on the review resulting in this independent auditor's review report is Omer Chughtai.



**Chartered Accountants**

**Date:** 29-August-2025

**Karachi**


**UDIN: RR20251012002PJlaTNL**

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	389,109,516	309,745,911
Balances with other banks	7	114,048,384	59,968,246
Lendings to financial institutions	8	90,732,721	18,492,483
Investments	9	8,877,300,409	5,886,894,503
Advances	10	1,062,702,946	1,443,481,944
Property and equipment	11	104,317,282	85,246,731
Right-of-use assets	12	25,765,445	9,896,084
Intangible assets	13	63,737,561	2,481,475
Deferred tax assets	14	-	-
Other assets	15	361,073,035	246,924,757
		11,088,787,299	8,063,132,134
<b>LIABILITIES</b>			
Bills payable	17	52,726,804	44,221,818
Borrowings	18	6,071,617,897	4,855,373,516
Deposits and other accounts	19	4,292,334,964	2,640,211,489
Lease liabilities	20	28,086,411	12,008,797
Subordinated debt	21	10,998,600	10,000,000
Deferred tax liabilities	14	80,235,583	38,959,061
Other liabilities	22	126,374,407	146,135,202
		10,662,374,666	7,746,909,883
<b>NET ASSETS</b>		<u>426,412,633</u>	<u>316,222,251</u>
<b>REPRESENTED BY:</b>			
Share capital	23	12,521,239	12,241,797
Reserves		133,772,433	114,734,831
Surplus on revaluation of assets	24	137,765,880	77,289,805
Unappropriated profit		<u>142,353,081</u>	<u>111,955,818</u>
		<u>426,412,633</u>	<u>316,222,251</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	25		

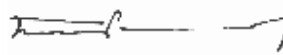
The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

  
**Syed Manzoor Hussain Zaidi**  
 Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
 President &  
 Chief Executive Officer

  
**Shazia Syed**  
 Director

  
**Daniel Michael Howlett**  
 Director


  
**Sir Mohammed Anwar Pervez, OBE, HPk**  
 Chairman

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		April - June 2025	April - June 2024	January - June 2025	January - June 2024
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>			
Mark-up / return / interest earned	27	303,036,068	276,527,423	563,993,829	515,153,946
Mark-up / return / interest expensed	28	211,838,956	249,503,608	388,571,581	461,516,001
<b>Net mark-up / interest income</b>		<b>91,197,112</b>	<b>27,023,815</b>	<b>175,422,248</b>	<b>53,637,945</b>
<b>Non mark-up / interest income</b>					
Fee and commission income	29	8,037,476	4,780,029	14,505,019	10,049,383
Dividend income		570,794	449,971	1,433,520	923,136
Foreign exchange income		3,966,460	3,691,824	7,443,622	6,367,669
(Loss) / gain from derivatives		(1,761)	40,001	(1,254,578)	(24,845)
Gain on securities - net	30	2,321,537	5,334,587	8,147,310	18,143,333
Capital gain on derecognition of financial assets measured at amortised cost		-	3,841,988	-	2,894,427
Other income	31	270,536	175,672	487,964	357,509
Total non mark-up / interest income		15,165,042	18,314,072	30,762,857	38,710,612
<b>Total income</b>		<b>106,362,154</b>	<b>45,337,887</b>	<b>206,185,105</b>	<b>92,348,557</b>
<b>Non mark-up / interest expenses</b>					
Operating expenses	32	33,867,342	18,150,131	58,486,445	35,759,860
Workers' Welfare Fund		1,437,459	564,494	2,915,104	1,232,972
Other charges	33	1,841	31,945	2,494	32,811
Total non mark-up / interest expenses		35,306,642	18,746,570	61,404,043	37,025,643
<b>Profit before credit loss allowance</b>		<b>71,055,512</b>	<b>26,591,317</b>	<b>144,781,062</b>	<b>55,322,914</b>
Credit loss allowance and write-offs - net	34	(2,280,430)	(647,053)	(3,889,247)	(2,366,765)
<b>Profit before taxation</b>		<b>73,335,942</b>	<b>27,238,370</b>	<b>148,670,309</b>	<b>57,689,679</b>
Taxation	35	45,140,968	13,381,254	84,879,717	28,244,106
<b>Profit after taxation</b>		<b>28,194,974</b>	<b>13,857,116</b>	<b>63,790,592</b>	<b>29,445,573</b>
		<b>----- (Rupees) -----</b>			
<b>Earnings per share - basic and diluted - Restated</b>	36	<b>11.26</b>	<b>5.66</b>	<b>25.69</b>	<b>12.03</b>

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

  
Syed Manzoor Hussain Zaidi  
Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
President &  
Chief Executive Officer

  
**Shazia Syed**  
Director

  
**Daniel Michael Howlett**  
Director


  
Sir Mohammed Anwar Pervez, OBE, HPk  
Chairman


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


FOR THE SIX MONTHS ENDED JUNE 30, 2025

	April - June 2025	April - June 2024	January - June 2025	January - June 2024
----- (Rupees in '000) -----				
<b>Profit after taxation for the period</b>	28,194,974	13,857,116	63,790,592	29,445,573
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit and loss account in subsequent periods</i>				
Effect of translation of net investment in overseas branches	1,533,569	121,508	2,184,782	(1,192,506)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	64,110,316	8,087,364	58,816,961	515,882
	65,643,885	8,208,872	61,001,743	(676,624)
<i>Items that will not be reclassified to profit and loss account in subsequent periods</i>				
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	368,513	826,465	528,439	837,820
Movement in surplus on revaluation of property and equipment - net of tax	-	41	-	5,522
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
	368,513	826,506	528,439	843,342
<b>Total comprehensive income for the period</b>	<u>94,207,372</u>	<u>22,892,494</u>	<u>125,320,774</u>	<u>29,612,291</u>

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

  
**Syed Manzoor Hussain Zaidi**  
 Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
 President &  
 Chief Executive Officer

  
**Shazia Syed**  
 Director

  
**Daniel Michael Howlett**  
 Director


  
**Sir Mohammed Anwar Pervez, OBE, HPk**  
 Chairman

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Share capital	Share Premium	Capital reserve exchange translation	Statutory reserve	Surplus / (Deficit) on revaluation			Unappropriated profit	Total
					Investments	Property and Equipment	Non-banking assets		
Note					(Rupees in '000)				
Balance as at January 01, 2024 - as restated	12,241,797	-	60,922,855	46,878,123	780,037	38,211,793	-	89,138,112	248,172,717
Total comprehensive income for the six months ended June 30, 2024									
Profit after taxation for the six months ended June 30, 2024	-	-	-	-	-	-	-	29,445,573	29,445,573
Other comprehensive income - net of tax	-	-	(1,192,506)	-	1,353,702	5,522	-	-	166,718
Total comprehensive income for the six months ended June 30, 2024	-	-	(1,192,506)	-	1,353,702	5,522	-	29,445,573	29,612,291
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(43,869)	-	43,869	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	64,182	-	-	(64,182)	-
Transfer to statutory reserve	-	-	-	2,944,557	-	-	-	(2,944,557)	-
Transactions with owners, recorded directly in equity									
Final cash dividend - December 31, 2023 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Interim cash dividend - March 31, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
	-	-	-	-	-	-	-	(26,931,954)	(26,931,954)
Balance as at June 30, 2024 (Un-audited)	12,241,797	-	59,730,349	49,822,680	2,197,921	38,173,446	-	88,686,861	250,853,054
Total comprehensive income for the six months ended December 31, 2024									
Profit after taxation for the six months ended December 31, 2024	-	-	-	-	-	-	-	51,081,961	51,081,961
Other comprehensive income - net of tax	-	-	73,605	-	36,653,222	313,717	1,146	4,177,500	41,219,190
Total comprehensive income for the six months ended December 31, 2024	-	-	73,605	-	36,653,222	313,717	1,146	55,259,461	92,301,151
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(33,714)	-	33,714	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(15,933)	-	-	15,933	-
Transfer to statutory reserve	-	-	-	5,108,197	-	-	-	(5,108,197)	-
Transactions with owners, recorded directly in equity									
Interim cash dividend - June 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Interim cash dividend - September 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
	-	-	-	-	-	-	-	(26,931,954)	(26,931,954)
Balance as at December 31, 2024 (Audited)	12,241,797	-	59,803,954	54,930,877	38,835,210	38,453,449	1,146	111,955,818	316,222,251
Effect of reclassification on adoption of IFRS 9 (net of tax)	3.1	-	-	-	1,355,745	-	-	-	1,355,745
Balance as at January 01, 2025 - as restated	12,241,797	-	59,803,954	54,930,877	40,190,955	38,453,449	1,146	111,955,818	317,577,996
Total comprehensive income for the six months ended June 30, 2025									
Profit after taxation for the six months ended June 30, 2025	-	-	-	-	-	-	-	63,790,592	63,790,592
Other comprehensive income - net of tax	-	-	2,184,782	-	59,345,400	-	-	-	61,530,182
Total comprehensive income for the six months ended June 30, 2025	-	-	2,184,782	-	59,345,400	-	-	63,790,592	125,320,774
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(49,362)	-	49,362	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(175,708)	-	-	175,708	-
Share issued under amalgamation	1.1	279,442	10,473,761	-	-	-	-	-	10,753,203
Transfer to statutory reserve	-	-	-	6,379,059	-	-	-	(6,379,059)	-
Transactions with owners, recorded directly in equity									
Final cash dividend - December 31, 2024 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Interim cash dividend - March 31, 2025 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,773,363)	(13,773,363)
	-	-	-	-	-	-	-	(27,239,340)	(27,239,340)
Balance as at June 30, 2025 (Un-audited)	12,521,239	10,473,761	61,988,736	61,309,936	99,360,647	38,404,087	1,146	142,353,081	426,412,633

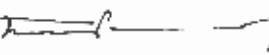
The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

  
Syed Manzoor Hussain Zaidi  
Chief Financial Officer

  
Muhammad Jawaid Iqbal  
President &  
Chief Executive Officer

  
Shazia Syed  
Director

  
Daniel Michael Howlett  
Director


  
Sir Mohammed Anwar Pervaz, OBE, HPK  
Chairman

# UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

	January - June 2025	January - June 2024
----- (Rupees in '000) -----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	148,670,309	57,689,679
Less: Dividend income	1,433,520	923,136
	147,236,789	56,766,543
<b>Adjustments:</b>		
Depreciation on property and equipment	4,096,700	2,582,005
Depreciation on Islamic financing against leased assets (Ijarah)	49,393	40,189
Depreciation on right-of-use assets	1,841,498	1,159,305
Depreciation on non-banking assets acquired in satisfaction of claims	15,861	1,613
Amortisation	557,282	475,163
Workers' Welfare Fund - charge	2,915,104	1,232,972
Provision for retirement benefits	910,693	677,218
Provision for compensated absences	74,743	81,764
Credit loss allowance against loans and advances - net	(4,083,719)	(2,049,803)
Credit loss allowance against off - balance sheet obligations - net	116,371	48,083
Credit loss allowance for diminution in value of investments - net	427,588	(236,595)
Interest expense on lease liability against right-of-use assets	1,444,751	697,814
(Gain) / loss on sale of Ijarah assets - net	234	(868)
Gain on sale of property and equipment - net	(75,331)	(70,367)
Bad debts written-off directly	49,843	23,626
Unrealised gain on revaluation of investments classified as FVTPL	(110,900)	(115,408)
Credit loss allowance against other assets	(2,301)	(7,675)
Other credit loss allowance / write-offs	60,489	64,431
	8,288,299	4,603,467
	155,525,088	61,370,010
<b>(Increase) / Decrease in operating assets</b>		
Lendings to financial institutions	(72,240,238)	19,447,852
Securities classified as FVTPL	(251,153,986)	(9,547,386)
Advances	386,399,490	(10,416,965)
Other assets (excluding advance taxation)	(173,598,090)	(25,177,643)
	(110,592,824)	(25,694,142)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	8,504,986	800,756
Borrowings	1,216,244,381	1,287,761,084
Deposits and other accounts	1,652,123,475	561,393,929
Other liabilities	(23,136,314)	11,293,109
	2,853,736,528	1,861,248,878
	2,898,668,792	1,896,924,746
	(339,765)	3,040,913
	(55,139,175)	(26,089,701)
<b>Net cash flow generated from operating activities</b>	2,843,189,852	1,873,875,958
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities classified as FVOCI	(2,596,068,098)	(1,728,868,510)
Net investments in amortized cost securities	(16,335,701)	8,576,867
Net investments in subsidiaries	-	(1,000,000)
Net cash inflow on amalgamation	15,198,229	-
Dividend income received	1,433,520	923,136
Investment in property and equipments and intangible assets	(84,980,619)	(9,319,612)
Sale proceeds from disposal of property and equipments	187,103	82,490
Sale proceeds from disposal of Ijarah assets	10,360	-
Effect of translation of net investment in overseas branches	2,184,782	(1,192,506)
<b>Net cash flow used in investing activities</b>	(2,678,370,424)	(1,730,798,135)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(3,291,553)	(1,685,441)
Payment of subordinated debt	(999,800)	-
Dividend paid	(27,084,332)	(26,964,120)
<b>Net cash flow used in financing activities</b>	(31,375,685)	(28,649,561)
<b>Increase / (decrease) in cash and cash equivalents</b>	133,443,743	114,428,262
Cash and cash equivalents at the beginning of the period	365,826,238	309,611,724
Effect of exchange rate changes on cash and cash equivalents	3,887,919	(1,580,756)
	369,714,157	308,030,968
<b>Cash and cash equivalents at the end of the period</b>	503,157,900	422,459,230

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

  
**Syed Manzoor Hussain Zaidi**  
Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
President &  
Chief Executive Officer

  
**Shazia Syed**  
Director

  
**Daniel Michael Howlett**  
Director

  
**Sir Mohammed Anwar Pervez, OBE, HPK**  
Chairman

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 1. STATUS AND NATURE OF BUSINESS

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,741 (December 31, 2024: 1,474) branches inside Pakistan including 670 (December 31, 2024: 496) Islamic Banking branches and 2 (December 31, 2024: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2024: 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.

### 1.1 BUSINESS COMBINATION

During the current period, Silk Bank Limited (SBL) was amalgamated with and into the Bank, with an effective date of March 11, 2025.

The proposed scheme of amalgamation was approved by the Board of Directors, in their meeting held on December 02, 2024 and by the shareholders in Extraordinary General Meeting held on December 30, 2024. The State Bank of Pakistan, vide its Order BPRD /ABLD/2025/1249 dated March 10, 2025. The scheme of amalgamation of SBL with and into the Bank, was sanctioned, under Section 48 of the Banking Companies Ordinance, 1962.

The amalgamation has been accounted for using the acquisition method. The provisional fair values of the identifiable assets and liabilities of SBL as at the date of acquisition were:

	(Un-audited)		
	Carrying values as at March 10, 2025	Fair value adjustments	Fair values as at March 10, 2025
	Rupees in '000		
<b>Assets</b>			
Cash and balances with treasury banks	13,453,182	-	13,453,182
Balances with other banks	1,745,047	-	1,745,047
Lendings to financial institutions	2,963,289	-	2,963,289
Investments	173,658,438	(2,638,957)	171,019,481
Advances	24,747,933	(3,732,875)	21,015,058
Property and equipment	2,386,007	-	2,386,007
Right-of-use assets	1,609,885	-	1,609,885
Intangible assets	241,684	-	241,684
Deferred tax assets	51,215,986	1,941,095	53,157,081
Other assets	14,052,125	-	14,052,125
	<b>286,073,576</b>	<b>(4,430,737)</b>	<b>281,642,839</b>
<b>Liabilities</b>			
Bills payable	2,137,951	-	2,137,951
Borrowings	159,953,222	-	159,953,222
Deposits and other accounts	159,055,570	-	159,055,570
Lease liabilities	2,109,397	-	2,109,397
Subordinated debt	1,998,400	-	1,998,400
Other liabilities	6,644,863	-	6,644,863
	<b>331,899,403</b>	<b>-</b>	<b>331,899,403</b>
<b>Net Liability</b>	<b>(45,825,827)</b>	<b>(4,430,737)</b>	<b>(50,256,564)</b>

International Financial Reporting Standard (IFRS) 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values in the acquirer's balance sheet. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of the fair values of the assets and liabilities and to determine the value of any intangibles separately identified. The fair valuation exercise is being carried out and will be finalized within one year as allowed under IFRS 3. Any adjustment arising at the time of finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition.

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

In accordance with approved scheme, the Bank issued 27,944,188 new ordinary shares of Rs.10 each in aggregate to the shareholders of SBL as result of agreed swap ratio of 1 new ordinary share of the Bank for every 325 shares of SBL, at book closure date. The fair value of the shares issued to the shareholders of the Silk Bank Limited is based on the quoted price of the shares of the Bank as at the book closure date which represents the date when SBL shareholders were entitled to receive shares of the Bank at the agreed swap ratio.

	<b>Rupees in '000</b>
Provisional fair value of assets	281,642,839
Provisional fair value of liabilities	(331,899,403)
Net Liabilities	(50,256,564)
Purchase consideration (fair value of shares issued by the Bank)	(10,753,203)
Excess of the consideration over provisional fair values	<u><b>(61,009,767)</b></u>

## 2. BASIS OF PRESENTATION

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

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

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

## 2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statement.

In accordance with IFRS 9 application instructions issued by SBP, the requirements of IFRS 9 with respect to (i) recognition of interest income/expense on financial instruments using the Effective Interest Method (EIR), and (ii) Revenue recognition of Islamic financial instruments have not been followed. With respect to (i) the SBP has allowed temporary extension in timeline with directions to implement IFRS 9 requirements from 1 January 2026. With respect to (ii) the SBP has allowed Banks to continue the existing accounting practice until further instructions. Accordingly, the Bank has continued to apply previous accounting practices in such areas for the purposes of preparation of these financial statements.

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

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

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

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 have become effective in the current year

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, 2025. These are neither considered relevant nor have any significant impact and accordingly have not been detailed in these unconsolidated condensed interim financial statements.

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

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective.

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7 – Financial Instruments: Disclosures	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The above standards and amendments are not expected to have any significant impact on Bank's unconsolidated financial statements for future periods, except for IFRS 18.

#### IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for presentation of various items within the statement of profit or loss, including specified totals and subtotals. Narrow-scope amendments have been made to IAS 7, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Bank is currently working to identify all impacts the amendments will have on the unconsolidated financial statements of future period and notes thereto.

### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2024, except as disclosed in Notes 3.1.

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 3.1 Fair Valuation of unquoted equity securities

With effect from January 01, 2025, unlisted equity investments are valued at their fair value, which represents the price at which the investment could be sold in an orderly transaction between market participants at the measurement date. Previously, these were measured at the lower of cost and break up value derived on the basis of their latest available audited financial statements. The Bank has adopted this change retrospectively with date of initial application as January 01, 2025, which resulted in changes in accounting policies and adjustments to the carrying amounts of unlisted equity investments previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts at the date of transition were recognised in the opening reserves at the beginning of the current period without restating the comparative figures.

The following table reconciles the carrying amounts of unlisted equity securities under the previous accounting policy and their restated amounts on January 01, 2025.

	Carrying amount as at December 31, 2024	Fair valuation of unlisted securities	Carrying amount as at January 01, 2025
----- (Rupees in '000) -----			
<b>Investments in financial assets</b>			
FVOCI - Ordinary shares - Unlisted companies	1,605,990	2,824,469	4,430,459
<b>Deferred tax Liability</b>	-	(1,468,724)	(1,468,724)
<b>Effect on net assets</b>		<u>1,355,745</u>	

The impact of above on retained earnings and on the surplus on revaluation of investments as at January 01, 2025 is as follows:

<b>Surplus on revaluation of investments</b>	<b>Rupees in '000</b>
Closing balance as at December 31, 2024 - Audited	38,835,210
Increase in the fair valuation of unlisted equity securities carried at FVOCI	2,824,469
Less: related deferred tax	(1,468,724)
	1,355,745
Opening balance as at January 01, 2025 - as restated	<u>40,190,955</u>

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank for the year ended December 31, 2024, except for the fair valuation of unquoted equity securities w.e.f January 01, 2025. These are disclosed in Note 4.1

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 4.1 Fair valuation of unquoted equity securities

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 37.1.1.

## 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, 2024.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		65,262,775	53,188,216
Foreign currencies		9,807,898	8,126,798
		75,070,673	61,315,014
With State Bank of Pakistan in			
Local currency current accounts		33,083,721	108,175,484
Foreign currency current accounts		8,184,947	5,094,782
Foreign currency deposit accounts		10,690,965	8,205,041
		51,959,633	121,475,307
With other central banks in			
Foreign currency current accounts		72,330,843	88,215,425
Foreign currency deposit accounts		118,427,065	19,326,856
		190,757,908	107,542,281
With National Bank of Pakistan in			
Local currency current accounts		71,076,301	19,133,450
Foreign currency deposit accounts		-	-
		71,076,301	19,133,450
National prize bonds		414,944	479,356
		389,279,459	309,945,408
Less: Credit loss allowance held against cash and balances with treasury banks	6.1	(169,943)	(199,497)
Cash and balances with treasury banks - net of credit loss allowance		<u>389,109,516</u>	<u>309,745,911</u>

6.1 Cash and balances with treasury banks are all classified as Stage 1.

## 7. BALANCES WITH OTHER BANKS

In Pakistan			
In current accounts		359,628	-
In deposit accounts		134	7
		359,762	7
Outside Pakistan			
In current accounts		84,889,451	47,801,939
In deposit accounts		28,802,098	12,173,491
		113,691,549	59,975,430
		114,051,311	59,975,437
Less: Credit loss allowance held against balances with other banks	7.1	(2,927)	(7,191)
Balances with other banks - net of credit loss allowance		<u>114,048,384</u>	<u>59,968,246</u>

7.1 Balances with other banks are all classified as Stage 1.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call lending		47,000,000	-
Repurchase agreement lendings (Reverse Repo)		43,732,721	2,492,483
Bai Muajjal receivable with Scheduled bank / financial institution		-	16,000,000
		90,732,721	18,492,483
Less: Credit loss allowance held against lending to financial institutions	8.1	-	-
Lending to financial institutions - net of credit loss allowance		90,732,721	18,492,483

8.1 Lendings to financial institutions are all classified as stage 1.

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
9.1 Investments by type	----- (Rupees in '000) -----							
<b>FTPL</b>								
Federal Government Securities	273,255,275	-	110,900	273,366,175	22,066,195	-	35,068	22,101,263
Shares and units	-	-	-	-	-	-	-	-
Non-Government debt securities	1,864,907	-	-	1,864,907	1,864,933	-	-	1,864,933
	275,120,182	-	110,900	275,231,082	23,931,128	-	35,068	23,966,196
<b>FVOCI</b>								
Federal Government securities	7,837,237,694	(1,945,511)	197,194,792	8,032,486,975	5,330,379,611	(1,556,324)	75,878,404	5,404,701,691
Shares and units	13,600,065	-	11,428,733	25,028,798	15,141,147	-	7,869,404	23,010,551
Non-Government debt securities	643,894	(343,966)	-	299,928	462,335	(162,407)	-	299,928
Foreign securities	204,744,257	(7,332)	(1,758,192)	202,978,733	112,833,367	(15,298)	(2,841,124)	109,976,945
	8,056,225,910	(2,296,809)	206,865,333	8,260,794,434	5,458,816,460	(1,734,029)	80,906,684	5,537,989,115
<b>Amortized cost</b>								
Federal Government securities	293,952,109	(486,045)	-	293,466,064	277,953,188	-	-	277,953,188
Non-Government debt securities	19,679,473	(859,149)	-	18,820,324	20,604,187	(1,264,743)	-	19,339,444
Foreign securities	26,655,879	(7,374)	-	26,648,505	25,321,895	(15,335)	-	25,306,560
	340,287,461	(1,352,568)	-	338,934,893	323,879,270	(1,280,078)	-	322,599,192
<b>Associates</b>	1,297,485	(1,057,485)	-	240,000	1,297,485	(1,057,485)	-	240,000
<b>Subsidiaries</b>	2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000
<b>Total Investments</b>	8,675,031,038	(4,706,862)	206,976,233	8,877,300,409	5,810,024,343	(4,071,592)	80,941,752	5,886,894,503

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
9.1.1 Investments given as collateral		
<b>Federal Government securities</b>		
Market Treasury Bills	6,083,040	285,281,664
Pakistan Investment Bonds	5,793,387,748	4,331,366,718
Foreign securities	3,521,712	29,926,938
	5,802,992,500	4,646,575,320

The market value of securities given as collateral is Rs. 5,919,868 million (December 31, 2024: Rs. 4,691,781 million).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
9.2 Credit loss allowance for diminution in value of investments		
Opening balance	4,071,592	26,013,551
Transfer under amalgamation	181,559	-
Exchange adjustments	26,123	(94,642)
Impact of reclassification on adoption of IFRS 9	-	(6,107,121)
Impact of ECL recognized on adoption of IFRS 9	-	7,501
Charge / (reversals)		
Charge for the period / year	1,224,709	108,170
Reversals for the period / year	(797,121)	(381,411)
	427,588	(273,241)
Derecognition of ECL on disposals	-	(15,474,456)
Amounts written off	-	-
Closing balance	4,706,862	4,071,592

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

### 9.2.1 Particulars of credit loss allowance against debt securities

Category of classification		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
(Rupees in '000)					
<b>Domestic</b>					
Performing	Stage 1	8,364,224,409	589	5,644,745,195	589
Under performing	Stage 2	-	-	-	-
Non-performing					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		799,841	799,841	618,283	618,283
<b>Overseas</b>					
Performing	Stage 1	293,009,238	2,848,947	138,034,682	30,630
Under performing	Stage 2	-	-	8,087,551	2,364,605
Non-performing					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		-	-	-	-
<b>Total</b>		<b>8,658,033,488</b>	<b>3,649,377</b>	<b>5,791,485,711</b>	<b>3,014,107</b>

### 9.3 Summary of financial position and performance of associates and subsidiaries

June 30, 2025 (Un-audited)							
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit after tax	Total comprehensive income for the period
	%		(Rupees in '000)				
Associates							
UBL Insurers Limited	Pakistan	30.00%	13,787,839	10,921,661	1,140,573	231,660	233,138
Subsidiaries							
UBL Fund Managers Limited	Pakistan	98.87%	6,203,322	937,762	2,359,758	841,844	841,844
UBL Currency Exchange (Private) Limited	Pakistan	100.00%	2,524,512	491,390	506,178	68,139	65,887
June 30, 2024 (Un-audited)							
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit after tax	Total comprehensive income for the period
	%		(Rupees in '000)				
Associates							
UBL Insurers Limited	Pakistan	30.00%	11,597,253	9,119,625	1,076,801	357,082	371,347
Subsidiaries							
United National Bank Limited (UBL UK)	United Kingdom	55.00%	367,098,919	332,454,217	4,066,314	1,347,763	2,219,051
UBL Fund Managers Limited	Pakistan	98.87%	6,353,013	2,704,681	1,643,661	582,271	582,271
UBL Currency Exchange (Private) Limited	Pakistan	100.00%	2,906,209	886,026	173,007	33,325	33,325

9.4 The market value of securities classified as amortised cost as at June 30, 2025 amounted to Rs. 342,553.664 million (December 31, 2024: Rs. 322,113.848 million).

### 10. ADVANCES

		Performing		Non-performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
(Rupees in '000)							
<b>Note</b>							
Loans, cash credits, running finances, etc.		691,603,118	1,250,821,132	154,089,947	108,082,351	845,693,065	1,358,903,483
Islamic financing and related assets	41.3	302,181,387	149,696,208	537,054	260,774	302,718,441	149,956,982
Bills discounted and purchased		80,919,228	48,618,071	7,701,459	7,648,825	88,620,687	56,266,896
<b>Advances - gross</b>		<b>1,074,703,733</b>	<b>1,449,135,411</b>	<b>162,328,460</b>	<b>115,991,950</b>	<b>1,237,032,193</b>	<b>1,565,127,361</b>
Expected credit loss allowance against advances	10.3						
-Stage 1		(7,257,072)	(6,009,588)	-	-	(7,257,072)	(6,009,588)
-Stage 2		(10,041,062)	(7,736,178)	-	-	(10,041,062)	(7,736,178)
-Stage 3		-	-	(157,031,113)	(107,899,651)	(157,031,113)	(107,899,651)
		(17,298,134)	(13,745,766)	(157,031,113)	(107,899,651)	(174,329,247)	(121,645,417)
<b>Advances - net of expected credit loss allowance</b>		<b>1,057,405,599</b>	<b>1,435,389,645</b>	<b>5,297,347</b>	<b>8,092,299</b>	<b>1,062,702,946</b>	<b>1,443,481,944</b>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>10.1 Particulars of advances - gross</b>		
In local currency	826,608,411	1,109,925,640
In foreign currencies	410,423,782	455,201,721
	<u>1,237,032,193</u>	<u>1,565,127,361</u>

**10.2** Advances include Rs.162,328.460 million (December 31, 2024: Rs. 115,991.950 million) which have been placed under non-performing status as detailed below:

	(Un-audited) June 30, 2025		(Audited) December 31, 2024	
Category of Classification in Stage 3	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned	41,671	21,974	80,088	47,504
Substandard	2,350,475	1,652,604	2,307,470	1,538,389
Doubtful	505,109	278,045	280,114	135,921
Loss	73,565,694	72,588,862	22,398,233	21,455,978
	<u>76,462,949</u>	<u>74,541,485</u>	<u>25,065,905</u>	<u>23,177,792</u>
<b>Overseas</b>				
Other Assets Especially Mentioned	-	-	-	-
Substandard	21,281	12,529	78,407	12,297
Doubtful	20,532	-	4,305,685	1,568,890
Loss	85,823,698	82,477,099	86,541,953	83,140,672
	<u>85,865,511</u>	<u>82,489,628</u>	<u>90,926,045</u>	<u>84,721,859</u>
Total	<u>162,328,460</u>	<u>157,031,113</u>	<u>115,991,950</u>	<u>107,899,651</u>

**10.3 Particulars of credit loss allowance against advances**

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Note	----- (Rupees in '000) -----							
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417	759,833	10,410,025	92,332,287	103,502,145
Transfer under amalgamation	1,336,894	3,222,902	52,169,845	56,729,641	-	-	-	-
Exchange adjustments	27,469	64,281	1,544,493	1,636,243	(3,975)	(137,270)	(943,454)	(1,084,699)
Impact of Adoption of IFRS 9	-	-	-	-	4,046,484	2,689,194	1,234,016	7,969,694
Charge / (reversals)								
Charge for the period / year	1,415,772	1,431,430	494,799	3,342,001	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(2,236,828)	(1,455,671)	(3,733,221)	(7,425,720)	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	<u>(821,056)</u>	<u>(24,241)</u>	<u>(3,238,422)</u>	<u>(4,083,719)</u>	<u>745,123</u>	<u>250,281</u>	<u>10,258,244</u>	<u>11,253,648</u>
Amounts charged off								
- agriculture financing	10.5	-	-	(43,561)	-	-	(69,501)	(69,501)
Other adjustments	(177,584)	-	-	(177,584)	-	597,848	54,112	651,960
Amounts written off	-	-	(1,377,190)	(1,377,190)	-	-	(577,830)	(577,830)
Transfers (out) / in - net	881,761	(958,058)	76,297	-	462,123	(6,073,900)	5,611,777	-
Closing balance	<u>7,257,072</u>	<u>10,041,062</u>	<u>157,031,113</u>	<u>174,329,247</u>	<u>6,009,588</u>	<u>7,736,178</u>	<u>107,899,651</u>	<u>121,645,417</u>

**10.4 Advances - Particulars of credit loss allowance**

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Note	----- (Rupees in '000) -----							
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417	759,833	10,410,025	92,332,287	103,502,145
Transfer under amalgamation	1,336,894	3,222,902	52,169,845	56,729,641	-	-	-	-
Exchange adjustments	27,469	64,281	1,544,493	1,636,243	(3,975)	(137,270)	(943,454)	(1,084,699)
Impact of adoption of IFRS 9	-	-	-	-	4,046,484	2,689,194	1,234,016	7,969,694
New Advances	2,226,995	547,924	159,787	2,934,706	2,067,736	1,758,867	-	3,826,603
Advances derecognized or repaid	(2,236,828)	(1,455,671)	(3,733,221)	(7,425,720)	(376,907)	(1,687,780)	(3,180,881)	(5,245,568)
Transfer to stage 1	1,018,685	(995,382)	(23,303)	-	412,794	(412,794)	-	-
Transfer to stage 2	(123,270)	130,130	(6,860)	-	53,836	173,493	(227,329)	-
Transfer to stage 3	(13,654)	(92,806)	106,460	-	(4,507)	(5,834,599)	5,839,106	-
	<u>871,928</u>	<u>(1,865,805)</u>	<u>(3,497,137)</u>	<u>(4,491,014)</u>	<u>2,152,952</u>	<u>(6,002,813)</u>	<u>2,430,896</u>	<u>(1,418,965)</u>
Amounts charged off -								
agriculture financing	10.5	-	-	(43,561)	-	-	(69,501)	(69,501)
Other adjustments	(177,584)	-	-	(177,584)	-	597,848	54,112	651,960
Amounts written off	-	-	(1,377,190)	(1,377,190)	-	-	(577,830)	(577,830)
Changes in risk parameters	(811,223)	883,506	335,012	407,295	(945,706)	179,194	13,439,125	12,672,613
Closing balance	<u>7,257,072</u>	<u>10,041,062</u>	<u>157,031,113</u>	<u>174,329,247</u>	<u>6,009,588</u>	<u>7,736,178</u>	<u>107,899,651</u>	<u>121,645,417</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 10.4.1 Advances - Category of classification

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----					
<b>Domestic</b>					
Performing	Stage 1	746,982,787	5,815,365	1,075,219,446	4,488,965
Under performing	Stage 2	31,738,736	6,690,861	53,914,657	4,104,778
Non-performing	Stage 3				
Substandard		2,392,146	1,674,578	2,387,558	1,585,893
Doubtful		505,109	278,045	280,114	135,921
Loss		73,565,694	72,588,862	22,398,233	21,455,978
		76,462,949	74,541,485	25,065,905	23,177,792
Sub Total		855,184,472	87,047,711	1,154,200,008	31,771,535
<b>Overseas</b>					
Performing	Stage 1	269,005,803	1,441,707	292,653,746	1,520,623
Under performing	Stage 2	26,976,407	3,350,201	27,347,562	3,631,400
Non-performing	Stage 3				
Substandard		21,281	12,529	78,407	12,297
Doubtful		20,532	-	4,305,685	1,568,890
Loss		85,823,698	82,477,099	86,541,953	83,140,672
		85,865,511	82,489,628	90,926,045	84,721,859
Sub Total		381,847,721	87,281,536	410,927,353	89,873,882
Total		1,237,032,193	174,329,247	1,565,127,361	121,645,417

**10.4.2** 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. 575.967 million (December 31, 2024: Rs. 1,254.08 million) for the overseas branches.

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

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

		(Un-audited)	(Audited)
		June 30, 2025	December 31, 2024
		----- (Rupees in '000) -----	
<b>11. PROPERTY AND EQUIPMENT</b>	Note		
Capital work-in-progress	11.1	9,689,086	3,294,327
Property and equipment		94,628,196	81,952,404
		104,317,282	85,246,731
<b>11.1 Capital work-in-progress</b>			
Civil works		6,165,601	2,141,941
Equipment		1,178,832	897,707
Advances to suppliers		2,344,653	254,679
		9,689,086	3,294,327

		(Un-audited)	
		January - June 2025	January - June 2024
		----- (Rupees in '000) -----	
<b>11.2 Additions to Property and equipment - net</b>			
The following additions have been made to property and equipment during the period:			
Capital work-in-progress - net additions		6,394,759	5,125,324
<b>Property and equipment</b>			
Freehold land		1,564,661	-
Leasehold land		1,150	-
Building on freehold land		736,753	-
Building on leasehold land		1,256,324	-
Leasehold improvements		3,545,488	677,839
Furniture and fixtures		1,099,396	398,541
Electrical, office and computer equipment		5,731,018	2,307,685
Vehicles		580,295	537,649
		14,515,085	3,921,714
Total		20,909,844	9,047,038

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Un-audited)

January - June 2025      January - June 2024

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

## 11.3 Disposal of Property and equipment

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

Leasehold Improvement	70,991	9,934
Furniture and fixtures	5,967	517
Electrical, office and computer equipment	29,493	1,672
Vehicles	5,321	-
Total	111,772	12,123

## 12. RIGHT-OF-USE ASSETS

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Buildings	Others	Total	Buildings	Others	Total
----- (Rupees in '000) -----						
At January 1,						
Cost	15,824,195	140,673	15,964,868	13,834,046	182,562	14,016,608
Accumulated Depreciation	(5,990,259)	(78,525)	(6,068,784)	(5,452,800)	(66,779)	(5,519,579)
Net Carrying amount at January 1,	9,833,936	62,148	9,896,084	8,381,246	115,783	8,497,029
Additions during the period / year	18,188,712	11,470	18,200,182	4,651,429	19,761	4,671,190
Deletions during the period / year	(488,722)	-	(488,722)	(837,213)	(11,130)	(848,343)
Depreciation charge for the year	(1,818,909)	(22,589)	(1,841,498)	(2,361,515)	(62,266)	(2,423,781)
Exchange rate adjustments	(601)	-	(601)	(11)	-	(11)
Net Carrying Amount	25,714,416	51,029	25,765,445	9,833,936	62,148	9,896,084

Note  
(Un-audited)      (Audited)  
June 30, 2025      December 31, 2024  
----- (Rupees in '000) -----

## 13. INTANGIBLE ASSETS

Capital work-in-progress - Computer software		518,276	167,129
Intangible assets - Computer software		2,209,518	2,314,346
Assets through business combination	1.1	61,009,767	-
		63,737,561	2,481,475

(Un-audited)      (Audited)  
January - June 2025      January - June 2024  
----- (Rupees in '000) -----

## 13.1 Additions to intangible assets - net

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

Capital work-in-progress - net	351,147	202,350
Directly purchased - Intangible assets	213,846	48,704
	564,993	251,054

(Un-audited)      (Audited)  
June 30, 2025      December 31, 2024  
----- (Rupees in '000) -----

## 14. DEFERRED TAX (LIABILITIES) / ASSETS

### Deductible temporary differences on

Credit loss allowance against advances and off balance sheet obligations	29,507,635	7,252,539
Workers' Welfare Fund	8,224,268	6,638,445
Interest expense allowed u/s 1(ba) of 7th schedule	40,572	-
	37,772,475	13,890,984

### Taxable temporary differences on

Surplus on revaluation of property and equipment / non-banking assets	(1,190,313)	(1,219,970)
Surplus on revaluation of investments	(110,865,848)	(45,227,466)
Post retirement employee benefits	(5,378,140)	(5,378,140)
Accelerated tax depreciation	(529,001)	(960,788)
Others	(44,756)	(63,681)
	(118,008,058)	(52,850,045)
	(80,235,583)	(38,959,061)

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>15. OTHER ASSETS</b>			
Income / mark-up accrued in local currency		237,532,831	161,322,103
Income / mark-up accrued in foreign currencies	15.1	7,530,417	3,617,197
Advance taxation - net of provision for taxation	15.2	3,978,036	1,913,753
Receivable from staff retirement fund		12,553,927	13,006,849
Receivable from other banks against telegraphic transfers and demand drafts		366,054	2,097,214
Unrealized gain on forward foreign exchange contracts		1,723,924	1,102,125
Rebate / incentive receivable - net		21,265,444	9,500,919
Unrealised gain on derivative financial instruments	26	1,906	1,262,202
Suspense accounts		455,326	51,321
Stationery and stamps on hand		592,720	599,150
Non-banking assets acquired in satisfaction of claims		1,424,993	39,688
Advances, deposits, advance rent and other prepayments		19,689,039	13,146,683
Commission receivable - Bancassurance & Branchless Banking		643,231	719,773
Receivable against fraud & forgery and looted notes		453,164	463,765
Acceptances	22	43,557,169	38,205,805
Others		11,389,933	1,432,231
		<u>363,158,114</u>	<u>248,480,778</u>
Expected credit loss allowance / provision held against other assets	15.3	(2,087,466)	(1,558,408)
Other assets - net of expected credit loss allowance		<u>361,070,648</u>	<u>246,922,370</u>
Surplus / (Deficit) on revaluation of non-banking assets acquired in satisfaction of claims	24	2,387	2,387
		<u>361,073,035</u>	<u>246,924,757</u>

**15.1** Unrealised mark-up held in suspense amounting to Rs.51,289.875 million (December 31, 2024: Rs. 46,732.081 million) against non-performing overseas advances has been netted off.

**15.2** The Income Tax returns of the Bank have been filed up to the tax year 2024 (accounting year ended December 31, 2023) 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 2024, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.12,273 million (2024: Rs.16,123 million) . The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2024 (accounting year ended December 31, 2023) 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 (2024: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

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

**Ex-Silk Bank Limited status**

The Income Tax returns of the Bank have been filed up to the tax year 2024 (accounting year ended December 31, 2023) 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 up to tax year 2024. The Bank has filed appeals against these amendments. The appeals from assessment / tax year(s) 2000-2001 to 2002-2003, 2004 and 2015 to 2021 are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 3,026 million (2024: Rs. 3,026 million). The appeals for tax years 2003, 2006 & 2022 to 2023 are pending before Commissioner-Appeals (CIR-A) against the disallowances amounting to Rs. 682 million (2024: Rs.682 million). The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals will be decided in favor of the Bank.

The tax authorities have also carried out monitoring for withholding taxes covering tax years from 2006 to 2007 & 2013 to 2016 by creating a total demand of Rs. 155.243 million (2024: Rs. 155.243 million). The Bank has filed appeals against all such demands. However, Bank has already paid tax amount of Rs. 82.674 million against these demands.

The proceedings regarding monitoring of withholding taxes for the tax year 2020 has been initiated and notice under section 161(1A) of the Ordinance has been issued which was duly been responded. However, no order has been passed by the AO.

The income tax returns of the Bank's for Azad Kashmir operations have been filed up to the tax year 2021. The tax authorities have issued amended assessment orders from the tax years 2016 to 2020. The Banks has filed appeals against these orders. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

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**15.3 Expected credit loss allowance held against other assets**

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
Advances, deposits, advance rent and other prepayments	1,114,650	1,094,643
Receivable against fraud & forgery and looted notes	453,164	463,765
Others	519,652	-
	<u>2,087,466</u>	<u>1,558,408</u>

**15.3.1 Movement in expected credit loss allowance held against other assets**

Opening balance	1,558,408	1,150,885
Exchange adjustments	6,782	(5,319)
Transfer under amalgamation	524,577	-
Charge / (reversals)		
Charge for the period / year	24,666	595,026
Reversals for the period / year	(26,967)	(118,774)
	(2,301)	476,252
Transfers out - net	-	(62,852)
Amounts written off	-	(558)
Closing balance	<u>2,087,466</u>	<u>1,558,408</u>

**16. CONTINGENT ASSETS**

There were no contingent assets as at June 30, 2025 (December 31, 2024: Nil).

**17. BILLS PAYABLE**

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
In Pakistan	36,512,264	42,994,426
Outside Pakistan	16,214,540	1,227,392
	<u>52,726,804</u>	<u>44,221,818</u>

**18. BORROWINGS**

**Secured**

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	28,847,758	31,367,936
Refinance facility for modernization of SME	1,553,175	2,119,689
Long term financing facility	8,840,931	10,373,465
Renewable energy scheme	1,230,197	1,339,755
Temporary economic refinance facility	13,992,855	15,009,764
Refinance facility for combating COVID-19	80,895	110,693
Repurchase agreement borrowings	5,887,666,650	4,532,326,857
Financing facility for storage of agriculture products	13,750	20,625
Refinance for women entrepreneurs	30,445	45,295
	<u>5,942,256,656</u>	<u>4,592,714,079</u>

Repurchase agreement borrowings	32,210,586	157,965,709
Bai Muajjal	15,541,985	-
	<u>47,752,571</u>	<u>157,965,709</u>

**Unsecured**

Call borrowings	80,661,266	103,908,861
Overdrawn nostro accounts	947,404	784,867
	<u>81,608,670</u>	<u>104,693,728</u>
	<u>6,071,617,897</u>	<u>4,855,373,516</u>

**19. DEPOSITS AND OTHER ACCOUNTS**

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	1,464,607,063	644,554,059	2,109,161,122	1,061,667,711	438,673,584	1,500,341,295
Savings deposits	1,163,598,306	66,990,842	1,230,589,148	745,150,912	48,987,572	794,138,484
Term deposits	329,849,744	113,241,882	443,091,626	74,795,514	90,103,254	164,898,768
Others	150,826,331	8,542,157	159,368,488	50,177,905	6,621,539	56,799,444
	<u>3,108,881,444</u>	<u>833,328,940</u>	<u>3,942,210,384</u>	<u>1,931,792,042</u>	<u>584,385,949</u>	<u>2,516,177,991</u>
<b>Financial Institutions</b>						
Current deposits	24,977,904	5,884,672	30,862,576	18,273,598	6,784,813	25,058,411
Saving deposits	312,249,909	95,305	312,345,214	95,621,869	93,460	95,715,329
Term deposits	576,013	6,340,777	6,916,790	131,850	3,127,908	3,259,758
	<u>337,803,826</u>	<u>12,320,754</u>	<u>350,124,580</u>	<u>114,027,317</u>	<u>10,006,181</u>	<u>124,033,498</u>
	<u>3,446,685,270</u>	<u>845,649,694</u>	<u>4,292,334,964</u>	<u>2,045,819,359</u>	<u>594,392,130</u>	<u>2,640,211,489</u>

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

19.1 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,980,740.879 million (December 31, 2024: Rs 1,637,394.911 million).

### 20. LEASE LIABILITIES

Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
Opening balance	12,008,797	10,339,867
Addition during the period / year	18,736,826	4,645,024
Lease payments including interest	(3,291,553)	(3,501,433)
Interest expense	1,444,751	1,469,697
Termination/modification	(811,809)	(944,022)
Exchange adjustments	(601)	(336)
Closing balance	28,086,411	12,008,797

### 20.1 Liabilities Outstanding

Not later than one year	296,946	331,744
Later than one year and upto five years	6,107,009	4,086,832
Over five years	21,682,456	7,590,221
Total	28,086,411	12,008,797

### 21. SUBORDINATED DEBT

Listed Term Finance Certificates - Additional Tier I	21.1	10,000,000	10,000,000
Unlisted Term Finance Certificates - Tier II	21.2	998,600	-
		10,998,600	10,000,000

21.1 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.

21.2 The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 66 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

Salient features of the Tier II issue are as follows:

Issue Size	Rs. 2,000 million
Issue Date	August 10, 2017
Tenor	Up to 8 years from date of issue.
Rating	"AAA" (Triple AAA) by VIS Credit Rating Company Limited
Security	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
Mark-up rate	6 months KIBOR plus 1.85% per annum.
Mark-up payment frequency	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.
Redemption	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual installments of 49.93% each.
Call option	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and Investors. The call option once announced will be irrevocable.
Lock-in clause	As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or CAR.
Loss absorbency clause	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rule, the SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by the SBP, subject to a cap of 11,724 shares.

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>22. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		19,511,521	55,728,483
Mark-up / return / interest payable in foreign currencies		1,058,208	1,192,511
Accrued expenses		16,625,961	17,598,319
Branch adjustment account		293,144	153,603
Deferred income		2,715,692	2,532,247
Unearned commission and income on bills discounted		3,988,726	3,100,180
Credit loss allowance against off-balance sheet obligations	22.1	3,917,035	3,385,916
Unrealized loss on forward foreign exchange contracts		367,642	1,324,301
Unrealized loss on derivative financial instruments		-	5,708
Deferred liabilities	22.2	4,844,801	4,652,052
Workers' Welfare Fund payable		15,718,472	12,766,241
Liabilities against card settlement		230,405	74,372
Dividends payable		499,669	372,343
Unclaimed dividends		421,054	393,372
Acceptances	15	43,557,169	38,205,805
Charity fund balance		16,835	17,237
Levies and taxes payable		6,864,995	888,448
Others		5,743,078	3,744,064
		<u>126,374,407</u>	<u>146,135,202</u>
<b>22.1 Credit loss allowance against off-balance sheet obligations</b>			
Opening balance		3,385,916	1,056,385
Transfer under amalgamation		382,153	-
Exchange adjustments		32,595	(11,779)
Impact of adoption of IFRS 9		-	1,037,902
Charge / (reversal)			
Charge for the period / year		134,820	1,308,168
Reversals for the period / year		(18,449)	(4,760)
		<u>116,371</u>	<u>1,303,408</u>
Closing balance		<u>3,917,035</u>	<u>3,385,916</u>
<b>22.2 Deferred liabilities</b>			
Provision for post-retirement medical benefits		3,073,617	2,921,465
Provision for compensated absences		564,220	554,514
End of service benefits			
-Overseas branches		732,356	675,476
-Outsourced services		474,608	500,597
		<u>4,844,801</u>	<u>4,652,052</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 23. SHARE CAPITAL

### Authorised Capital

(Un-audited)	(Audited)		(Un-audited)	(Audited)
June 30, 2025	December 31, 2024		June 30, 2025	December 31, 2024
(Number of shares)			----- (Rupees in '000) -----	
4,000,000,000	2,000,000,000	Ordinary shares of Rs. 5 each (2024 : Rs 10 each)	20,000,000	20,000,000

### Issued, subscribed and paid-up capital

(Un-audited)	(Audited)		(Un-audited)	(Audited)
June 30, 2025	December 31, 2024		June 30, 2025	December 31, 2024
(Number of shares)			----- (Rupees in '000) -----	
1,036,000,000	518,000,000	Fully paid-up ordinary shares of Rs. 5 each (2024 : Rs 10 each)		
1,412,359,374	706,179,687	Issued for cash	5,180,000	5,180,000
55,888,376	-	Issued as bonus shares	7,061,797	7,061,797
2,504,247,750	1,224,179,687	Issued as share exchange for amalgamation (Note 1.1)	279,442	-
			12,521,239	12,241,797

During the period the shareholders of the Bank resolved in an EOGM held on 15 May 2025 that each ordinary share of Rs.10 be subdivided into two ordinary shares of Rs.5 each, with no change in their rights, privileges and entitlements. Accordingly, the subdivision was given effect on June 20, 2025. After the subdivision the authorized and issued, subscribed and paid-up capital of the Bank increased to 4,000,000,000 and 2,504,247,750 shares, respectively, of Rs.5 each.

## 24. SURPLUS ON REVALUATION OF ASSETS

	(Un-audited)	(Audited)
	June 30, 2025	December 31, 2024
	----- (Rupees in '000) -----	
<b>Surplus / (Deficit) arising on revaluation of:</b>		
- Securities measured at FVOCI - Debt	9.1 195,436,600	73,037,280
- Securities measured at FVOCI - Equity	9.1 11,428,733	7,869,404
- Property and Equipment	39,593,159	39,672,178
- Non-banking assets acquired in satisfaction of claims	15 2,387	2,387
	246,460,879	120,581,249
<b>Deferred tax on surplus / (deficit) on revaluation of:</b>		
- Securities measured at FVOCI - Debt	101,561,745	37,979,386
- Securities measured at FVOCI - Equity	5,942,941	4,092,088
- Property and Equipment	1,189,072	1,218,729
- Non-banking assets acquired in satisfaction of claims	1,241	1,241
	108,694,999	43,291,444
	137,765,880	77,289,805

## 25. CONTINGENCIES AND COMMITMENTS

Guarantees	25.1 401,991,753	352,581,311
Commitments	25.2 1,668,042,857	1,433,032,657
Other contingent liabilities	25.3 17,385,036	15,960,716
	2,087,419,646	1,801,574,684

### 25.1 Guarantees:

Financial guarantees	137,790,508	124,354,428
Performance guarantees	231,299,995	221,439,705
Other guarantees	32,901,250	6,787,178
	401,991,753	352,581,311

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>25.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		409,820,772	354,707,969
Commitments in respect of:			
- forward foreign exchange contracts	25.2.2	902,624,628	582,473,911
- forward Government securities transactions	25.2.3	6,785,220	319,286,690
- forward lending	25.2.4	335,147,097	168,187,869
- operating leases	25.2.5	147,236	172,438
		1,244,704,181	1,070,120,908
Commitments for acquisition of:			
- property and equipment		10,967,708	6,691,082
- intangible assets		2,550,196	1,512,698
		13,517,904	8,203,780
		<u>1,668,042,857</u>	<u>1,433,032,657</u>

## 25.2.1 Commitments to extend credit

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

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>25.2.2 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		467,771,719	302,218,129
Sale		434,852,909	280,255,782
		<u>902,624,628</u>	<u>582,473,911</u>

## 25.2.3 Commitments in respect of forward Government securities transactions

Purchase	6,785,220	296,701,690
Sale	-	22,585,000
	<u>6,785,220</u>	<u>319,286,690</u>

## 25.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.4.1	141,640,658	73,281,452
Others		193,506,439	94,906,417
		<u>335,147,097</u>	<u>168,187,869</u>

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

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>25.2.5 Commitments in respect of operating leases</b>			
Not later than one year		142,371	167,593
Later than one year and not later than five years		4,865	4,845
Later than five years		-	-
		<u>147,236</u>	<u>172,438</u>

## 25.3 Other contingent liabilities

<b>25.3.1</b> Claims against the Bank not acknowledged as debts	25.3.2	<u>17,385,036</u>	<u>15,960,716</u>
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# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

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 favor 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.

**25.3.2** This includes, penalties amounting to Rs. 4.089 billion which were levied during 2016, 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 filed a Constitutional Petition in 2018 in the High Court of Sindh challenging the levy of the penalty. The High Court granted a stay on action being taken against the Bank, which stay order was in the field till February 2025, when the High Court of Sindh dismissed the Petition filed by the Bank and other Banks as well. The Bank has decided to challenge the said decision of the High Court before the Supreme Court of Pakistan by filing an Appeal, through the appropriate legal counsel. 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.

**25.3.3** For contingencies relating to taxation, refer note 15.2.

### 26. Derivative Instruments

#### Product analysis

June 30, 2025 (Un-audited)									
FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain
(Rupees in '000)									
Hedging	-	-	-	-	-	-	-	-	-
Market making	-	-	-	6,785,220	1,906	-	-	6,785,220	1,906
	-	-	-	6,785,220	1,906	-	-	6,785,220	1,906
December 31, 2024 (Audited)									
FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Gain	Notional principal	Mark to Market loss	Notional principal	Mark to Market Gain
(Rupees in '000)									
Hedging	-	-	-	-	-	-	-	-	-
Market making	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494
	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494

#### Note (Un-audited)

January - June 2025      January - June 2024

### 27. MARK-UP / RETURN / INTEREST EARNED

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

On:

Loans and advances	58,512,538	51,289,951
Investments	498,354,740	458,006,320
Lendings to financial institutions	1,868,544	2,029,376
Balances with banks	5,258,007	3,828,299
	<u>563,993,829</u>	<u>515,153,946</u>

### 28. MARK-UP / RETURN / INTEREST EXPENSED

On:

Deposits	70,314,413	107,683,112
Borrowings	314,995,045	349,969,819
Subordinated debt	795,582	1,135,323
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,021,790	2,029,933
Lease liability against right-of-use assets	1,444,751	697,814
	<u>388,571,581</u>	<u>461,516,001</u>

### 29. FEE AND COMMISSION INCOME

Branch banking customer fee	1,136,369	988,557
Consumer finance related fee	904,876	630,797
Card related fee (debit and credit cards)	3,574,988	1,767,489
Investment banking fee	111,437	162,578
Financial Institution rebate / commission	542,026	356,914
Corporate service charges / facility fee	1,302,188	866,057
Commission on trade	1,700,229	1,611,856
Commission on guarantees	842,595	720,628
Commission on cash management	572,748	558,310
Commission / Incentive on remittances including home remittances - net	2,964,868	1,627,743
Commission on bancassurance	483,720	548,752
Rent on lockers	158,973	114,994
Others	210,002	94,708
	<u>14,505,019</u>	<u>10,049,383</u>

### 30. GAIN / (LOSS) ON SECURITIES - NET

Realized	30.1	8,036,410	18,027,925
Unrealized - Measured at FVTPL		110,900	115,408
		<u>8,147,310</u>	<u>18,143,333</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Un-audited) January - June 2025	(Un-audited) January - June 2024
	----- (Rupees in '000) -----	
<b>30.1 Realized gain / (loss) on:</b>		
Federal Government securities	8,016,483	13,649,281
Shares	7,109	196,227
Foreign securities	-	4,157,442
Other securities	12,818	24,975
	<u>8,036,410</u>	<u>18,027,925</u>
<b>31. OTHER INCOME</b>		
Charges recovered	354,628	216,199
Rent on properties	65,089	42,560
Gain on sale of Property and equipment - net	75,331	70,367
(Loss) / gain on sale of Ijarah assets - net	(234)	868
(Loss) / gain on trading liabilities - net	(6,850)	27,515
	<u>487,964</u>	<u>357,509</u>
<b>32. OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	23,014,647	14,503,044
<b>Property expense</b>		
Rent and taxes	1,218,112	672,347
Insurance	100,786	153,169
Utilities cost	1,587,310	1,235,741
Security (including guards)	1,094,514	798,831
Repair and maintenance (including janitorial charges)	380,057	226,651
Depreciation on owned fixed assets	955,346	650,054
Depreciation on right-of-use assets	1,841,498	1,159,305
Depreciation on non-banking assets acquired in satisfaction of claims	15,861	1,613
Others	36,926	30,663
	<u>7,230,410</u>	<u>4,928,374</u>
<b>Information technology expenses</b>		
Software maintenance	1,696,800	1,662,440
Hardware maintenance	351,892	386,226
Depreciation	1,250,277	846,613
Amortisation	557,282	475,163
Network charges	608,860	534,346
Consultancy charges	375,267	127,805
	<u>4,840,378</u>	<u>4,032,593</u>
<b>Other operating expenses</b>		
Legal and professional charges	346,962	208,521
Outsourced service costs	1,326,336	1,049,765
Commission paid to branchless banking agents	112,033	148,060
Commission paid to sales force	1,514,099	842,210
Travelling and conveyance	240,322	107,908
Clearing charges	276,446	160,029
Depreciation - others	1,891,077	1,085,338
Depreciation on Islamic financing against leased assets	49,393	40,189
Training and development	59,200	97,432
Postage and courier charges	214,279	202,956
Communication	159,071	140,068
Stationery and printing	1,164,800	969,418
Marketing, advertisement and publicity	5,503,059	812,103
Donations	142,090	187,391
Auditors' remuneration	103,328	72,443
Insurance	216,637	59,645
Deposit protection premium expense	1,309,916	1,101,458
Cash transportation and sorting charges	820,716	561,892
Entertainment	304,891	173,447
Office running expenses	223,067	138,372
Vehicle expenses	674,504	252,692
Banking service charges	4,645,380	2,975,214
Repairs and maintenance	1,258,293	778,341
Subscription	61,901	57,681
Miscellaneous expenses	783,210	73,276
	<u>23,401,010</u>	<u>12,295,849</u>
	<u>58,486,445</u>	<u>35,759,860</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Un-audited)	
		January - June 2025	January - June 2024
33.	OTHER CHARGES	Note	----- (Rupees in '000) -----
	Penalties imposed by the SBP		2,457 2,186
	Penalties imposed by other regulatory bodies of overseas branches		37 30,625
			2,494 32,811
34.	CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
	Credit loss allowance for diminution in value of investments	9.2	427,588 (236,595)
	Credit loss allowance against loans and advances	10.3	(4,083,719) (2,049,803)
	Bad debts written off directly		49,843 23,626
	Credit loss allowance against other assets - net	15.3.1	(2,301) (7,675)
	Credit loss allowance against off-balance sheet obligations - net	22.1	116,371 48,083
	Recovery of written-off / charged off bad debts		(424,216) (208,832)
	Credit loss allowance against cash and balances with treasury banks		(33,302) -
	Other provisions and write-offs		60,489 64,431
			(3,889,247) (2,366,765)
35.	TAXATION		
	Current		49,869,195 29,273,373
	Prior years		6,064,861 (267,820)
	Deferred		28,945,661 (761,447)
			84,879,717 28,244,106
			(Un-audited)
			January - January - June 2025 June 2024
36.	EARNINGS PER SHARE		----- (Rupees in '000) -----
	Profit after taxation for the period		63,790,592 29,445,573
			----- (Number of shares) -----
	Weighted average number of ordinary shares		2,482,942,236 2,448,359,374
			----- (Rupees) -----
	Earnings per share - basic and diluted - Restated		25.69 12.03
36.1.	The Bank issued 27,944,213 shares in pursuant to Silk Bank Limited amalgamation with and into United Bank Limited.		
	There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2025 and June 30, 2024.		
37.	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 carried at fair value. The valuation is carried out using appropriate methodologies.		
	The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.		
	In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.		
37.1	The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:		
	Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.		
	Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).		
	Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).		

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

Item	Valuation approach and input used
<b>Federal Government securities</b>	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Bloomberg.
<b>Non-Government debt securities</b>	The fair value of non-government debt securities is determined using the prices / rates from MUFAP.
<b>Unquoted equity securities</b>	The fair value of unlisted equity investments is determined using cash flow projections of the investee company. If cashflow projections of investees are unavailable, the Bank uses the break-up value as an estimate of fair value.
<b>Foreign debt securities</b>	The fair value of foreign corporate and foreign government securities is determined using the rates from Bloomberg.
<b>Mutual Fund units</b>	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.
<b>Forward foreign exchange contracts and Forward Government securities transactions</b>	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
<b>Derivatives</b>	The fair valuation techniques include forward pricing and swap models using present value calculations.
<b>Fixed assets and non-banking assets acquired in satisfaction of claims</b>	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.

The following table summaries the quantitative information about the significant unobservable inputs used in level 3 fair value measurement of Unlisted equities.

Description	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of the input to fair value
-------------	---------------------	---------------------------------	------	--

#### Non-listed equity investments financial sector

Ordinary shares unlisted (income approach)	DCF Method	WACC, CAGR, DLOM, DLOC	17% - 20.13%, 53.72%, 28% & 10%	Increase/decrease in WACC by 1% with all other variables held constant, would (decrease)/increase the fair value by Rs. 2,277 million as at December 31, 2024.
Ordinary shares unlisted (market approach)	Price to Book Value	Market multiple/ transaction price	Not applicable	Not applicable

### 37.2 Fair value of financial assets

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

June 30, 2025 (Un-audited)					
Carrying value	Fair value				Total
	Level 1	Level 2	Level 3		
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
- Federal Government securities	8,305,853,150	-	8,305,853,150	-	8,305,853,150
- Shares and units	25,028,798	20,691,175	-	4,337,623	25,028,798
- Foreign securities	202,978,733		202,978,733	-	202,978,733
- Non-Government debt securities	2,164,835	-	2,164,835	-	2,164,835
	8,536,025,516	20,691,175	8,510,996,718	4,337,623	8,536,025,516
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government Securities	293,466,064	-	297,872,953	-	297,872,953
- Foreign securities	26,647,889		25,995,123	-	25,995,123
- Non-Government debt securities	18,820,324	-	18,685,588	-	18,685,588
	338,934,277		342,553,664		342,553,664
	8,874,959,793	20,691,175	8,853,550,382	4,337,623	8,878,579,180

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## Off-balance sheet financial instruments measured at fair value

Foreign exchange contracts - purchased and sold  
FX options - purchased and sold  
Forward Government Securities - purchased and sold

June 30, 2025 (Un-audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
902,624,628	-	1,356,282	-	1,356,282
-	-	-	-	-
6,785,220	-	1,906	-	1,906

## On balance sheet financial instruments Financial assets measured at fair value

Investments  
- Federal Government securities  
- Shares and units  
- Foreign securities  
- Non-Government debt securities

December 31, 2024 (Audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
5,426,802,954	-	5,426,802,954	-	5,426,802,954
21,404,561	21,404,561	-	-	21,404,561
109,976,945	-	109,976,945	-	109,976,945
2,164,861	-	2,164,861	-	2,164,861
5,560,349,321	21,404,561	5,538,944,760	-	5,560,349,321

## Financial assets - disclosed but not measured at fair value

Investments  
- Federal Government Securities  
- Foreign securities  
- Non-Government debt securities

277,953,188	-	278,216,586	-	278,216,586
25,305,955	-	24,340,414	-	24,340,414
19,339,444	-	19,556,848	-	19,556,848
322,598,587	-	322,113,848	-	322,113,848
5,882,947,908	21,404,561	5,861,058,608	-	5,882,463,169

## Off-balance sheet financial instruments - measured at fair value

Foreign exchange contracts - purchased and sold  
FX options - purchased and sold  
Forward Government Securities - purchased and sold

582,473,911	-	(222,176)	-	(222,176)
-	-	-	-	-
319,286,690	-	1,256,494	-	1,256,494

## 37.3 Fair Value of non-financial assets

Property and equipment  
Non-banking assets acquired in satisfaction of claims

June 30, 2025 (Un-audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
64,219,484	-	-	64,219,484	64,219,484
1,427,380	-	-	1,427,380	1,427,380
65,646,864	-	-	65,646,864	65,646,864

Property and equipment  
Non-banking assets acquired in satisfaction of claims

December 31, 2024 (Audited)				
Carrying value	Fair value			Total
	Level 1	Level 2	Level 3	
(Rupees in '000)				
60,922,041	-	-	60,922,041	60,922,041
42,075	-	-	42,075	42,075
60,964,116	-	-	60,964,116	60,964,116

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

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 38. SEGMENT INFORMATION

### 38.1 Segment details with respect to business activities

For the six months ended June 30, 2025 (Un-audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
<b>Profit and Loss</b>							
Net mark-up / return / profit	17,067,826	171,752,964	(41,718,936)	12,751,463	15,462,446	106,485	175,422,248
Inter segment (expense) / revenue - net	(13,294,886)	(79,990,828)	93,166,200	-	-	119,514	-
Non mark-up / return / interest income	4,466,964	12,572,230	9,784,072	586,514	3,047,463	305,614	30,762,857
<b>Total Income</b>	<b>8,239,904</b>	<b>104,334,366</b>	<b>61,231,336</b>	<b>13,337,977</b>	<b>18,509,909</b>	<b>531,613</b>	<b>206,185,105</b>
Segment direct expenses	1,218,528	2,089,597	42,931,853	8,835,994	4,303,319	2,024,752	61,404,043
Inter segment expense allocation	1,315,629	1,881,021	3,525,669	-	279,385	(7,001,704)	-
<b>Total expenses</b>	<b>2,534,157</b>	<b>3,970,618</b>	<b>46,457,522</b>	<b>8,835,994</b>	<b>4,582,704</b>	<b>(4,976,952)</b>	<b>61,404,043</b>
Credit loss allowance - net	2,051,379	48,564	(987,119)	(800,101)	2,452,815	1,123,709	3,889,247
<b>Profit before taxation</b>	<b>7,757,126</b>	<b>100,412,312</b>	<b>13,786,695</b>	<b>3,701,882</b>	<b>16,380,020</b>	<b>6,632,274</b>	<b>148,670,309</b>
	For the six months ended June 30, 2024 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
<b>Profit and Loss</b>							
Net mark-up / return / profit	26,803,493	78,282,082	(77,949,171)	17,902,654	9,778,096	(1,179,209)	53,637,945
Inter segment (expense) / revenue - net	(22,235,015)	(137,758,488)	153,211,812	-	-	6,781,691	-
Non mark-up / return / interest income	4,469,728	18,702,629	5,743,556	535,909	8,837,451	421,339	38,710,612
<b>Total Income</b>	<b>9,038,206</b>	<b>(40,773,777)</b>	<b>81,006,197</b>	<b>18,438,563</b>	<b>18,615,547</b>	<b>6,023,821</b>	<b>92,348,557</b>
Segment direct expenses	910,506	347,801	24,828,168	2,691,060	3,373,745	4,874,363	37,025,643
Inter segment expense allocation	158,202	438,177	4,959,416	-	243,338	(5,799,133)	-
<b>Total expenses</b>	<b>1,068,708</b>	<b>785,978</b>	<b>29,787,584</b>	<b>2,691,060</b>	<b>3,617,083</b>	<b>(924,770)</b>	<b>37,025,643</b>
Credit loss allowance - net	571,706	(23)	202,144	(161,031)	1,759,070	(5,101)	2,366,765
<b>Profit / (loss) before taxation</b>	<b>8,541,204</b>	<b>(41,559,778)</b>	<b>51,420,757</b>	<b>15,586,472</b>	<b>16,757,534</b>	<b>6,943,490</b>	<b>57,689,679</b>
	As at June 30, 2025 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
<b>Balance Sheet</b>							
Cash & Bank balances	24,954	88,629,591	89,488,807	52,037,812	272,976,736	-	503,157,900
Investments	9,665,090	8,442,506,888	-	130,806,939	290,912,290	3,409,202	8,877,300,409
Net inter segment lending	124,831,552	-	2,007,190,812	282,556,866	-	159,312,789	2,573,892,019
Lendings to financial institutions	-	90,732,721	-	-	-	-	90,732,721
Advances - performing	393,025,241	2,019	71,327,706	299,828,905	291,190,300	2,031,428	1,057,405,599
Advances - non-performing net	1,552,248	-	280,695	77,676	3,375,883	10,845	5,297,347
Others	8,782,647	209,030,038	154,277,066	91,604,298	21,606,435	69,592,839	554,893,323
<b>Total Assets</b>	<b>537,881,732</b>	<b>8,830,901,257</b>	<b>2,322,565,086</b>	<b>856,912,496</b>	<b>880,061,644</b>	<b>234,357,103</b>	<b>13,662,679,318</b>

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FOR THE SIX MONTHS ENDED JUNE 30, 2025

	As at June 30, 2025 (Un-audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
Borrowings	36,110,236	6,014,642,019	5,121,649	8,145,613	7,598,380	-	6,071,617,897
Subordinated debt	-	-	-	-	-	10,998,600	10,998,600
Deposits and other accounts	463,052,452	91,331	2,351,957,571	756,114,532	720,698,842	420,236	4,292,334,964
Net inter segment borrowing	-	2,570,627,794	-	-	3,264,225	-	2,573,892,019
Others	11,267,567	117,776,610	48,084,800	23,897,598	24,955,815	61,440,815	287,423,205
<b>Total Liabilities</b>	510,430,255	8,703,137,754	2,405,164,020	788,157,743	756,517,262	72,859,651	13,236,266,685
Equity	27,451,477	127,763,503	(82,598,934)	68,754,753	123,544,382	161,497,452	426,412,633
<b>Total Equity &amp; liabilities</b>	537,881,732	8,830,901,257	2,322,565,086	856,912,496	880,061,644	234,357,103	13,662,679,318
<b>Contingencies and Commitments</b>	936,023,558	227,896,616	148,307,429	31,772,956	741,128,391	2,290,696	2,087,419,646

	As at December 31, 2024 (Audited)						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
<b>Balance Sheet</b>							
Cash & Bank balances	29,906	99,428,160	64,494,601	44,862,677	160,898,813	-	369,714,157
Investments	10,156,363	5,613,070,387	-	119,366,357	140,744,551	3,556,845	5,886,894,503
Net inter segment lending	-	-	1,513,980,697	216,760,034	-	63,438,769	1,794,179,500
Lendings to financial institutions	-	18,492,483	-	-	-	-	18,492,483
Advances - performing	912,361,408	2,238	57,221,149	147,626,192	316,182,001	1,996,657	1,435,389,645
Advances - non-performing net	1,328,491	-	298,848	260,774	6,204,186	-	8,092,299
Others	24,878,319	138,388,839	51,935,147	81,332,932	11,129,453	36,884,357	344,549,047
<b>Total Assets</b>	<b>948,754,487</b>	<b>5,869,382,107</b>	<b>1,687,930,442</b>	<b>610,208,966</b>	<b>635,159,004</b>	<b>105,876,628</b>	<b>9,857,311,634</b>
Borrowings	46,800,297	4,767,131,383	5,583,815	8,003,110	27,854,911	-	4,855,373,516
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	129,324,679	-	1,495,019,952	519,488,249	496,378,609	-	2,640,211,489
Net inter segment borrowing	753,056,630	1,032,301,065	-	-	8,821,805	-	1,794,179,500
Others	19,538,871	53,577,825	90,825,361	17,915,368	17,577,342	41,890,111	241,324,878
<b>Total Liabilities</b>	<b>948,720,477</b>	<b>5,853,010,273</b>	<b>1,591,429,128</b>	<b>545,406,727</b>	<b>550,632,667</b>	<b>51,890,111</b>	<b>9,541,089,383</b>
Equity	34,010	16,371,834	96,501,314	64,802,239	84,526,337	53,986,517	316,222,251
<b>Total Equity &amp; liabilities</b>	<b>948,754,487</b>	<b>5,869,382,107</b>	<b>1,687,930,442</b>	<b>610,208,966</b>	<b>635,159,004</b>	<b>105,876,628</b>	<b>9,857,311,634</b>
			-			-	
<b>Contingencies and Commitments</b>	<b>748,634,121</b>	<b>505,243,486</b>	<b>93,104,492</b>	<b>10,536,687</b>	<b>442,550,988</b>	<b>1,504,910</b>	<b>1,801,574,684</b>

### 39. RELATED PARTY TRANSACTIONS

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

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

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

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FOR THE SIX MONTHS ENDED JUNE 30, 2025

	As at June 30, 2025 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
<b>Statement of financial position</b>	(Rupees in '000)					
<b>Balances with other banks</b>						
In current accounts	-	-	-	-	-	369,437
In deposit accounts	-	-	-	-	-	-
	-	-	-	-	-	369,437
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	2,020,600
Repaid during the period	-	-	-	-	-	(2,020,600)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Investments</b>						
Opening balance	-	-	-	2,100,000	1,657,486	3,635,440
Investment made during the period	-	-	-	-	-	-
Investment disposed off / redeemed during the period	-	-	-	-	-	(63,635)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	2,100,000	1,657,486	3,571,805
Credit loss allowance for diminution in value of investments	-	-	-	-	1,417,485	-
Provision written off	-	-	-	-	-	-
<b>Advances</b>						
Opening balance	-	537	596,283	-	-	231,097,420
Addition during the period	-	6,897	289,761	-	-	160,637,297
Repaid during the period	-	(6,713)	(245,720)	-	-	(241,732,662)
Transfers in / (out) - net	-	-	(141,653)	-	-	(1,285)
Closing balance	-	721	498,671	-	-	150,000,770
Credit loss allowance held against advances	-	31	10,560	-	-	55
Property and equipment / Capital work in progress	-	-	-	-	-	4,291
<b>Other Assets</b>						
Income / mark-up accrued	-	-	-	-	-	3,780,082
Receivable from staff retirement fund	-	-	-	-	-	12,366,034
Prepaid insurance	-	-	-	-	515,328	-
Dividend Receivable	-	-	-	-	-	-
Other receivable	-	-	-	15,889	-	17,597
Credit loss allowance against other assets	-	-	-	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	-	-	-	94,460,700
Borrowings during the period	-	-	-	-	3,896,632	427,976,318
Settled during the period	-	-	-	-	(3,896,632)	(521,936,418)
Closing balance	-	-	-	-	-	500,600
<b>Deposits and other accounts</b>						
Opening balance	3,205	7,263,037	152,070	335,500	596,425	40,635,672
Received during the period	5,273,296	27,804,185	1,411,427	108,357,945	44,111,172	2,952,331,277
Withdrawn during the period	(810,835)	(27,409,166)	(1,448,273)	(108,252,169)	(44,138,568)	(2,943,969,705)
Transfers in / (out) - net	-	-	(63,558)	-	-	(92,806)
Closing balance	4,465,666	7,658,056	51,666	441,276	569,029	48,904,438

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FOR THE SIX MONTHS ENDED JUNE 30, 2025

As at June 30, 2025 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
<b>Subordinated debt</b>	-	-	-	-	-	50,000
<b>Other Liabilities</b>						
Interest / mark-up payable on deposits and borrowings	-	42,238	-	-	-	30,004
Dividend payable	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-
Unearned income	-	-	-	-	-	-
Unrealized loss on forward foreign exchange contracts	-	-	-	-	-	-
Other payable	-	-	-	-	2,965	28,606
<b>Contingencies and Commitments</b>						
Letters of credit	-	-	-	-	-	29,499
Forward Govt. Securities Sale	-	-	-	-	-	-
Forward foreign exchange contracts purchase	-	-	-	255,388	-	-

As at December 31, 2024 (Audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	-	-	-	391,556
In deposit accounts	-	-	-	-	-	-
	-	-	-	-	-	391,556
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	804,102
Addition during the year	-	-	-	-	-	2,191,560
Repaid during the year	-	-	-	-	-	(2,995,662)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Investments</b>						
Opening balance	-	-	-	3,955,223	1,657,486	5,287,396
Adoption Impact of IFRS 9	-	-	-	-	-	-
Investment made during the year	-	-	-	1,000,000	-	885,450
Investment disposed / written off during the year	-	-	-	(2,855,223)	-	(2,500,000)
Transfers in / (out) - net	-	-	-	-	-	(37,406)
Closing balance	-	-	-	2,100,000	1,657,486	3,635,440
Credit loss allowance for diminution in value of investments	-	-	-	-	1,417,485	-
<b>Advances</b>						
Opening balance	-	1,286	529,196	-	-	392
Addition during the year	-	7,566	365,352	-	-	231,103,164
Repaid during the year	-	(8,315)	(488,089)	-	-	(6,136)
Transfers in / (out) - net	-	-	189,824	-	-	-
Closing balance	-	537	596,283	-	-	231,097,420
Credit loss allowance held against advances	-	-	-	-	-	-
Property and equipment / CWIP	-	-	-	-	-	197,026

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	As at December 31, 2024 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	----- (Rupees in '000) -----					
<b>Other Assets</b>						
Interest mark-up accrued	-	-	133	-	-	5,094,682
Receivable from staff retirement fund	-	-	-	-	-	13,006,849
Prepaid insurance	-	-	-	-	144,558	-
Unrealized gain on forward foreign exchange contracts	-	-	-	-	-	134
Other receivable	-	-	-	1,658	-	12,478
Provision written off	-	-	-	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	-	3,320	-	402,800
Borrowings during the year	-	-	-	-	500,000	243,259,002
Settled during the year	-	-	-	(3,320)	(500,000)	(149,201,102)
Closing balance	-	-	-	-	-	94,460,700
<b>Deposits and other accounts</b>						
Opening balance	14,362	5,149,234	114,762	1,055,328	566,903	14,917,301
Received during the year	71,539,502	44,412,648	2,145,718	97,445,145	84,366,733	1,393,847,209
Withdrawn during the year	(71,550,659)	(42,298,845)	(2,101,517)	(98,108,394)	(84,337,211)	(1,368,907,854)
Transfer in / (out) - net	-	-	(6,893)	(56,579)	-	779,016
Closing balance	3,205	7,263,037	152,070	335,500	596,425	40,635,672
<b>Other Liabilities</b>						
Interest / mark-up payable on deposits and borrowings	580	41,605	2,264	6,192	5,370	652,728
Dividend payable	-	70	4	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-
Unrealized loss on forward foreign exchange contracts	-	-	-	-	-	3,219
Unearned income	-	-	-	-	-	-
Other payable	-	4,310	-	-	-	21,604
<b>Contingencies and Commitments</b>						
Letter of guarantee	-	-	-	-	-	21,463
Forward Government securities - sale	-	-	-	-	-	2,585,000

	For the six months ended June 30, 2025 (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	-	-	11,155	-	-	3,802
Commission / charges recovered	-	209	1,738	996	10,353	8,813
Dividend income	-	-	-	-	69,130	519,507
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	2,114	-	45,039
Gain on sale of subsidiary	-	-	-	-	-	-
Gain on sale of property and equipment	-	-	129	-	2,240	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	327,411
Management fee	-	-	-	48,961	-	-

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

For the six months ended June 30, 2025 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
<b>Expense</b>						
Mark-up / return / interest paid	6,639	156,699	4,158	6,961	23,317	1,431,573
Remuneration paid	-	-	1,040,987	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	51,580	-	-	-	-
Charge for defined contribution plans	-	-	18,888	-	-	431,076
Charge for defined benefit plans	-	-	5,820	-	-	479,617
Provision	-	-	-	-	-	-
Other expenses	-	-	5,793	-	-	155,224
Clearing charges	-	-	-	-	-	158,615
Membership, subscription, sponsorship and maintenance charges	-	-	1,501	-	-	13,486
<b>Other Information</b>						
Dividend paid	13,898,036	654,948	13,859	-	-	5,300,808
Insurance premium paid	-	-	-	-	858,874	-
Insurance claims settled	-	-	-	-	110,408	-

For the six months ended June 30, 2024 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / interest earned	-	-	25,161	-	-	21,909
Commission / charges recovered	-	168	1,266	928	9,718	7,226
Dividend income	-	-	-	-	54,613	445,292
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	1,761	-	36,589
Gain on sale of property and equipment	-	-	36	-	596	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	219,911
Management fee	-	-	-	12,247	-	-
<b>Expense</b>						
Mark-up / return / interest paid	64,334	118,818	12,910	99,807	758,943	17,333,210
Remuneration paid	-	-	740,258	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	52,330	-	-	-	-
Charge for defined contribution plans	-	-	16,498	-	-	321,912
Charge for defined benefit plans	-	-	6,165	-	-	441,340
Provision	-	-	-	-	-	30
Other expenses	-	-	-	-	-	336,166
Clearing charges	-	-	-	-	-	87,937
Membership, subscription, sponsorship and maintenance charges	-	-	1,790	-	-	14,308
Custody charges	-	-	-	-	-	-
<b>Other Information</b>						
Dividend paid	13,898,036	451,703	13,103	-	-	3,265,753
Insurance premium paid	-	-	-	-	703,741	-
Insurance claims settled	-	-	-	-	282,086	-

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	12,521,239	12,241,797
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	355,522,011	231,378,975
Eligible Additional Tier 1 (ADT 1) Capital	9,934,770	9,934,770
Total Eligible Tier 1 Capital	365,456,781	241,313,745
Eligible Tier 2 Capital	79,911,806	79,934,771
Total Eligible Capital (Tier 1 + Tier 2)	445,368,587	321,248,516
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,289,582,910	982,317,606
Market Risk	306,847,150	268,034,475
Operational Risk	331,068,883	331,068,883
Total	1,927,498,943	1,581,420,964
<b>Common Equity Tier 1 Capital Adequacy Ratio</b>	18.44%	14.63%
<b>Tier 1 Capital Adequacy Ratio</b>	18.96%	15.26%
<b>Total Capital Adequacy Ratio</b>	23.11%	20.31%

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 June 30, 2025 stood at Rs.12,521.239 million (December 31, 2024: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.

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

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at June 30, 2025. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 23.11% whereas CET 1 and Tier 1 ratios stood at 18.44% and 18.96% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/751777/2024 dated August 29, 2024. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.0%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	365,456,781	241,313,745
Total Exposures	11,473,795,495	7,852,713,980
Leverage Ratio	3.19%	3.07%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	2,873,901,121	1,809,400,194
Total Net Cash Outflow	1,307,239,620	721,237,268
Liquidity Coverage Ratio	219.85%	250.87%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	2,992,512,508	2,163,819,529
Total Required Stable Funding	2,033,369,693	2,027,714,826
Net Stable Funding Ratio	147.17%	106.71%

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 41. ISLAMIC BANKING BUSINESS

The Bank operates 670 (December 31, 2024: 496) Islamic Banking branches and 596 (December 31, 2024: 558) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
Note		----- (Rupees in '000) -----	
<b>ASSETS</b>			
	Cash and balances with treasury banks	48,208,595	44,290,715
	Balances with other banks	3,829,217	571,962
41.1	Due from financial institutions	-	-
41.2	Investments	130,806,939	119,366,357
41.3	Islamic financing and related assets - net	299,906,581	147,886,966
	Property and equipment	11,675,543	6,029,227
	Right-of-use assets	12,093,271	3,181,023
	Intangible assets	-	-
	Due from Head Office	334,325,968	284,069,490
	Other assets	16,066,382	4,813,226
		856,912,496	610,208,966
<b>LIABILITIES</b>			
	Bills payable	7,362,472	8,607,107
	Due to financial institutions	8,145,613	8,003,110
41.4	Deposits and other accounts	756,114,532	519,488,249
	Due to Head Office	-	-
	Lease Liability	12,804,941	3,788,556
	Other liabilities	3,730,185	5,519,705
		788,157,743	545,406,727
		68,754,753	64,802,239
<b>NET ASSETS</b>			
<b>REPRESENTED BY</b>			
	Islamic Banking Fund	2,181,000	2,181,000
	Reserves	-	-
	Surplus on revaluation of assets	822,690	572,058
41.5	Unappropriated profit	65,751,063	62,049,181
		68,754,753	64,802,239
<b>CONTINGENCIES AND COMMITMENTS</b>			
41.6			

### PROFIT AND LOSS ACCOUNT

		(Un-audited) January - June 2025	January - June 2024
		----- (Rupees in '000) -----	
41.7	Profit / return earned	19,880,552	35,058,477
41.8	Profit / return expensed	7,129,089	17,155,823
	Net profit / return	12,751,463	17,902,654
<b>Other income</b>			
	Fee and commission income	583,280	239,071
	Foreign exchange (loss) / income	(91,363)	46,669
	Gain on securities - net	18,890	209,819
	Other income	75,707	40,350
	Total other income	586,514	535,909
	<b>Total Income</b>	13,337,977	18,438,563
<b>Other expenses</b>			
	Other operating expenses	8,835,994	2,691,060
	<b>Profit before credit loss allowance</b>	4,501,983	15,747,503
	Credit loss allowance and write offs - net	800,101	161,031
	<b>Profit before taxation</b>	3,701,882	15,586,472
	Taxation	1,999,016	7,637,371
	<b>Profit after taxation</b>	1,702,866	7,949,101

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 41.1 Due from Financial Institutions

	As at June 30, 2025 (Un-audited)			As at December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Musharakah lending	-	-	-	-	-	-
Bai Muajjal	-	-	-	-	-	-
with other Financial Institutions	-	-	-	-	-	-
with State Bank of Pakistan	-	-	-	-	-	-
	-	-	-	-	-	-

## 41.2 Investments by segments

	Note	As at June 30, 2025 (Un-audited)			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)			
<b>Debt Instruments</b>					
<b>Measured at amortised cost</b>					
Federal Government Securities					
- Ijarah Sukuks		10,000,808		-	10,000,808
- Bai Muajjal with Govt. of Pakistan		51,774,232		-	51,774,232
Non Government debt securities	41.2.1	8,416,464	(151)	-	8,416,313
		70,191,504	(151)	-	70,191,353
<b>Measured at FVOCI</b>					
Federal Government securities					
- Ijarah Sukuks		39,553,582	-	822,690	40,376,272
- Islamic Naya Pakistan Certificate		1,034,053	-	-	1,034,053
Non Government debt securities		40,587,635	-	822,690	41,410,325
<b>Measured at FVPL</b>					
Federal Government securities					
- Ijarah Sukuks		18,904,560	-	701	18,905,261
		18,904,560	-	701	18,905,261
<b>Instruments mandatorily classified / measured at FVPTL</b>					
Non Government debt securities		300,000	-	-	300,000
<b>Total investments</b>		129,983,699	(151)	823,391	130,806,939
		As at December 31, 2024 (Audited)			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)			
<b>Debt Instruments</b>					
<b>Measured at amortised cost</b>					
Federal Government Securities					
- Ijarah Sukuks		10,001,109	-	-	10,001,109
- Bai Muajjal with Govt. of Pakistan	41.2.1	47,618,148	-	-	47,618,148
Non Government debt securities		8,900,193	(151)	-	8,900,042
		66,519,450	(151)	-	66,519,299
<b>Measured at FVOCI</b>					
Federal Government securities					
- Ijarah Sukuks		49,296,295	-	572,058	49,868,353
- Islamic Naya Pakistan Certificate		2,678,705	-	-	2,678,705
Non Government debt securities		51,975,000	-	572,058	52,547,058
<b>Instruments mandatorily classified / measured at FVPTL</b>					
Non Government debt securities		300,000	-	-	300,000
		118,794,450	(151)	572,058	119,366,357

## Particulars of credit loss allowance

	As at June 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Federal Government securities	-	-	-	-	-	-	-	-
Non Government debt securities	(151)	-	-	(151)	(151)	-	-	(151)
	(151)	-	-	(151)	(151)	-	-	(151)

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>41.2.1 Bai Muajjal with Government of Pakistan</b>		
Bai Muajjal Investment	69,340,000	69,340,000
Less: Deferred Income	(17,565,768)	(21,721,852)
Bai Muajjal Investment-net	<u>51,774,232</u>	<u>47,618,148</u>
<b>41.3 Islamic financing and related assets</b>		
Ijarah	414,362	183,651
Murabaha	668,677	165,372
Musharakah	158,751,214	73,230,869
Diminishing Musharakah	97,387,711	45,705,613
Mera Pakistan Mera Ghar (MPMG)	4,646,930	4,839,643
Istisna	1,218,224	240,064
Tijarah	8,750,000	-
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	3,552,646	3,692,614
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	4,109,754	8,710,000
Islamic Export Refinance scheme - Istisna	575,465	608,058
Advances against Islamic assets		
Advances against Ijarah	474,036	17,910
Advances for Diminishing Musharakah	13,690,113	8,689,619
Advances for Murabaha	83,326	-
Advances against Mera Pakistan Mera Ghar	1,543	4,335
Advances for Istisna	234,486	1,312,312
Advances against Istisna - Under SBP' Islamic Export Refinance scheme	1,113,000	256,000
Advances against Diminishing Musharakah ITERF	-	-
Inventory related to Islamic financing		
Istisna	1,065,142	111,700
Tijarah	350,000	-
Profit and other receivables against financings	5,631,813	2,189,222
Gross Islamic financing and related assets	302,718,442	149,956,982
Less: Credit Loss Allowance against Islamic financings		
- Stage 1	(1,457,923)	(1,668,457)
- Stage 2	(894,560)	(213,344)
- Stage 3	(459,378)	(188,215)
	<u>(2,811,861)</u>	<u>(2,070,016)</u>
Islamic financing and related assets - net of credit loss allowance	<u>299,906,581</u>	<u>147,886,966</u>
<b>41.4 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	501,895,572	343,912,552
Saving deposits	133,796,831	123,254,188
Term deposits	8,422,422	5,223,078
	644,114,825	472,389,818
<b>Financial Institutions</b>		
Current deposits	1,378,035	1,164,744
Saving deposits	110,481,672	45,900,687
Term deposits	140,000	33,000
	<u>111,999,707</u>	<u>47,098,431</u>
	<u>756,114,532</u>	<u>519,488,249</u>
<b>41.4.1</b> Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 539,895.829 million (December 31, 2024: Rs. 409,558.614 million).		
<b>41.5 Islamic Banking Business Unappropriated Profit</b>		
	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
Opening Balance	62,049,181	31,398,864
Impact of adoption of IFRS 9	-	(1,570,146)
Profit for the period / year	<u>3,701,882</u>	<u>32,220,463</u>
	65,751,063	62,049,181
Taxation	<u>(1,999,016)</u>	<u>(17,399,050)</u>
Closing Balance	<u>63,752,047</u>	<u>44,650,131</u>

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
<b>41.6 Contingencies and commitments</b>		
- Guarantees	4,760,599	321,847
- Commitments	27,012,357	10,214,840
	<u>31,772,956</u>	<u>10,536,687</u>
	(Un-audited)	
	January - June 2025	January - June 2024
<b>41.7 Profit / Return earned</b>		
On:		
Financing	10,653,818	4,035,789
Investments	8,790,285	30,816,968
Placements	341,889	138,199
Rental Income from Ijarah	94,560	67,521
	<u>19,880,552</u>	<u>35,058,477</u>
<b>41.8 Profit / Return expensed</b>		
On:		
Deposits and other accounts	6,314,825	13,763,121
Due to Financial Institutions	141,357	3,265,391
Others	672,907	127,311
	<u>7,129,089</u>	<u>17,155,823</u>
<b>41.9 Disclosures for profit and loss distribution and pool management</b>		

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)

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.

## 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.

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

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Mudarib's share on Deposits for the period ended June 30, 2025 is Rs.5,050.00 million (48.30% of distributable profit of Mudarabah Pool) of this, an amount of Rs.917.81 million (18.17% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 13.27% per annum and the rate of profit paid on average deposits was 8.23% 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 utilizing The funds from the pool.
- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on ijarah assets, takaful premium, Amortization of Premium on investment etc.
- No expense of general or administrative nature is charged to the pools.
- No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset.
- The profit of the pool is shared between equity and Rab-ul-Maal of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity.
- The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee.

The Bank managed following pools during the period.

### For the six months ended June 30, 2025 (Un-audited)

	No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
Special Pools	45	Mudarbaha	Monthly	11.08%	40.06%	714,947	9.63%	34.69%	248,028
IERS Pools	6	Musharkah	Monthly	13.06%	41.64%	122,488	8.05%	0.00%	-
General Pools	6	Mudarbaha	Monthly	13.18%	50.00%	4,335,057	7.72%	15.45%	669,785
Treasury Pools	0	Musharkah	Monthly	0.00%	0.00%	-	0.00%	0.00%	-

### For the six months ended June 30, 2024 (Un-audited)

	No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
ADMA Pools	6	Mudarbaha	Monthly	12.24%	35.00%	92,549	8.30%	7.95%	7,360
Special Pools	69	Mudarbaha	Monthly	21.48%	13.91%	1,409,212	20.07%	51.15%	720,842
IERS Pools	12	Musharkah	Monthly	18.57%	59.62%	512,427	18.00%	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	2.13%	50.00%	4,594	1.06%	0.00%	-
General Pools	6	Mudarbaha	Monthly	20.97%	49.99%	3,306,791	18.50%	26.71%	883,107
Treasury Pools	172	Musharkah	Monthly	21.78%	30.52%	1,512,836	21.12%	0.00%	-

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----		
<b>41.10 Deployment of Mudarabah based deposits by class of business</b>		
Chemical and pharmaceuticals	7,231,403	11,119,892
Agriculture	153,780,082	64,330,828
Textile	35,632,524	6,937,944
Sugar	9,543,828	-
Financial	300,000	800,000
Plastic	94,488	197,855
Individuals	21,327,232	26,446,650
Production and transmission of energy	27,483,685	18,216,021
Government of Pakistan Securities	122,090,474	110,166,197
Others	56,041,663	31,107,952
	<u>433,525,379</u>	<u>269,323,339</u>

## 42. YEMEN OPERATIONS

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

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

## 43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on July 11, 2025 has declared an interim cash dividend in respect of quarter ended June 30, 2025 of Rs. 8.0 per share (June 30, 2024: Rs. 11.0 per share). This is in addition to Rs. 11.0 already paid during the period bringing the total dividend for the six months to Rs.19.0 per share (June 30, 2024: Rs. 22.0). These unconsolidated condensed interim financial statements for the six months ended June 30, 2025 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

## 44. GENERAL

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

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

## 45. DATE OF AUTHORISATION

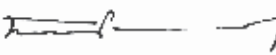
These unconsolidated condensed interim financial statements were authorised for issue on July 11, 2025, by the Board of Directors of the Bank.

  
Syed Manzoor Hussain Zaidi  
Chief Financial Officer

  
Muhammad Jawaid Iqbal  
President &  
Chief Executive Officer

  
Shazia Syed  
Director

  
Daniel Michael Howlett  
Director

  
Sir Mohammed Anwar Pervaz, OBE, HPk  
Chairman



# UNITED BANK LIMITED

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**CONSOLIDATED CONDENSED  
INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2025  
(Un-audited)**

# **CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION** **AS AT JUNE 30, 2025**

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	389,950,760	310,836,376
Balances with other banks	7	114,068,506	59,968,246
Lendings to financial institutions	8	90,732,721	18,492,483
Investments	9	8,881,304,440	5,889,765,841
Advances	10	1,062,702,946	1,443,481,944
Property and equipment	11	104,646,232	85,591,999
Right-of-use assets	12	26,141,715	10,231,121
Intangible assets	13	64,042,019	2,792,016
Deferred tax assets	14	-	-
Other assets	15	361,940,573	247,937,251
		11,095,529,912	8,069,097,277
<b>LIABILITIES</b>			
Bills payable	17	52,726,804	44,221,818
Borrowings	18	6,071,617,897	4,855,373,516
Deposits and other accounts	19	4,291,893,684	2,639,875,985
Lease liabilities	20	28,506,610	12,381,018
Subordinated debt	21	10,998,600	10,000,000
Deferred tax liabilities	14	80,570,416	39,311,263
Other liabilities	22	127,301,843	147,125,664
		10,663,615,854	7,748,289,264
<b>NET ASSETS</b>		<u>431,914,058</u>	<u>320,808,013</u>
<b>REPRESENTED BY:</b>			
Share capital	23	12,521,239	12,241,797
Reserves		133,772,433	114,734,831
Surplus on revaluation of assets	24	137,759,541	77,309,424
Unappropriated profit		<u>147,801,422</u>	<u>116,472,051</u>
Total equity attributable to the equity holders of the Bank		431,854,635	320,758,103
Non-controlling interest		<u>59,423</u>	<u>49,910</u>
		<u>431,914,058</u>	<u>320,808,013</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	25		

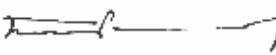
The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

  
**Syed Manzoor Hussain Zaidi**  
 Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
 President &  
 Chief Executive Officer

  
**Shazia Syed**  
 Director

  
**Daniel Michael Howlett**  
 Director

  
**Sir Mohammed Anwar Pervez, OBE, HPK**  
 Chairman

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		April - June 2025	April - June 2024	January - June 2025	January - June 2024
	Note	(Rupees in '000)			
Mark-up / return / interest earned	27	303,047,515	281,551,199	564,015,540	524,574,784
Mark-up / return / interest expensed	28	211,841,680	252,376,577	388,586,686	467,298,958
<b>Net mark-up / interest income</b>		<b>91,205,835</b>	<b>29,174,622</b>	<b>175,428,854</b>	<b>57,275,826</b>
<b>Non mark-up / interest income</b>					
Fee and commission income	29	8,982,232	5,589,143	16,488,193	11,526,371
Dividend income		501,663	395,358	1,364,389	868,523
Foreign exchange income		4,177,999	3,762,947	7,847,939	6,481,928
(Loss) / gain from derivatives		(1,761)	40,001	(1,254,578)	(24,845)
Gain on securities - net	30	2,321,537	5,360,182	8,147,310	18,188,990
Capital gain on derecognition of financial assets measured at amortised cost		-	3,841,988	-	2,894,427
Other income	31	245,210	310,735	455,457	641,209
<b>Total non mark-up / interest income</b>		<b>16,226,880</b>	<b>19,300,354</b>	<b>33,048,710</b>	<b>40,576,603</b>
<b>Total income</b>		<b>107,432,715</b>	<b>48,474,976</b>	<b>208,477,564</b>	<b>97,852,429</b>
<b>Non mark-up / interest expenses</b>					
Operating expenses	32	34,447,356	19,751,052	59,653,645	38,941,129
Workers' Welfare Fund		1,451,550	576,073	2,943,169	1,252,496
Other charges	33	1,841	31,945	2,494	32,811
<b>Total non mark-up / interest expenses</b>		<b>35,900,747</b>	<b>20,359,070</b>	<b>62,599,308</b>	<b>40,226,436</b>
Share of profit of associates		422,516	294,246	605,435	245,947
<b>Profit before credit loss allowance</b>		<b>71,954,484</b>	<b>28,410,152</b>	<b>146,483,691</b>	<b>57,871,940</b>
Credit loss allowance and write-offs - net	34	(2,280,430)	(644,022)	(3,889,247)	(2,361,911)
<b>Profit before taxation</b>		<b>74,234,914</b>	<b>29,054,174</b>	<b>150,372,938</b>	<b>60,233,851</b>
Taxation	35	45,614,327	13,786,238	85,640,725	28,827,006
<b>Profit after taxation</b>		<b>28,620,587</b>	<b>15,267,936</b>	<b>64,732,213</b>	<b>31,406,845</b>
<b>Attributable to:</b>					
Equity holders of the Bank		28,615,924	14,816,363	64,722,700	30,793,772
Non-controlling interest		4,663	451,573	9,513	613,073
		<b>28,620,587</b>	<b>15,267,936</b>	<b>64,732,213</b>	<b>31,406,845</b>
<b>(Rupees)</b>					
<b>Earnings per share - basic and diluted - Restated</b>	36	<b>11.43</b>	<b>6.05</b>	<b>26.07</b>	<b>12.58</b>

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

  
Syed Manzoor Hussain Zaidi  
Chief Financial Officer

  
Muhammad Jawaid Iqbal  
President &  
Chief Executive Officer

  
Shazia Syed  
Director

  
Daniel Michael Howlett  
Director

  
Sir Mohammed Anwar Pervez, OBE, HPK  
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

April - June 2025      April - June 2024      January - June 2025      January - June 2024

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

**Profit after taxation for the period attributable to:**

Equity holders of the Bank	28,615,924	14,816,363	64,722,700	30,793,772
Non-controlling interest	4,663	451,573	9,513	613,073
	<u>28,620,587</u>	<u>15,267,936</u>	<u>64,732,213</u>	<u>31,406,845</u>

**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

Equity holders of the Bank	1,533,569	136,824	2,184,782	(1,456,232)
Non-controlling interest	-	36,252	-	(219,135)
	<u>1,533,569</u>	<u>173,076</u>	<u>2,184,782</u>	<u>(1,675,367)</u>

Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax

Equity holders of the Bank	64,113,153	8,087,425	58,791,003	1,015,146
Non-controlling interest	-	(1,332)	-	405,717
	<u>64,113,153</u>	<u>8,086,093</u>	<u>58,791,003</u>	<u>1,420,863</u>
	<u>65,646,722</u>	<u>8,259,169</u>	<u>60,975,785</u>	<u>(254,504)</u>

**Items that will not be reclassified to profit and loss account in subsequent periods**

Movement in surplus on revaluation of equity investments through FVOCI - net of tax

Equity holders of the Bank	368,513	826,485	528,439	837,820
Non-controlling interest	-	-	-	-
	<u>368,513</u>	<u>826,485</u>	<u>528,439</u>	<u>837,820</u>

Movement in surplus / (deficit) on revaluation of property and equipment - net of tax

Equity holders of the Bank	-	10,579	-	(61,174)
Non-controlling interest	-	9,717	-	(74,091)
	<u>-</u>	<u>20,296</u>	<u>-</u>	<u>(135,265)</u>
	<u>368,513</u>	<u>846,781</u>	<u>528,439</u>	<u>702,555</u>


**Total comprehensive income for the period**


<u>94,635,822</u>	<u>24,373,886</u>	<u>126,236,437</u>	<u>31,854,896</u>
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**Attributable to:**

Equity holders of the Bank	94,631,159	23,877,676	126,226,924	31,129,332
Non-controlling interest	4,663	496,210	9,513	725,564
	<u>94,635,822</u>	<u>24,373,886</u>	<u>126,236,437</u>	<u>31,854,896</u>

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

  
**Syed Manzoor Hussain Zaidi**  
Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
President &  
Chief Executive Officer

  
**Shazia Syed**  
Director

  
**Daniel Michael Howlett**  
Director


  
**Sir Mohammed Anwar Pervez, OBE, HPK**  
Chairman

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

Note	Share capital	Share Premium	Statutory reserve	Capital reserve - Exchange translation	Surplus / (Deficit) on revaluation			Unappropriated profit	Sub total	Non-controlling interest	Total
					Investments	Property and Equipment	Non-banking assets				
(Rupees in '000)											
Balance as at January 01, 2024 - as restated	12,241,797	-	46,878,123	69,893,293	(192,993)	41,795,310	-	96,024,872	266,640,402	14,904,379	281,544,781
Total comprehensive income for the six months ended June 30, 2024											
Profit after taxation for the six months ended June 30, 2024	-	-	-	-	-	-	-	30,793,772	30,793,772	613,073	31,406,845
Other comprehensive income - net of tax	-	-	-	(1,456,232)	1,852,966	(61,174)	-	-	335,560	112,491	448,051
Total comprehensive income for the six months ended June 30, 2024	-	-	-	(1,456,232)	1,852,966	(61,174)	-	30,793,772	31,129,332	725,564	31,854,896
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	(22,930)	-	22,930	-	-	-
Transfer of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(44,796)	-	44,796	-	-	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	64,182	-	-	(64,182)	-	-	-
Transfer to statutory reserve	-	-	2,944,558	-	-	-	-	(2,944,558)	-	-	-
Transactions with owners for the six months ended June 30, 2024, recorded directly in equity											
Final cash dividend - December 31, 2023 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - March 31, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
	-	-	-	-	-	-	-	(26,931,954)	(26,931,954)	-	(26,931,954)
Balance as at June 30, 2024 (Un-audited)	12,241,797	-	49,822,681	68,437,061	1,724,155	41,666,410	-	96,945,676	270,837,780	15,629,943	286,467,723
Total comprehensive income for the six months ended December 31, 2024											
Profit after taxation for the six months ended December 31, 2024	-	-	-	-	-	-	-	44,362,081	44,362,081	8,518	44,370,599
Other comprehensive income - net of tax	-	-	-	(8,633,107)	36,610,873	313,719	1,146	4,197,565	32,490,196	1,565	32,491,761
Total comprehensive income for the six months ended December 31, 2024	-	-	-	(8,633,107)	36,610,873	313,719	1,146	48,559,646	76,852,277	10,083	76,862,360
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(33,717)	-	33,717	-	-	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(15,933)	-	-	15,933	-	-	-
Transfer to statutory reserve	-	-	5,108,196	-	-	-	-	(5,108,196)	-	-	-
Derecognition of subsidiary	-	-	-	-	535,734	(3,492,963)	-	2,957,229	-	(15,590,116)	(15,590,116)
Transactions with owners for the six months ended December 31, 2024, recorded directly in equity											
Interim cash dividend - June 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - September 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
	-	-	-	-	-	-	-	(26,931,954)	(26,931,954)	-	(26,931,954)
Balance as at December 31, 2025 (Audited)	12,241,797	-	54,930,877	59,803,954	38,854,829	38,453,449	1,146	116,472,051	320,758,103	49,910	320,808,013
Effect of reclassification on adoption of IFRS 9 (net of tax)	-	-	-	-	1,355,745	-	-	-	1,355,745	-	1,355,745
Balance as at January 01, 2025 - as restated	12,241,797	-	54,930,877	59,803,954	40,210,574	38,453,449	1,146	116,472,051	322,113,848	49,910	322,163,758
Total comprehensive income for the six months ended June 30, 2025											
Profit after taxation for the six months ended June 30, 2025	-	-	-	-	-	-	-	64,722,700	64,722,700	9,513	64,732,213
Other comprehensive income - net of tax	-	-	-	2,184,782	59,319,442	-	-	-	61,504,224	-	61,504,224
Total comprehensive income for the six months ended June 30, 2025	-	-	-	2,184,782	59,319,442	-	-	64,722,700	126,226,924	9,513	126,236,437
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(49,362)	-	49,362	-	-	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(175,708)	-	-	175,708	-	-	-
Transfer to statutory reserve	-	-	6,379,059	-	-	-	-	(6,379,059)	-	-	-
Shares issued under amalgamation	1.1	279,442	10,473,761	-	-	-	-	-	10,753,203	-	10,753,203
Transactions with owners, recorded directly in equity											
Final cash dividend - December 31, 2024, declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - March 31, 2025 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,773,363)	(13,773,363)	-	(13,773,363)
	-	-	-	-	-	-	-	(27,239,340)	(27,239,340)	-	(27,239,340)
Balance as at June 30, 2025 (Un-audited)	12,521,239	10,473,761	61,309,936	61,988,736	99,354,308	38,404,087	1,146	147,801,422	431,854,635	59,423	431,914,058

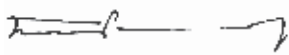
The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

  
**Syed Manzoor Hussain Zaidi**  
 Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
 President &  
 Chief Executive Officer

  
**Shazia Syed**  
 Director

  
**Daniel Michael Howlett**  
 Director

  
**Sir Mohammed Anwar Pervaz, OBE, HPK**  
 Chairman


# CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE SIX MONTHS ENDED JUNE 30, 2025

	January - June 2025	January - June 2024
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	150,372,938	60,233,851
Less: Dividend income	1,364,389	868,523
Less: Share of profit of associates	605,435	245,947
	<u>148,403,114</u>	<u>59,119,381</u>
<b>Adjustments:</b>		
Depreciation on property and equipment	4,143,442	2,652,832
Depreciation on Islamic financing against leased assets	49,393	40,189
Depreciation on right-of-use assets	1,890,306	1,180,477
Depreciation on non-banking assets acquired in satisfaction of claims	15,861	1,613
Amortisation	564,200	501,685
Workers' Welfare Fund - charge	2,943,169	1,252,496
Provision for retirement benefits	935,205	837,618
Provision for compensated absences	74,743	128,055
Credit loss allowance against loans and advances - net	(4,083,719)	(2,049,803)
Credit loss allowance against off - balance sheet obligations - net	116,371	48,083
Credit loss allowance for diminution in value of investments - net	427,588	(236,595)
Interest expense on lease liability against right-of-use assets	1,466,817	704,967
Loss / (gain) on sale of Ijarah assets - net	234	(868)
Gain on sale of property and equipments - net	(75,332)	(70,367)
Bad debts written-off directly	49,843	28,480
Unrealised gain on revaluation of investments classified as FVTPL	(110,900)	(115,408)
Credit loss allowance against other assets	(2,301)	(7,675)
Other credit loss allowance / write-offs	60,489	64,431
	<u>8,465,409</u>	<u>4,960,210</u>
	<u>156,868,523</u>	<u>64,079,591</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(72,240,238)	23,433,004
Securities classified as FVTPL	(251,153,986)	(9,547,386)
Advances	386,399,490	(61,270,813)
Other assets (excluding advance taxation)	(173,388,888)	(25,431,026)
	<u>(110,383,622)</u>	<u>(72,816,221)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	8,504,986	729,597
Borrowings	1,216,244,381	1,281,338,248
Deposits and other accounts	1,652,017,699	605,896,692
Other liabilities	(22,899,837)	11,689,156
	<u>2,853,867,229</u>	<u>1,899,653,693</u>
	<u>2,900,352,130</u>	<u>1,890,917,063</u>
(Payments) / receipts on account of staff retirement benefits	(354,709)	2,840,892
Income taxes paid	(55,584,101)	(26,591,344)
<b>Net cash flow generated from operating activities</b>	<u>2,844,413,320</u>	<u>1,867,166,611</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities classified as FVOCI	(2,596,119,863)	(1,722,058,623)
Net investments in amortized cost securities	(16,335,701)	8,576,866
Net cash inflow on amalgamation	15,198,229	-
Net investments in associates	(1,132,233)	(1,161,228)
Dividend income received	1,364,389	868,523
Investment in property and equipments and intangible assets	(85,124,633)	(9,138,932)
Sale proceeds from disposal of property and equipments	188,087	82,490
Sale proceeds from disposal of Ijarah assets	27,645	-
Effect of translation of net investment in overseas branches	2,184,782	(1,675,367)
<b>Net cash flow used in investing activities</b>	<u>(2,679,749,298)</u>	<u>(1,724,506,271)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(3,365,246)	(1,734,371)
Payment of subordinated debt	(999,800)	-
Dividend paid	(27,084,332)	(26,964,120)
<b>Net cash flow used in financing activities</b>	<u>(31,449,378)</u>	<u>(28,698,491)</u>
	<u>133,214,644</u>	<u>113,961,849</u>
<b>Increase in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	366,968,159	312,428,031
Effect of exchange rate changes on cash and cash equivalents	3,836,463	(1,641,900)
	<u>370,804,622</u>	<u>310,786,131</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>504,019,266</u>	<u>424,747,980</u>

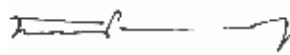
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# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 1. STATUS AND NATURE OF BUSINESS

The "Group" consists of:

### Holding company

- United Bank Limited (the Bank)

### Subsidiary companies

- UBL Fund Managers Limited, Pakistan - 98.87% shareholding (2024: 98.87% shareholding)
- Al Ameen Financial Services (Private) Limited - effective shareholding 98.87% (2024: 98.87% effective shareholding)
- UBL Currency Exchange (Private) Limited - shareholding 100% (2024: 100% shareholding)

The Group is engaged in commercial banking, asset management, investment advisory and exchange 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 1,634 (December 31, 2024: 1,474) branches inside Pakistan including 548 (December 31, 2024: 496) Islamic Banking branches and 2 (December 31, 2024: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2024: 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 1.13% shares held by past and present employees of UBL FM in the net asset value of UBL FM.

## 1.1 Business Combination

During the current period, Silk Bank Limited (SBL) was amalgamated with and into the Bank with an effective date of 11 March 2025. The proposed scheme of amalgamation was approved by the Board of Directors, in their meeting held on 2 December 2024 and by the shareholders in Extraordinary General Meeting held on 30 December 2024. The State Bank of Pakistan, vide its Order BPRD /ABLD/2025/1249 dated March 10, 2025. The scheme of amalgamation of SBL with and into the Bank, was sanctioned, under Section 48 of the Banking Companies Ordinance, 1962.

The amalgamation has been accounted for using the acquisition method. The provisional fair values of the identifiable assets and liabilities of SBL as at the date of acquisition were:

	(Un-audited)	
	Carrying values as at March 10, 2025	Fair value adjustments at March 10, 2025
	-----Rupees in '000-----	
<b>Assets</b>		
Cash and balances with treasury banks	13,453,182	-
Balances with other banks	1,745,047	-
Lendings to financial institutions	2,963,289	-
Investments	173,658,438	(2,638,957)
Advances	24,747,933	(3,732,875)
Property and equipment	2,386,007	-
Right-of-use assets	1,609,885	-
Intangible assets	241,684	-
Deferred tax assets	51,215,986	1,941,095
Other assets	14,052,125	-
	<b>286,073,576</b>	<b>(4,430,737)</b>
<b>Liabilities</b>		
Bills payable	2,137,951	-
Borrowings	159,953,222	-
Deposits and other accounts	159,055,570	-
Lease liabilities	2,109,397	-
Subordinated debt	1,998,400	-
Other liabilities	6,644,863	-
	<b>331,899,403</b>	<b>-</b>
<b>Net Liability</b>	<b>(45,825,827)</b>	<b>(50,256,564)</b>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

International Financial Reporting Standard (IFRS) 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values in the acquirer's balance sheet. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of the fair values of the assets and liabilities and to determine the value of any intangibles separately identified. The fair valuation exercise is being carried out and will be finalized within one year as allowed under IFRS 3. Any adjustment arising at the time of finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition.

In accordance with approved scheme, the Bank issued 27,944,188 new ordinary shares of Rs.10 each in aggregate to the shareholders of SBL as result of agreed swap ratio of 1 new ordinary share of the Bank for every 325 shares of SBL, at book closure date. The fair value of the shares issued to the shareholders of the Silk Bank Limited is based on the quoted price of the shares of the Bank as at the book closure date which represents the date when SBL shareholders were entitled to receive shares of the Bank at the agreed swap ratio.

## Rupees in '000

Provisional fair value of assets	281,642,839
Provisional fair value of liabilities	(331,899,403)
Net Liabilities	(50,256,564)
Purchase consideration (fair value of shares issued by the Bank)	(10,753,203)
Excess of the consideration over provisional fair values	<u>(61,009,767)</u>

## 2 BASIS OF PRESENTATION

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

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 profit in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these consolidated financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon.

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

### 2.1 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the 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 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

In accordance with IFRS 9 application instructions issued by SBP, the requirements of IFRS 9 with respect to (i) recognition of interest income/expense on financial instruments using the Effective Interest Method (EIR), and (ii) Revenue recognition of Islamic financial instruments have not been followed. With respect to (i) the SBP has allowed temporary extension in timeline with directions to implement IFRS 9 requirements from 1 January 2026. With respect to (ii) the SBP has allowed Banks to continue the existing accounting practice until further instructions. Accordingly, the Bank has continued to apply previous accounting practices in such areas for the purposes of preparation of these consolidated financial statements.

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

The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 2 dated February 9, 2023, 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, 2024.

## 2.2 Standards, interpretations and amendments to accounting and reporting standards that are effective in the current year

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, 2025. These are neither considered relevant nor have any significant impact and accordingly have not been detailed in these consolidated condensed interim financial statements.

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

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective.

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7 – Financial Instruments: Disclosures	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The above standards and amendments are not expected to have any significant impact on Group's consolidated financial statements for future periods, except for IFRS 18.

## IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for presentation of various items within the statement of profit or loss, including specified totals and subtotals. Narrow-scope amendments have been made to IAS 7, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Bank is currently working to identify all impacts the amendments will have on the consolidated financial statements of future period and notes thereto.

## 3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated condensed interim financial statements, are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2024, except as disclosed in notes 3.1.

### 3.1 Fair valuation of unquoted equity securities

With effect from January 01, 2025, unlisted equity investments are valued at their fair value, which represents the price at which the investment could be sold in an orderly transaction between market participants at the measurement date. Previously, these were measured at the lower of cost and break up value derived on the basis of their latest available audited financial statements. The Bank has adopted this change retrospectively with date of initial application as January 01, 2025, which resulted in changes in accounting policies and adjustments to the carrying amounts of unlisted equity investments previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts at the date of transition were recognised in the opening reserves at the beginning of the current period without restating the comparative figures.

The following table reconciles the carrying amounts of unlisted equity securities under the previous accounting policy and their restated amounts on January 01, 2025.

	Carrying amount as at December 31, 2024	Fair valuation of unlisted securities	Carrying amount as at January 01, 2025
(Rupees in '000)			
<b>Investments in financial assets</b>			
FVOCI - Ordinary shares - Unlisted companies	1,605,990	2,824,469	4,430,459
<b>Deferred tax Liability</b>	-	(1,468,724)	(1,468,724)
<b>Effect on net assets</b>		<u>1,355,745</u>	

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

The impact on retained earnings and on the surplus on revaluation of investments as at January 01, 2025 is as follows:

<b>Surplus on revaluation of investments</b>	<b>Rupees in '000</b>
Closing balance as at December 31, 2024 - Audited	38,835,210
Increase in the fair valuation of unlisted equity securities carried at FVOCI	2,824,469
Less: related deferred tax	(1,468,724)
	1,355,745
Opening balance as at January 01, 2025 - as restated	<b>40,190,955</b>

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Bank for the year ended December 31, 2024, except for the fair valuation of unquoted equity securities w.e.f January 01, 2025. These are disclosed in Note 4.1.

### 4.1 Fair valuation of unquoted equity securities

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 37.1.1.

## 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		65,599,890	53,476,586
Foreign currencies		10,312,027	8,928,893
		75,911,917	62,405,479
With State Bank of Pakistan in			
Local currency current accounts		33,083,721	108,175,484
Foreign currency current accounts		8,184,947	5,094,782
Foreign currency deposit account		10,690,965	8,205,041
		51,959,633	121,475,307
With other central banks in			
Foreign currency current accounts		72,330,843	88,215,425
Foreign currency deposit accounts		118,427,065	19,326,856
		190,757,908	107,542,281
With National Bank of Pakistan in			
Local currency current accounts		71,076,301	19,133,450
National Prize Bonds		414,944	479,356
		390,120,703	311,035,873
Less: Credit loss allowance held against cash and balances with treasury banks	6.1	(169,943)	(199,497)
Cash and balances with treasury banks - net of credit loss allowance		389,950,760	310,836,376
<b>6.1. Cash and balances with treasury banks are all classified as Stage 1.</b>			
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		378,254	-
In deposit accounts		1,630	7
		379,884	7
Outside Pakistan			
In current accounts		84,889,451	47,801,939
In deposit accounts		28,802,098	12,173,491
		113,691,549	59,975,430
		114,071,433	59,975,437
Less: Credit loss allowance held against balances with other banks	7.1	(2,927)	(7,191)
Balances with Other Banks - net of credit loss allowance		114,068,506	59,968,246
<b>7.1 Balances with other banks are classified as stage 1.</b>			
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call lending		47,000,000	-
Repurchase agreement lendings (reverse repo)		43,732,721	2,492,483
Bai Muajjal receivable with Scheduled bank / financial institution		-	16,000,000
		90,732,721	18,492,483
Less: Credit loss allowance held against lending to financial institutions	8.1	-	-
Lending to financial institutions - net of credit loss allowance		90,732,721	18,492,483
<b>8.1 Lendings to financial institutions are all classified as stage 1.</b>			

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

9. INVESTMENTS	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
<b>9.1 Investments by type</b>								
<b>FVTPL</b>								
Federal Government Securities	273,255,275	-	110,900	273,366,175	22,066,195	-	35,068	22,101,263
Non-Government debt securities	1,864,907	-	-	1,864,907	1,864,933	-	-	1,864,933
	275,120,182	-	110,900	275,231,082	23,931,128	-	35,068	23,966,196
<b>FVOCI</b>								
Federal Government securities	7,837,561,681	(1,945,511)	197,193,468	8,032,809,638	5,330,704,079	(1,556,324)	75,876,139	5,405,023,894
Shares and units	13,600,330	-	11,428,733	25,029,063	15,141,412	-	7,869,404	23,010,816
Non-Government debt securities	643,894	(343,966)	-	299,928	462,335	(162,407)	-	299,928
Foreign securities	204,744,257	(7,332)	(1,758,192)	202,978,733	112,833,367	(15,298)	(2,841,124)	109,976,945
	8,056,550,162	(2,296,809)	206,864,009	8,261,117,362	5,459,141,193	(1,734,029)	80,904,419	5,538,311,583
<b>Amortised cost</b>								
Federal Government securities	293,952,109	(486,045)	-	293,466,064	277,953,188	-	-	277,953,188
Non-Government debt securities	19,679,473	(859,149)	-	18,820,324	20,604,187	(1,264,743)	-	19,339,444
Foreign securities	26,655,879	(7,374)	-	26,648,505	25,321,895	(15,335)	-	25,306,560
	340,287,461	(1,352,568)	-	338,934,893	323,879,270	(1,280,078)	-	322,599,192
<b>Associates</b>	7,078,588	(1,057,485)	-	6,021,103	5,946,355	(1,057,485)	-	4,888,870
<b>Total Investments</b>	<b>8,679,036,393</b>	<b>(4,706,862)</b>	<b>206,974,909</b>	<b>8,881,304,440</b>	<b>5,812,897,946</b>	<b>(4,071,592)</b>	<b>80,939,487</b>	<b>5,889,765,841</b>

## 9.2 Summary of financial position and performance of associates

June 30, 2025 (Un-audited)							Total comprehensive income
Country of incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)		
(Rupees in '000)							
UBL Stock Advantage Fund	Pakistan	1.15%	23,708,325	1,049,131	7,932,668	7,272,144	7,272,144
Al-Ameen Islamic Energy Fund	Pakistan	2.92%	4,137,304	228,046	1,124,101	998,734	998,734
UBL Pakistan Enterprise Exchange Traded Fund	Pakistan	47.88%	117,540	1,534	18,130	17,085	17,085
UBL Liquidity Plus Fund	Pakistan	0.01%	26,499,836	303,767	4,261,346	3,847,822	3,847,822
UBL Government Securities Fund	Pakistan	35.80%	11,998,832	1,616,931	2,147,079	1,989,158	1,989,158
UBLKPK - Money Market Sub Fund	Pakistan	64.24%	60,234	359	8,831	8,338	8,338
UBKPK - Debt Sub-Fund	Pakistan	100.00%	597	6	116	110	110
UBKPK - Equity Sub-Fund	Pakistan	100.00%	597	6	116	110	110
UBKPK-Equity Index Sub Fund	Pakistan	100.00%	597	6	116	110	110
AIKPK - Money Market Sub Fund	Pakistan	43.36%	86,973	2,105	9,219	8,469	8,469
AIKPK - Debt Sub-Fund	Pakistan	100.00%	597	6	97	91	91
AIKPK - Equity Sub-Fund	Pakistan	100.00%	597	6	97	91	91
AIKPK-Equity Index Sub Fund	Pakistan	100.00%	597	6	97	91	91
UBL Financial Sector Fund	Pakistan	9.54%	2,532,919	181,864	836,898	775,279	775,279
UBL Money Market Fund	Pakistan	0.72%	65,941,249	570,667	5,617,329	5,061,349	5,061,349
Al-Ameen Islamic Cash Plan-I	Pakistan	2.12%	11,410,970	121,727	2,056,424	1,912,482	1,912,482
UBL Insurers Limited	Pakistan	30.00%	13,787,839	10,921,661	1,140,573	231,660	233,138

June, 30 2024 (Un-audited)							Total comprehensive income
Country of incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)		
(Rupees in '000)							
UBL Stock Advantage Fund	Pakistan	1.51%	7,111,809	142,458	1,446,996	1,310,821	1,310,821
Al-Ameen Islamic Energy Fund	Pakistan	7.48%	955,135	71,147	163,849	141,257	141,257
UBL Pakistan Enterprise Exchange Traded Fund	Pakistan	74.36%	50,947	5,306	2,976	2,452	12,492
UBL Liquidity Plus Fund	Pakistan	10.52%	37,350,284	285,659	3,183,165	2,955,444	2,955,444
Al-Ameen Islamic Cash Plan-I	Pakistan	4.11%	27,268,224	47,231	2,513,807	2,376,829	2,376,829
UBL Fixed Return Plan - III-N	Pakistan	6.99%	731,941	8,774	27,873	24,501	24,501
UBL Fixed Return Plan-III-O	Pakistan	76.93%	39,453	192	1,469	1,289	1,289
UBL Fixed Return Plan-IV-B	Pakistan	15.28%	271,231	1,192	19,989	18,520	18,520
UBLKPK - Money Market Sub Fund	Pakistan	87.57%	38,386	313	3,619	3,417	3,417
AIKPK - Money Market Sub Fund	Pakistan	82.08%	42,370	1,812	3,808	3,598	3,598
UBL Insurers Limited	Pakistan	30.00%	11,597,253	9,119,625	1,076,801	357,082	371,347

## 9.3 Investments given as collateral

### Federal Government securities

Market Treasury Bills	6,083,040	285,281,664
Pakistan Investment Bonds	5,793,387,748	4,331,366,718

### Foreign securities

Foreign bonds - sovereign	3,521,712	29,926,938
	<b>5,802,992,500</b>	<b>4,646,575,320</b>

The market value of securities given as collateral is Rs. 5,919,868 million (December 31, 2024: Rs. 4,691,781 million).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Un-audited) June 30, 2025	(Audited) December 31, 2024				
		----- (Rupees in '000) -----					
<b>9.4 Credit loss allowance for diminution in value of investments</b>							
Opening balance		4,071,592	25,989,852				
Transfer under amalgamation		181,559	-				
Exchange adjustments		26,123	(94,642)				
Impact of reclassification on adoption of IFRS 9		-	(6,107,121)				
Impact of ECL recognised on adoption of IFRS 9		-	7,501				
Charge / (reversals)							
Charge for the period / year		1,224,709	131,869				
Reversals for the period / year		(797,121)	(381,411)				
		427,588	(249,542)				
Derecognition of ECL on disposals		-	(15,474,456)				
Amounts written off		-	-				
Closing balance		4,706,862	4,071,592				
		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)				
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held		
		----- (Rupees in '000) -----					
<b>9.5 Particulars of credit loss allowance against debt securities</b>							
<b>Domestic</b>							
Performing	Stage 1	8,364,548,396	589	5,645,069,663	589		
Under performing	Stage 2	-	-	-	-		
Non-performing	Stage 3	-	-	-	-		
Substandard		-	-	-	-		
Doubtful		-	-	-	-		
Loss		799,841	799,841	618,283	618,283		
		8,365,348,237	800,430	5,645,687,946	618,872		
<b>Overseas</b>							
Performing	Stage 1	293,009,238	2,848,947	138,034,682	30,630		
Under performing	Stage 2	-	-	8,087,551	2,364,605		
Non-performing	Stage 3	-	-	-	-		
Substandard		-	-	-	-		
Doubtful		-	-	-	-		
Loss		-	-	-	-		
		293,009,238	2,848,947	146,122,233	2,395,235		
Total		8,658,357,475	3,649,377	5,791,810,179	3,014,107		
<b>9.6</b> The market value of securities classified as amortised cost as at June 30, 2025 amounted to Rs. 342,553.664 million (December 31, 2024: Rs. 322,113.848 million).							
<b>10. ADVANCES</b>							
		Performing		Non-performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
		----- (Rupees in '000) -----					
	<b>Note</b>						
Loans, cash credits, running finances, etc.		691,603,118	1,250,821,132	154,089,947	108,082,351	845,693,065	1,358,903,483
Islamic financing and related assets		302,181,387	149,696,208	537,054	260,774	302,718,441	149,956,982
Bills discounted and purchased		80,919,228	48,618,071	7,701,459	7,648,825	88,620,687	56,266,896
<b>Advances - gross</b>		1,074,703,733	1,449,135,411	162,328,460	115,991,950	1,237,032,193	1,565,127,361
Credit loss allowance against advances							
-Stage 1		(7,257,072)	(6,009,588)	-	-	(7,257,072)	(6,009,588)
-Stage 2		(10,041,062)	(7,736,178)	-	-	(10,041,062)	(7,736,178)
-Stage 3	10.3	-	-	(157,031,113)	(107,899,651)	(157,031,113)	(107,899,651)
		(17,298,134)	(13,745,766)	(157,031,113)	(107,899,651)	(174,329,247)	(121,645,417)
<b>Advances - net of credit loss allowance</b>		1,057,405,599	1,435,389,645	5,297,347	8,092,299	1,062,702,946	1,443,481,944
						(Un-audited) June 30, 2025	(Audited) December 31, 2024
						----- (Rupees in '000) -----	
<b>10.1 Particulars of advances - gross</b>							
In local currency						826,608,411	1,109,925,640
In foreign currencies						410,423,782	455,201,721
						1,237,032,193	1,565,127,361
<b>10.2</b> Advances include Rs. 162,328.460 million (2024: Rs. 115,991.950 million) which have been placed under non-performing status as detailed below:							
		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)			
<b>Category of Classification (Stage 3)</b>		Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance		
		----- (Rupees in '000) -----					
<b>Domestic</b>							
Other Assets Especially Mentioned (OAEM)		41,671	21,974	80,088	47,504		
Substandard		2,350,475	1,652,604	2,307,470	1,538,389		
Doubtful		505,109	278,045	280,114	135,921		
Loss		73,565,694	72,588,862	22,398,233	21,455,978		
		76,462,949	74,541,485	25,065,905	23,177,792		
<b>Overseas</b>							
Other Assets Especially Mentioned (OAEM)		-	-	-	-		
Substandard		21,281	12,529	78,407	12,297		
Doubtful		20,532	-	4,305,685	1,568,890		
Loss		85,823,698	82,477,099	86,541,953	83,140,672		
		85,865,511	82,489,628	90,926,045	84,721,859		
Total		162,328,460	157,031,113	115,991,950	107,899,651		

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 10.3 Particulars of credit loss allowance against advances

Note	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417	919,364	10,410,025	92,332,287	103,661,676
Transfer under amalgamation	1,336,894	3,222,902	52,169,845	56,729,641	-	-	-	-
Exchange adjustments	27,469	64,281	1,544,493	1,636,243	(6,946)	(137,270)	(943,454)	(1,087,670)
Impact of adoption of IFRS 9	-	-	-	-	4,046,484	2,689,194	1,234,016	7,969,694
Charge / (reversals)								
Charge for the period / year	1,415,772	1,431,430	494,799	3,342,001	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(2,236,828)	(1,455,671)	(3,733,221)	(7,425,720)	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	(821,056)	(24,241)	(3,238,422)	(4,083,719)	745,123	250,281	10,258,244	11,253,648
Amounts charged off agriculture								
financing	10.5	-	-	(43,561)	(43,561)	-	(69,501)	(69,501)
Other Adjustments	(177,584)	-	-	(177,584)	-	597,848	54,112	651,960
Amounts written off	-	-	(1,377,190)	(1,377,190)	-	-	(577,830)	(577,830)
Disposal of subsidiary	-	-	-	-	(156,560)	-	-	(156,560)
Transfers (out) / in - net	881,761	(958,058)	76,297	-	462,123	(6,073,900)	5,611,777	-
Closing balance	7,257,072	10,041,062	157,031,113	174,329,247	6,009,588	7,736,178	107,899,651	121,645,417

## 10.4 Advances - Particulars of credit loss allowance

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417	919,364	10,410,025	92,332,287	103,661,676
Transfer under amalgamation	1,336,894	3,222,902	52,169,845	56,729,641	-	-	-	-
Exchange adjustments	27,469	64,281	1,544,493	1,636,243	(6,946)	(137,270)	(943,454)	(1,087,670)
Impact of adoption of IFRS 9	-	-	-	-	4,046,484	2,689,194	1,234,016	7,969,694
New Advances	2,226,995	547,924	159,787	2,934,706	2,067,736	1,758,867	-	3,826,603
Advances derecognised or repaid	(2,236,828)	(1,455,671)	(3,733,221)	(7,425,720)	(376,907)	(1,687,780)	(3,180,881)	(5,245,568)
Transfer to stage 1	1,018,685	(995,382)	(23,303)	-	412,794	(412,794)	-	-
Transfer to stage 2	(123,270)	130,130	(6,860)	-	53,836	173,493	(227,329)	-
Transfer to stage 3	(13,654)	(92,806)	106,460	-	(4,507)	(5,834,599)	5,839,106	-
	871,928	(1,865,805)	(3,497,137)	(4,491,014)	2,152,952	(6,002,813)	2,430,896	(1,418,965)
Amounts charged off -								
agriculture financing	10.5	-	-	(43,561)	(43,561)	-	(69,501)	(69,501)
Amounts written off	-	-	(1,377,190)	(1,377,190)	-	-	(577,830)	(577,830)
Changes in risk parameters	(811,223)	883,506	335,012	407,295	(945,706)	179,194	13,439,125	12,672,613
Disposal of subsidiary	-	-	-	-	(156,560)	-	-	(156,560)
Other adjustments	(177,584)	-	-	(177,584)	-	597,848	54,112	651,960
Closing balance	7,257,072	10,041,062	157,031,113	174,329,247	6,009,588	7,736,178	107,899,651	121,645,417

### 10.4.1 Advances - Category of classification

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		(Rupees in '000)			
<b>Domestic</b>					
Performing	Stage 1	746,982,787	5,815,365	1,075,219,446	4,488,965
Under performing	Stage 2	31,738,736	6,690,861	53,914,657	4,104,778
Non-performing	Stage 3				
Substandard		2,392,146	1,674,578	2,387,558	1,585,893
Doubtful		505,109	278,045	280,114	135,921
Loss		73,565,694	72,588,862	22,398,233	21,455,978
		76,462,949	74,541,485	25,065,905	23,177,792
Sub total		855,184,472	87,047,711	1,154,200,008	31,771,535
<b>Overseas</b>					
Performing	Stage 1	269,005,803	1,441,707	292,653,746	1,520,623
Under performing	Stage 2	26,976,407	3,350,201	27,347,562	3,631,400
Non-performing	Stage 3				
Substandard		21,281	12,529	78,407	12,297
Doubtful		20,532	-	4,305,685	1,568,890
Loss		85,823,698	82,477,099	86,541,953	83,140,672
		85,865,511	82,489,628	90,926,045	84,721,859
Sub total		381,847,721	87,281,536	410,927,353	89,873,882
Total		1,237,032,193	174,329,247	1,565,127,361	121,645,417

**10.4.2** 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 575.967 million (December 31, 2024: Rs. 1,254.08 million) for the overseas branches.

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

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED)**  
 FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>11. PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	11.1	9,731,459	3,357,691
Property and equipment		94,914,773	82,234,308
		<u>104,646,232</u>	<u>85,591,999</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		6,207,974	2,205,305
Equipment		1,178,832	897,707
Advances to suppliers		<u>2,344,653</u>	<u>254,679</u>
		<u>9,731,459</u>	<u>3,357,691</u>
		(Un-audited)	(Audited)
		January - June 2025	January - June 2024
----- (Rupees in '000) -----			
<b>11.2 Additions to Property and equipment</b>			
The following additions have been made to Property and equipment during the period:			
Capital work-in-progress - net		6,373,768	5,143,877
<b>Property and equipment</b>			
Freehold land		1,564,661	-
Leasehold land		1,150	-
Building on freehold land		736,753	-
Building on leasehold land		1,256,324	-
Leasehold improvements		3,548,131	694,292
Furniture and fixtures		1,127,791	422,422
Electrical, office and computer equipment		5,747,812	2,338,633
Vehicles		592,750	560,648
		<u>14,575,372</u>	<u>4,015,995</u>
Total		<u>20,949,140</u>	<u>9,159,872</u>
<b>11.3 Disposal of Property and equipment</b>			
The net book value of Property and equipment disposed off during the period is as follows:			
Leasehold Improvement		70,991	9,934
Furniture and fixtures		5,967	517
Electrical, office and computer equipment		29,493	1,672
Vehicles		6,305	-
Total		<u>112,756</u>	<u>12,123</u>
<b>12. RIGHT-OF-USE ASSETS</b>			
		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		Buildings Others Total	Buildings Others Total
----- (Rupees in '000) -----			
At January 1,			
Cost		16,466,478	140,673
Accumulated Depreciation		(6,297,505)	(78,525)
Net Carrying amount at January 1,		<u>10,168,973</u>	<u>62,148</u>
		10,231,121	8,479,803
Additions during the period/year		18,288,317	11,470
Deletions during the period/year		(498,286)	-
Depreciation charge for the period/year		(1,867,717)	(22,589)
Termination of lease		-	-
Exchange rate adjustments		(601)	-
Disposal of subsidiary		-	-
Net Carrying amount		<u>26,090,686</u>	<u>51,029</u>
		26,141,715	10,168,973
		62,148	10,231,121
	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>13. INTANGIBLE ASSETS</b>			
Capital work-in-progress		532,566	181,419
Intangible assets		2,248,160	2,359,071
Goodwill		251,526	251,526
Assets through business combination	1.1	<u>61,009,767</u>	-
		<u>64,042,019</u>	<u>2,792,016</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

	Note	(Un-audited)	
		January - June 2025	January - June 2024
		----- (Rupees in '000) -----	
<b>13.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period			
Capital work-in-progress - net		351,982	250,645
Directly purchased - Intangible assets		228,136	53,679
		<u>580,118</u>	<u>304,324</u>
		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>14. DEFERRED TAX ASSETS / (LIABILITIES)</b>			
<b>Deductible temporary differences on</b>			
Credit loss allowance against advances and off balance sheet obligations		29,507,635	7,252,539
Workers Welfare Fund		8,279,180	6,638,445
Interest expense allowed u/s 1(ba) of 7th schedule		40,572	-
Tax losses carried forward		14,596	4,609
		<u>37,841,983</u>	<u>13,895,593</u>
<b>Taxable temporary differences on</b>			
Surplus on revaluation of property and equipment / non-banking assets		(1,190,313)	(1,219,970)
Surplus on revaluation on investments		(110,915,886)	(45,227,466)
Share of profit from associates		(322,324)	(322,838)
Accelerated tax depreciation		(552,574)	(995,292)
Post retirement employee benefits		(5,396,192)	(5,396,192)
Others		(35,110)	(45,098)
		<u>(118,412,399)</u>	<u>(53,206,856)</u>
		<u>(80,570,416)</u>	<u>(39,311,263)</u>
<b>15. OTHER ASSETS</b>			
Income / mark-up accrued in local currency		237,554,784	161,331,956
Income / mark-up accrued in foreign currencies	15.1	7,530,417	3,617,197
Advance taxation - net of provision for taxation	15.2	4,004,040	1,852,379
Receivable from staff retirement fund		12,592,571	13,055,061
Receivable from other banks against telegraphic transfers and demand drafts		366,054	2,097,214
Unrealised gain on forward foreign exchange contracts		1,723,924	1,102,125
Rebate receivable - net		21,265,444	9,500,919
Unrealised gain on derivative financial instruments	26	1,906	1,262,202
Suspense accounts		455,326	51,321
Stationery and stamps on hand		592,720	599,150
Non-banking assets acquired in satisfaction of claims		1,424,993	39,688
Advances, deposits, advance rent and other prepayments		20,485,865	14,164,144
Acceptances	22	43,557,169	38,205,805
Commission receivable - Bancassurance & Branchless Banking		643,231	719,773
Receivable against fraud & forgery and looted notes		453,164	463,765
Others		11,374,044	1,430,573
		<u>364,025,652</u>	<u>249,493,272</u>
Less: Credit loss allowance against other assets	15.3	(2,087,466)	(1,558,408)
Other assets - net of credit loss allowance		<u>361,938,186</u>	<u>247,934,864</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	2,387	2,387
		<u>361,940,573</u>	<u>247,937,251</u>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

- 15.1** Unrealised mark-up held in suspense amounting to Rs.51,289.875 million (December 31, 2024: Rs. 46,732.081 million) against non-performing overseas advances has been netted off.
- 15.2** The Income Tax returns of the Bank have been filed up to the tax year 2024 (accounting year ended December 31, 2023) 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 2024, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.12,273 million (2024: Rs.16,123 million) . The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2024 (accounting year ended December 31, 2023) 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 (2024: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

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

The tax returns of UBL FM and UBL CE have been filed upto the year ended December 31, 2024 and June 30, 2024, under the provisions of the prevailing tax laws and are deemed as assessed unless opened for reassessment by the tax authorities.

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

## Ex-Silk Bank Limited status

The Income Tax returns of the Bank have been filed up to the tax year 2024 (accounting year ended December 31, 2023) 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 up to tax year 2024. The Bank has filed appeals against these amendments. The appeals from assessment / tax year(s) 2000-2001 to 2002-2003, 2004 and 2015 to 2021 are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 3,026 million (2024: Rs. 3,026 million). The appeals for tax years 2003, 2006 & 2022 to 2023 are pending before Commissioner-Appeals (CIR-A) against the disallowances amounting to Rs. 682 million (2024: Rs.682 million). The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals will be decided in favor of the Bank.

The tax authorities have also carried out monitoring for withholding taxes covering tax years from 2006 to 2007 & 2013 to 2016 by creating a total demand of Rs. 155.243 million (2024: Rs. 155.243 million). The Bank has filed appeals against all such demands. However, Bank has already paid tax amount of Rs. 82.674 million against these demands.

The proceedings regarding monitoring of withholding taxes for the tax year 2020 has been initiated and notice under section 161(1A) of the Ordinance has been issued which was duly been responded. However, no order has been passed by the AO.

The income tax returns of the Bank's for Azad Kashmir operations have been filed up to the tax year 2021. The tax authorities have issued amended assessment orders from the tax years 2016 to 2020. The Banks has filed appeals against these orders. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

## **15.3 Expected credit loss allowance held against other assets**

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
Advances, deposits, advance rent and other prepayments	1,114,650	1,094,643
Receivable against fraud & forgery and looted notes	453,164	463,765
Others	519,652	-
	<u>2,087,466</u>	<u>1,558,408</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>15.3.1 Movement in expected credit loss allowance held against other assets</b>		
Opening balance	1,558,408	1,150,885
Exchange adjustments	6,782	(5,319)
Transfer under amalgamation	524,577	-
Charge / (reversals)		
Charge for the period / year	24,666	595,026
Reversals for the period / year	(26,967)	(118,774)
	(2,301)	476,252
Transfers out - net	-	(62,852)
Amounts written off	-	(558)
Closing balance	2,087,466	1,558,408

**16. CONTINGENT ASSETS**

There were no contingent assets as at June 30, 2025 (December 31, 2024: Nil).

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>17. BILLS PAYABLE</b>		
In Pakistan	36,512,264	42,994,426
Outside Pakistan	16,214,540	1,227,392
	52,726,804	44,221,818

**18. BORROWINGS**

**Secured**

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	28,847,758	31,367,936
Refinance facility for modernization of SME	1,553,175	2,119,689
Long term financing facility	8,840,931	10,373,465
Renewable energy scheme	1,230,197	1,339,755
Temporary economic refinance facility	13,992,855	15,009,764
Refinance facility for combating COVID-19	80,895	110,693
Refinance for women entrepreneurs	30,445	45,295
Financing facility for storage of agriculture products	13,750	20,625
Repurchase agreement borrowings	5,887,666,650	4,532,326,857
	5,942,256,656	4,592,714,079

Repurchase agreement borrowings from other banks

Bai Muajjal	32,210,586	157,965,709
	15,541,985	-
	47,752,571	157,965,709

**Unsecured**

Call borrowings	80,661,266	103,908,861
Overdrawn nostro accounts	947,404	784,867
	81,608,670	104,693,728
	6,071,617,897	4,855,373,516

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

**19. DEPOSITS AND OTHER ACCOUNTS**

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	1,464,607,063	644,554,059	2,109,161,122	1,061,667,711	438,673,584	1,500,341,295
Savings deposits	1,163,598,306	66,990,842	1,230,589,148	745,150,912	48,987,572	794,138,484
Term deposits	329,849,744	113,241,882	443,091,626	74,795,514	90,103,254	164,898,768
Others	150,826,331	8,542,157	159,368,488	50,177,905	6,621,539	56,799,444
	3,108,881,444	833,328,940	3,942,210,384	1,931,792,042	584,385,949	2,516,177,991
<b>Financial Institutions</b>						
Current deposits	24,574,601	5,884,672	30,459,273	18,028,756	6,784,813	24,813,569
Saving deposits	312,211,932	95,305	312,307,237	95,531,207	93,460	95,624,667
Term deposits	576,013	6,340,777	6,916,790	131,850	3,127,908	3,259,758
	337,362,546	12,320,754	349,683,300	113,691,813	10,006,181	123,697,994
	3,446,243,990	845,649,694	4,291,893,684	2,045,483,855	594,392,130	2,639,875,985

- 19.1** This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,980,740.879 million (December 31, 2024: Rs 1,637,394.911 million).

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>20. LEASE LIABILITIES</b>			
Opening balance		12,381,018	10,474,561
Addition during the year		18,836,431	5,012,628
Lease payments including interest		(3,365,246)	(3,625,093)
Interest expense		1,466,817	1,506,565
Termination/modification		(811,809)	(970,038)
Disposal of subsidiary		-	(14,965)
Exchange adjustments		(601)	(2,640)
Closing balance		28,506,610	12,381,018
<b>20.1 Liabilities Outstanding</b>			
Not later than one year		392,240	449,413
Later than one year and upto five years		6,180,863	4,287,828
Over five years		21,933,507	7,643,777
Total		28,506,610	12,381,018

**21. SUBORDINATED DEBT**

Listed Term Finance Certificates - Additional Tier I	21.1	10,000,000	10,000,000
Unlisted Term Finance Certificates - Tier II	21.2	998,600	-
		10,998,600	10,000,000

- 21.1** 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:

<b>Issue Size</b>	Rs. 10,000 million
<b>Issue Date</b>	January 29, 2019
<b>Tenor</b>	Perpetual (i.e. no fixed or final redemption date)
<b>Rating</b>	"AA+" (Double A Plus) by VIS Credit Rating Company Limited
<b>Security</b>	Unsecured
<b>Mark-up rate</b>	The TFCs shall carry mark-up at the rate of 3 Month KIBOR + 1.55%.
<b>Mark-up payment frequency</b>	Mark-up shall be payable quarterly in arrears, on a non-cumulative basis
<b>Call option</b>	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.
<b>Lock-in clause</b>	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.
<b>Loss absorbency clause</b>	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.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

**21.2** The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 66 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

Salient features of the Tier II issue are as follows:

<b>Issue Size</b>	Rs. 2,000 million
<b>Issue Date</b>	August 10, 2017
<b>Tenor</b>	Up to 8 years from date of issue.
<b>Rating</b>	"AAA" (Triple AAA) by VIS Credit Rating Company Limited
<b>Security</b>	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
<b>Mark-up rate</b>	6 months KIBOR plus 1.85% per annum.
<b>Mark-up payment frequency</b>	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.
<b>Redemption</b>	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual installments of 49.93% each.
<b>Call option</b>	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and Investors. The call option once announced will be irrevocable.
<b>Lock-in clause</b>	As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or CAR.
<b>Loss absorbency clause</b>	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rule, the SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by the SBP, subject to a cap of 11,724 shares.

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>22. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		19,511,521	55,728,483
Mark-up / return / interest payable in foreign currencies		1,058,208	1,192,511
Accrued expenses		16,876,786	18,080,836
Branch adjustment account		293,144	153,603
Deferred income		2,715,692	2,532,247
Unearned commission and income on bills discounted		3,988,726	3,100,180
Credit loss allowance against off-balance sheet obligations	22.1	3,917,035	3,385,916
Unrealised loss on forward foreign exchange contracts		367,642	1,324,301
Unrealised loss on derivative financial instruments		-	5,708
Deferred liabilities	22.2	4,844,801	4,652,052
Workers' Welfare Fund payable		15,891,174	12,910,878
Liabilities against Card settlement		230,405	74,372
Dividend payable		499,669	372,343
Unclaimed dividend		421,054	393,372
Acceptances	15	43,557,169	38,205,805
Charity fund balance		16,835	17,237
Levies and taxes payable		6,999,834	964,574
Others		6,112,148	4,031,246
		<u>127,301,843</u>	<u>147,125,664</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>22.1</b>	<b>Credit loss allowance against off-balance sheet obligations</b>		
	Opening balance	3,385,916	1,056,385
	Transfer under amalgamation	382,153	-
	Exchange adjustments	32,595	(11,779)
	Impact of adoption of IFRS 9	-	1,037,902
	Charge / (reversal)		
	Charge for the period / year	134,820	1,308,168
	Reversals for the period / year	(18,449)	(4,760)
		116,371	1,303,408
	Transfers out - net	-	-
	Closing balance	3,917,035	3,385,916
<b>22.2</b>	<b>Deferred liabilities</b>		
	Provision for post-retirement medical benefits	3,073,617	2,921,465
	Provision for compensated absences	564,220	554,514
	End of service benefits		
	-Overseas branches	732,356	675,476
	-Outsourced services	474,608	500,597
		4,844,801	4,652,052
<b>23.</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised Capital</b>		
	(Un-audited) (Audited)	(Un-audited) (Audited)	(Audited)
	June 30, December 31, June 30, December 31,	June 30, December 31, June 30, December 31,	June 30, December 31, June 30, December 31,
	2025 2024 2025 2024	2025 2024 2025 2024	2025 2024 2025 2024
	(Number of shares)	----- (Rupees in '000) -----	
	4,000,000,000 2,000,000,000	20,000,000	20,000,000
	Ordinary shares of Rs. 5 each (2024 : Rs 10 each)		
	<b>Issued, subscribed and paid-up capital</b>		
	(Un-audited) (Audited)	(Un-audited) (Audited)	(Audited)
	June 30, December 31, June 30, December 31,	June 30, December 31, June 30, December 31,	June 30, December 31, June 30, December 31,
	2025 2024 2025 2024	2025 2024 2025 2024	2025 2024 2025 2024
	(Number of shares)	----- (Rupees in '000) -----	
	1,036,000,000 518,000,000	5,180,000	5,180,000
	1,412,359,374 706,179,687	7,061,797	7,061,797
	55,888,376 -	279,442	-
	2,504,247,750 1,224,179,687	12,521,239	12,241,797
	Fully paid-up ordinary shares of Rs. 5 each (2024 : Rs 10 each)		
	Issued for cash	5,180,000	5,180,000
	Issued as bonus shares	7,061,797	7,061,797
	Issued as share exchange for amalgamation (Note 1.1)	279,442	-
		12,521,239	12,241,797
During the period the shareholders of the Bank resolved in an EOGM held on 15 May 2025 that each ordinary share of Rs.10 be subdivided into two ordinary shares of Rs.5 each, with no change in their rights, privileges and entitlements. Accordingly, the subdivision was given effect on June 20, 2025. After the subdivision the authorized and issued, subscribed and paid-up capital of the Bank increased to 4,000,000,000 and 2,504,247,750 shares, respectively, of Rs.5 each.			
<b>24.</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>		
	<u>Attributable to equity holders</u>		
	(Deficit) / surplus arising on revaluation of:		
	- Securities measured at FVOCI - Debt	195,435,276	73,035,015
	- Securities measured at FVOCI - Equity	11,428,733	7,869,404
	- Property and Equipment	39,593,159	39,672,178
	- Non-banking assets acquired in satisfaction of claims	2,387	2,387
	- Assets of associates	(5,015)	21,884
		246,454,540	120,600,868
	<b>Deferred tax on (deficit) / surplus on revaluation of:</b>		
	- Securities measured at FVOCI - Debt	101,561,745	37,979,386
	- Securities measured at FVOCI - Equity	5,942,941	4,092,088
	- Property and Equipment	1,189,072	1,218,729
	- Non-banking assets acquired in satisfaction of claims	1,241	1,241
		108,694,999	43,291,444
		137,759,541	77,309,424

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Un-audited)	(Audited)
June 30,	December 31,
2025	2024
----- (Rupees in '000) -----	

25.	<b>CONTINGENCIES AND COMMITMENTS</b>			
	Guarantees	25.1	401,991,753	352,581,311
	Commitments	25.2	1,667,787,469	1,433,032,657
	Other contingent liabilities	25.3	17,385,036	15,960,716
			<u>2,087,164,258</u>	<u>1,801,574,684</u>

Financial guarantees	137,790,508	124,354,428
Performance guarantees	231,299,995	221,439,705
Other guarantees	32,901,250	6,787,178
	<u>401,991,753</u>	<u>352,581,311</u>

Documentary credits and short-term trade-related transactions			
- letters of credit		409,820,772	354,707,969
Commitments in respect of:			
- forward foreign exchange contracts	25.2.2	902,624,628	582,473,911
- forward Government securities transactions	25.2.3	6,529,832	319,286,690
- forward lending	25.2.4	335,147,097	168,187,869
- operating leases	25.2.5	147,236	172,438
		1,244,448,793	1,070,120,908
Commitments for acquisition of:			
- Property and Equipment		10,967,708	6,691,082
- intangible assets		2,550,196	1,512,698
		13,517,904	8,203,780
		1,667,787,469	1,433,032,657

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

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
25.2.2	Commitments in respect of forward foreign exchange contracts		
	Purchase	467,771,719	302,218,129
	Sale	434,852,909	280,255,782
		<u>902,624,628</u>	<u>582,473,911</u>

Purchase	6,529,832	296,701,690
Sale	-	22,585,000
	<u>6,529,832</u>	<u>319,286,690</u>

Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.4.1	141,640,658	73,281,452
Others		193,506,439	94,906,417
		<u>335,147,097</u>	<u>168,187,869</u>

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

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>25.2.5</b>	<b>Commitments in respect of operating leases</b>		
	Not later than one year	142,371	167,593
	Later than one year and not later than five years	4,865	4,845
	Later than five years	-	-
		<u>147,236</u>	<u>172,438</u>

<b>25.3.1</b>	Claims against the Bank not acknowledged as debts	25.3.2	<u>17,385,036</u>	<u>15,960,716</u>
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# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security). Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

**25.3.2** This includes penalties amounting to Rs. 4.089 billion (2024: Rs. 4.089 billion) were levied during 2016 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.

**25.3.3** For contingencies relating to taxation, refer note 15.2.

## 26. Derivative Instruments

### Product analysis

June 30, 2025 (Un-audited)							
FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain
(Rupees in '000)							
Hedging	-	-	-	-	-	-	-
Market making	-	6,529,832	1,906	-	-	6,529,832	1,906
	-	6,529,832	1,906	-	-	6,529,832	1,906
December 31, 2024 (Audited)							
FX options		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain
(Rupees in '000)							
Hedging	-	-	-	-	-	-	-
Market making	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494
	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494

		(Un-audited)	
		January - June 2025	January - June 2024
		----- (Rupees in '000) -----	
27.	MARK-UP / RETURN / INTEREST EARNED		
On:			
	Loans and advances	58,512,538	59,072,133
	Investments	498,376,052	459,534,716
	Lendings to financial institutions	1,868,544	2,136,951
	Balances with banks	5,258,406	3,830,984
		<u>564,015,540</u>	<u>524,574,784</u>

<b>28. MARK-UP / RETURN / INTEREST EXPENSED</b>				
On:				
Deposits			70,307,452	113,394,243
Borrowings			314,995,045	350,064,432
Subordinated debt			795,582	1,135,323
Cost of foreign currency swaps against foreign currency deposits / borrowings			1,021,790	1,999,993
Lease liability against right-of-use assets			1,466,817	704,967
			<u>388,586,686</u>	<u>467,298,958</u>

<b>29. FEE AND COMMISSION INCOME</b>				
Branch banking customer fee			1,135,373	1,046,159
Consumer finance related fee			904,876	929,480
Card related fees (debit and credit cards)			3,574,988	1,768,174
Investment banking fees			111,437	162,578
Financial Institution rebate / commission			542,026	356,914
Corporate service charges / facility fee			1,302,188	866,057
Commission on trade			1,700,229	1,614,147
Commission on guarantees			842,595	720,628
Commission on cash management			572,748	558,310
Commission / Incentive on remittances including home remittances - net			2,964,868	1,677,720
Commission on bancassurance			483,720	548,752
Rent on lockers			158,973	114,994
Management fee			1,834,898	1,035,957
Others			359,274	126,501
			<u>16,488,193</u>	<u>11,526,371</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Un-audited)	
		January - June 2025	January - June 2024
		----- (Rupees in '000) -----	
<b>30. GAIN ON SECURITIES - NET</b>			
Realised	30.1	8,036,410	18,073,582
Unrealised - Measured at FVTPL		110,900	115,408
		<u>8,147,310</u>	<u>18,188,990</u>
<b>30.1 Realised gain on:</b>			
Federal Government securities		8,016,483	13,649,281
Shares		7,109	196,227
Foreign securities		-	4,203,099
Other securities		12,818	24,975
		<u>8,036,410</u>	<u>18,073,582</u>
<b>31. OTHER INCOME</b>			
Charges recovered		324,234	473,258
Rent on properties		62,975	69,201
Gain on sale of property and equipment - net		75,332	70,367
(Loss) / gain on sale of Ijarah assets - net		(234)	868
(Loss) / gain on trading liabilities - net		(6,850)	27,515
		<u>455,457</u>	<u>641,209</u>
<b>32. OPERATING EXPENSES</b>			
<b>Total compensation expense</b>		23,560,073	16,349,916
<b>Property expense</b>			
Rent and taxes		1,273,469	746,164
Insurance		100,786	156,706
Utilities cost		1,622,165	1,252,488
Security (including guards)		1,120,104	803,870
Repair and maintenance (including janitorial charges)		380,275	235,565
Depreciation on owned fixed assets		955,346	678,628
Depreciation on right-of-use assets		1,890,306	1,180,477
Depreciation on non-banking assets acquired in satisfaction of claims		15,861	1,613
Others		36,926	30,663
		<u>7,395,238</u>	<u>5,086,174</u>
<b>Information technology expenses</b>			
Software maintenance		1,733,132	1,674,369
Hardware maintenance		351,892	713,584
Depreciation		1,268,709	875,463
Amortisation		564,200	501,685
Network charges		616,579	542,201
Consultancy Charges		375,267	127,805
		<u>4,909,779</u>	<u>4,435,107</u>
<b>Other operating expenses</b>			
Legal and professional charges		353,724	299,087
Outsourced service costs		1,326,336	1,070,938
Commission paid to branchless banking agents		315,467	234,035
Commission paid to sales force		1,514,099	842,210
Travelling and conveyance		264,667	123,465
Clearing charges		276,446	160,029
Depreciation others		1,919,387	1,098,741
Depreciation on Islamic financing against leased assets		49,393	40,189
Training and development		65,222	109,455
Postage and courier charges		214,279	202,993
Communication		170,651	171,697
Stationery and printing		1,171,388	976,491
Marketing, advertisement and publicity		5,527,598	898,191
Donations		142,159	187,692
Auditors' remuneration		105,558	129,637
Insurance		231,690	78,252
Deposit protection premium expense		1,309,916	1,101,458
Cash transportation and sorting charges		820,716	568,308
Entertainment		312,190	182,095
Office running expenses		223,067	138,372
Vehicle expenses		674,504	252,692
Banking service charges		4,651,628	3,011,333
Repairs and maintenance		1,316,217	822,796
Subscription		61,901	166,771
Miscellaneous expenses		770,352	203,005
		<u>23,788,555</u>	<u>13,069,932</u>
		<u>59,653,645</u>	<u>38,941,129</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

	Note	(Un-audited) January - June 2025      January - June 2024	
<b>33. OTHER CHARGES</b>		----- (Rupees in '000) -----	
Penalties imposed by the SBP		2,457	2,186
Penalties imposed by other regulatory bodies of overseas branches		37	30,625
		<u>2,494</u>	<u>32,811</u>
<b>34. CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>			
Credit loss allowance against value of investments	9.4	427,588	(236,595)
Credit loss allowance against loans and advances	10.3	(4,083,719)	(2,049,803)
Bad debts written off directly		49,843	28,480
Credit loss allowance against other assets - net	15.3.1	(2,301)	(7,675)
Credit loss allowance against off-balance sheet obligations - net	22.1	116,371	48,083
Recovery of written-off / charged off bad debts		(424,216)	(208,832)
Credit loss allowance against cash and balances with treasury banks		(33,302)	-
Other credit loss allowance / write-offs		60,489	64,431
		<u>(3,889,247)</u>	<u>(2,361,911)</u>
<b>35. TAXATION</b>			
Current		50,441,717	29,972,414
Prior years		6,064,861	(267,820)
Deferred		29,134,147	(877,588)
		<u>85,640,725</u>	<u>28,827,006</u>
<b>36. EARNINGS PER SHARE</b>		----- (Rupees in '000) -----	
Profit after tax attributable to equity shareholders of the Bank		64,722,700	30,793,772
		<u>64,722,700</u>	<u>30,793,772</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		2,482,942,236	2,448,359,374
		<u>2,482,942,236</u>	<u>2,448,359,374</u>
		----- (Rupees) -----	
<b>Earnings per share - basic and diluted - Restated</b>		26.07	12.58
		<u>26.07</u>	<u>12.58</u>
<b>36.1.</b>	The Bank issued 27,944,213 shares in pursuant to Silk Bank Limited amalgamation with and into United Bank Limited.		
	There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2025 and June 30, 2024.		
<b>37. FAIR VALUE OF FINANCIAL INSTRUMENTS</b>			
The fair value of quoted securities other than those classified under held to collect, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates, is carried at fair value. The valuation is carried out using appropriate methodologies.			
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.			
<b>37.1</b>	The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:		
	Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.		
	Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).		
	Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).		

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

Item	Valuation approach and input used
<b>Federal Government securities</b>	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Bloomberg.
<b>Non-Government debt securities</b>	The fair value of non-government debt securities is determined using the prices / rates from MUFAP.
<b>Unquoted equity securities</b>	The fair value of unlisted equity investments is determined using cash flow projections of the investee company. If cashflow projections of investees are unavailable, the Bank uses the break-up value as an estimate of fair value.
<b>Foreign debt securities</b>	The fair value of foreign corporate and foreign government securities is determined using the rates from Bloomberg.
<b>Mutual Fund units</b>	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.
<b>Forward foreign exchange contracts and Forward Government securities transactions</b>	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
<b>Derivatives</b>	The fair valuation techniques include forward pricing and swap models using present value calculations.
<b>Fixed assets and non-banking assets acquired in satisfaction of claims</b>	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.

The following table summaries the quantitative information about the significant unobservable inputs used in level 3 fair value measurement of Unlisted equities.

Description	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of the input to fair value
-------------	---------------------	---------------------------------	------	--

### Non-listed equity investments financial sector

Ordinary shares unlisted (income approach)	DCF Method	WACC, CAGR, DLOM, DLOC	17% - 20.13%, 5-53.72%, 28% & 10%	Increase/decrease in WACC by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 2,277 million as at December 31, 2024.
Ordinary shares unlisted (market approach)	Price to Book Value	Market multiple/ transaction	Not applicable	Not applicable

## 37.2 Fair value of financial assets

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

	June 30, 2025 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
- Federal Government securities	8,306,175,813	-	8,306,175,813	-	8,306,175,813
- Shares and units	25,029,063	20,691,175	-	4,337,888	25,029,063
- Foreign securities	202,978,733	-	202,978,733	-	202,978,733
- Non-Government debt securities	2,164,835	-	2,164,835	-	2,164,835
	8,536,348,444	20,691,175	8,511,319,381	4,337,888	8,536,348,444
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government Securities	293,466,064	-	297,872,953	-	297,872,953
- Foreign Bonds	26,647,889	-	25,995,123	-	25,995,123
- Non-Government debt securities	18,820,324	-	18,685,588	-	18,685,588
	338,934,277	-	342,553,664	-	342,553,664
	8,875,282,721	20,691,175	8,853,873,045	4,337,888	8,878,902,108
<b>Off-balance sheet financial instruments measured at fair value</b>					
Foreign exchange contracts - purchased and sold	902,624,628	-	1,356,282	-	1,356,282
FX options - purchased and sold	-	-	-	-	-
Forward Government Securities - purchased and sold	6,529,832	-	1,906	-	1,906

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2025

December 31, 2024 (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	5,427,125,157	-	5,427,125,157	-	5,427,125,157
- Shares and units	21,404,561	21,404,561	-	-	21,404,561
- Foreign Bonds	109,976,945	-	109,976,945	-	109,976,945
- Non-Government debt securities	2,164,861	-	2,164,861	-	2,164,861
	5,560,671,524	21,404,561	5,539,266,963	-	5,560,671,524

**Financial assets - disclosed but not measured at fair value**

Investments

- Federal Government Securities	277,953,188	-	278,216,586	-	278,216,586
- Foreign Bonds	25,305,955	-	24,340,414	-	24,340,414
- Non-Government debt securities	19,339,444	-	19,556,848	-	19,556,848
	322,598,587	-	322,113,848	-	322,113,848
	5,883,270,111	21,404,561	5,861,380,811	-	5,882,785,372

**Off-balance sheet financial instruments - measured at fair value**

Foreign exchange contracts - purchased and sold	582,473,911	-	(222,176)	-	(222,176)
FX options - purchased and sold	-	-	-	-	-
Forward Government Securities - purchased and sold	319,286,690	-	1,256,494	-	1,256,494

**37.3 Fair Value of non-financial assets**

June 30, 2025 (Un-audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Property and Equipment	64,219,484	-	-	64,219,484
Non-banking assets acquired in satisfaction of claims	1,427,380	-	-	1,427,380
	65,646,864	-	-	65,646,864

December 31, 2024 (Audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Property and Equipment	60,922,041	-	-	60,922,041
Non-banking assets acquired in satisfaction of claims	42,075	-	-	42,075
	60,964,116	-	-	60,964,116

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 38. SEGMENT INFORMATION

### 38.1 Segment details with respect to business activities

For the six months ended June 30, 2025 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
<b>Profit and Loss</b>							
Net mark-up / return / profit	17,067,826	171,752,964	(41,718,936)	12,751,463	15,462,446	(355)	175,428,854
Inter segment (expense) / revenue - net	(13,294,886)	(79,990,828)	93,166,200	-	-	119,514	-
Non mark-up / return / interest income	4,466,964	13,427,406	9,734,115	586,514	2,192,287	839,805	33,654,145
<b>Total Income</b>	<b>8,239,904</b>	<b>105,189,542</b>	<b>61,181,379</b>	<b>13,337,977</b>	<b>17,654,733</b>	<b>2,406,699</b>	<b>209,082,999</b>
Segment direct expenses	1,218,528	2,089,597	42,931,853	8,835,994	4,303,319	1,195,265	62,599,308
Inter segment expense allocation	1,315,629	1,881,021	3,525,669	-	279,385	(7,001,704)	-
<b>Total expenses</b>	<b>2,534,157</b>	<b>3,970,618</b>	<b>46,457,522</b>	<b>8,835,994</b>	<b>4,582,704</b>	<b>(4,976,952)</b>	<b>62,599,308</b>
Credit loss allowance - net	2,051,379	48,564	(1,842,296)	(800,101)	3,307,992	-	1,123,709
<b>Profit / (loss) before taxation</b>	<b>7,757,126</b>	<b>101,267,488</b>	<b>12,881,561</b>	<b>3,701,882</b>	<b>16,380,021</b>	<b>7,173,426</b>	<b>150,372,938</b>

For the six months ended June 30, 2024 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
<b>Profit and Loss</b>							
Net mark-up / return / profit	26,803,493	78,282,082	(77,949,171)	17,902,654	9,778,096	3,637,881	57,275,826
Inter segment (expense) / revenue - net	(22,235,015)	(137,758,488)	153,211,812	-	-	6,781,691	-
Non mark-up / return / interest income	4,469,728	18,702,829	5,742,628	535,909	8,837,451	2,181,488	40,822,550
<b>Total Income</b>	<b>9,038,206</b>	<b>(40,773,777)</b>	<b>81,005,269</b>	<b>18,438,563</b>	<b>18,615,547</b>	<b>5,819,369</b>	<b>98,098,376</b>
Segment direct expenses	910,506	347,801	24,828,168	2,691,060	3,373,745	3,200,793	40,226,436
Inter segment expense allocation	158,202	438,177	4,959,416	-	243,338	(5,799,133)	-
<b>Total expenses</b>	<b>1,068,708</b>	<b>785,978</b>	<b>29,787,584</b>	<b>2,691,060</b>	<b>3,617,083</b>	<b>3,200,793</b>	<b>40,226,436</b>
Credit loss allowance - net	571,706	(23)	202,144	(161,031)	1,759,070	(4,854)	2,361,911
<b>Profit before taxation</b>	<b>8,541,204</b>	<b>(41,559,778)</b>	<b>51,419,829</b>	<b>15,586,472</b>	<b>16,757,534</b>	<b>6,874,868</b>	<b>60,233,851</b>

As at June 30, 2025 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
<b>Balance Sheet</b>							
Cash & Bank balances	24,954	88,629,591	89,488,807	52,037,812	272,976,736	861,366	504,019,266
Investments	9,665,090	8,442,506,888	-	130,806,939	291,286,825	5,478,964	8,881,304,440
Net inter segment lending	124,831,552	-	2,007,190,812	282,556,866	-	159,312,789	2,573,892,019
Lendings to financial institutions	-	90,732,721	-	-	-	-	90,732,721
Advances - performing net of credit loss allowance	393,025,241	2,019	71,327,706	299,828,905	291,190,300	2,031,428	1,057,405,599
Advances - non-performing net of credit loss allowance	1,552,248	-	280,695	77,676	3,375,883	10,845	5,297,347
Others	8,782,647	209,030,038	154,277,066	91,604,298	21,606,435	69,576,950	556,770,539
<b>Total Assets</b>	<b>537,881,732</b>	<b>8,830,901,257</b>	<b>2,322,565,086</b>	<b>856,912,496</b>	<b>880,436,179</b>	<b>8,233,435</b>	<b>13,669,421,931</b>
Borrowings	36,110,236	6,014,642,019	5,121,649	8,145,613	7,598,380	-	6,071,617,897
Subordinated debt	-	-	-	-	-	10,998,600	10,998,600
Deposits and other accounts	463,052,452	91,331	2,351,516,291	756,114,532	720,698,842	420,236	4,291,893,684
Net inter segment borrowing	-	2,570,627,794	-	-	3,264,225	-	2,573,892,019
Others	11,267,567	117,776,610	48,084,800	23,897,598	24,955,815	1,360,144	289,105,673
<b>Total Liabilities</b>	<b>510,430,255</b>	<b>8,703,137,754</b>	<b>2,404,722,742</b>	<b>788,157,743</b>	<b>756,517,262</b>	<b>73,181,973</b>	<b>13,237,507,873</b>
Equity	27,451,477	127,763,503	(82,157,656)	68,754,753	123,918,917	6,873,291	431,914,058
<b>Total Equity &amp; liabilities</b>	<b>537,881,732</b>	<b>8,830,901,257</b>	<b>2,322,565,086</b>	<b>856,912,496</b>	<b>880,436,179</b>	<b>8,233,435</b>	<b>13,669,421,931</b>
<b>Contingencies and Commitments</b>	<b>936,023,558</b>	<b>227,641,228</b>	<b>148,307,429</b>	<b>31,772,956</b>	<b>741,128,391</b>	<b>-</b>	<b>2,087,164,258</b>

As at December 31, 2024 (Audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
<b>Balance Sheet</b>							
Cash & Bank balances	29,906	99,428,160	64,494,601	44,862,677	160,898,813	1,090,465	370,804,622
Investments	10,156,363	5,613,070,387	-	119,366,357	140,744,551	4,350,495	5,889,765,841
Net inter segment lending	-	-	1,513,980,697	216,760,034	-	63,438,769	1,794,179,500
Lendings to financial institutions	-	18,492,483	-	-	-	-	18,492,483
Advances - performing net of credit loss allowance	912,361,408	2,238	57,032,934	147,814,407	316,182,001	1,996,657	1,435,389,645
Advances - non-performing net of credit loss allowance	1,328,491	-	487,063	72,559	6,204,186	-	8,092,299
Others	24,878,319	138,388,839	51,935,147	81,332,932	11,129,453	36,882,699	346,552,387
<b>Total Assets</b>	<b>948,754,487</b>	<b>5,869,382,107</b>	<b>1,687,930,442</b>	<b>610,208,966</b>	<b>635,159,004</b>	<b>7,445,958</b>	<b>9,863,276,777</b>
Borrowings	46,800,297	4,767,131,383	5,583,815	8,003,110	27,854,911	-	4,855,373,516
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	129,324,679	-	1,494,684,448	519,488,249	496,378,609	-	2,639,875,985
Net inter segment borrowing	753,056,630	1,032,301,065	-	-	8,821,805	-	1,794,179,500
Others	19,538,871	53,577,825	90,825,361	17,915,368	1,392,046	42,212,950	243,039,763
<b>Total Liabilities</b>	<b>948,720,477</b>	<b>5,853,010,273</b>	<b>1,591,093,624</b>	<b>545,406,727</b>	<b>1,392,046</b>	<b>52,212,950</b>	<b>9,542,468,764</b>
Equity	34,010	16,371,834	96,836,818	64,802,239	84,526,337	6,053,912	320,808,013
<b>Total Equity &amp; liabilities</b>	<b>948,754,487</b>	<b>5,869,382,107</b>	<b>1,687,930,442</b>	<b>610,208,966</b>	<b>635,159,004</b>	<b>7,445,958</b>	<b>9,863,276,777</b>
<b>Contingencies and Commitments</b>	<b>748,634,121</b>	<b>505,243,486</b>	<b>93,104,492</b>	<b>10,536,687</b>	<b>442,550,988</b>	<b>-</b>	<b>1,801,574,684</b>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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**39. RELATED PARTY TRANSACTIONS**

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

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

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

	As at June 30, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	-	-	369,437
In deposit accounts	-	-	-	-	-
	-	-	-	-	369,437
<b>Lendings to financial institutions</b>					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	2,020,600
Repaid during the period	-	-	-	-	(2,020,600)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
<b>Investments</b>					
Opening balance	-	-	-	6,306,355	3,635,440
Investment made during the period	-	-	-	11,475,590	-
Investment disposed during the period	-	-	-	(10,586,760)	(63,635)
Transfers in / (out) - net	-	-	-	-	-
Equity accounting adjustments	-	-	-	243,403	-
Closing balance	-	-	-	7,438,588	3,571,805
Credit loss allowance for diminution in value of investments	-	-	-	1,417,485	-
<b>Advances</b>					
Opening balance	-	537	596,283	-	231,097,420
Addition during the period	-	6,897	289,761	-	160,637,297
Repaid during the period	-	(6,713)	(245,720)	-	(241,732,662)
Transfers in / (out) - net	-	-	(141,653)	-	(1,285)
Closing balance	-	721	498,671	-	150,000,770
Credit loss allowance held against advances	-	31	10,560	-	55
Property and equipment / Capital work in progress	-	-	-	-	4,291
<b>Other Assets</b>					
Income / mark-up accrued	-	-	-	-	3,780,082
Receivable from staff retirement fund	-	-	-	-	12,404,678
Prepaid insurance	-	-	-	515,328	-
Remuneration and other receivable from management of funds	-	-	-	313,992	-
Sales load receivable	-	-	-	81,890	-
Dividend Receivable	-	-	-	-	-
Provision written off	-	-	-	-	-
Other receivable	-	-	-	64,501	17,597
Credit loss allowance against other assets	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	-	94,460,700
Borrowings during the period	-	-	-	3,896,632	427,976,318
Settled during the period	-	-	-	(3,896,632)	(521,936,418)
Closing balance	-	-	-	-	500,600

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

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As at June 30, 2025 (Un-audited)					
Parent	Directors	Key management personnel	Associates	Other related parties	
(Rupees in '000)					
<b>Deposits and other accounts</b>					
Opening balance	3,205	7,263,037	152,070	596,425	40,635,672
Received during the period	5,273,296	27,804,185	1,411,427	44,111,172	2,952,331,277
Withdrawn during the period	(810,835)	(27,409,166)	(1,448,273)	(44,138,568)	(2,943,969,705)
Transfers in / (out) - net	-	-	(63,558)	-	(92,806)
Closing balance	4,465,666	7,658,056	51,666	569,029	48,904,438
<b>Subordinated loans</b>					
-	-	-	-	-	50,000
<b>Other Liabilities</b>					
Interest / mark-up payable on deposits and borrowings	-	42,238	-	-	30,004
Dividend payable	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	-	-
Other payable	-	-	-	2,965	28,606
<b>Contingencies and Commitments</b>					
Letter of credits	-	-	-	-	29,499
Forward Govt. Securities Sale	-	-	-	-	-
Forward foreign exchange contracts purchase	-	-	-	-	-
<b>As at December 31, 2024 (Audited)</b>					
Parent	Directors	Key management personnel	Associates	Other related parties	
(Rupees in '000)					
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	-	-	-
In deposit accounts	-	-	-	-	-
<b>Lendings to financial institutions</b>					
Opening balance	-	-	-	-	804,102
Addition during the year	-	-	-	-	2,191,560
Repaid during the year	-	-	-	-	(2,995,662)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
<b>Investments</b>					
Opening balance	-	-	-	6,389,617	5,287,396
Investment made during the year	-	-	-	17,508,051	885,450
Investment disposed / written off during the year	-	-	-	(17,793,670)	(2,500,000)
Transfers in / (out) - net	-	-	-	-	(37,406)
Equity method adjustments	-	-	-	202,357	-
Closing balance	-	-	-	6,306,355	3,635,440
Credit loss allowance for diminution in value of investments	-	-	-	1,417,485	-
Property and equipment / CWIP	-	-	-	-	197,026
Provision written off	-	-	-	-	-
<b>Advances</b>					
Opening balance	-	1,286	609,959	-	392
Addition during the year	-	7,566	365,352	-	231,103,164
Repaid during the year	-	(8,315)	(488,089)	-	(6,136)
Transfers in / (out) - net	-	-	109,061	-	-
Closing balance	-	537	596,283	-	231,097,420
Credit loss allowance held against advances	-	-	-	-	-

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As at December 31, 2024 (Audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- (Rupees in '000) -----				
<b>Other Assets</b>					
Interest / mark-up accrued	-	-	133	-	5,094,682
Receivable from staff retirement funds	-	-	-	-	13,006,849
Prepaid insurance	-	-	-	144,558	-
Unrealised gain on forward foreign exchange contracts	-	-	-	-	134
Remuneration and other receivable from management of funds	-	-	-	180,417	-
Sales load receivable	-	-	-	25,068	-
Other receivable	-	-	-	222,367	12,478
Dividend receivable	-	-	-	-	-
Provision written off	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	-	402,800
Borrowings during the year	-	-	-	500,000	243,259,002
Settled during the year	-	-	-	(500,000)	(149,201,102)
Closing balance	-	-	-	-	94,460,700
<b>Deposits and other accounts</b>					
Opening balance	14,362	5,149,234	115,491	566,903	14,917,301
Received during the year	71,539,502	44,412,648	2,145,718	84,366,733	1,393,847,209
Withdrawn during the year	(71,550,659)	(42,298,845)	(2,101,517)	(84,337,211)	(1,368,907,854)
Transfers in / (out) - net	-	-	(7,622)	-	779,016
Closing balance	3,205	7,263,037	152,070	596,425	40,635,672
<b>Other Liabilities</b>					
Interest / mark-up payable on deposits and borrowings	580	41,605	2,264	5,370	652,728
Dividend payable	-	70	4	-	-
Payable to staff retirement fund	-	-	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	-	3,219
Unearned income	-	-	-	-	-
Other payable	-	4,310	-	-	21,604
<b>Contingencies and Commitments</b>					
Letter of guarantee	-	-	-	-	21,463
Forward Government securities - sale	-	-	-	-	2,585,000

	For the six months ended June 30, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	----- (Rupees in '000) -----				
Income					
Mark-up / return / interest earned	-	-	11,155	-	3,802
Commission / charges recovered	-	209	1,738	10,353	8,813
Dividend income	-	-	-	69,130	519,507
Net loss on sale of securities	-	-	-	-	-
Other income	-	-	-	-	45,039
Gain on sale of property and equipment	-	-	129	2,240	-
Remuneration from management of funds	-	-	-	1,834,898	-
Sales load	-	-	-	56,380	-
Reimbursement of expenses by funds	-	-	-	18,662	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	327,411

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
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For the six months ended June 30, 2025 (Un-audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
<b>Expense</b>					
Mark-up / return / interest paid	6,639	156,699	4,158	23,317	1,431,573
Remuneration paid	-	-	1,040,987	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	51,580	-	-	-
Charge for defined contribution plans	-	-	18,888	-	431,076
Charge for defined benefit plans	-	-	5,820	-	479,617
Provision	-	-	-	-	-
Other expenses	-	-	5,793	-	155,224
Clearing charges	-	-	-	-	158,615
Donations	-	-	-	-	-
Seminar and Membership fees	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	1,501	-	13,486
<b>Other Information</b>					
Dividend paid	13,898,036	654,948	13,859	-	5,300,808
Insurance premium paid	-	-	-	858,874	-
Insurance claims settled	-	-	-	110,408	-
For the six months ended June 30, 2024 (Un-audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / interest earned	-	-	27,236	-	21,909
Commission / charges recovered	-	168	1,266	9,718	7,226
Dividend income	-	-	-	402,526	445,292
Net loss on sale of securities	-	-	-	(58,171)	-
Other income	-	-	-	-	36,589
Gain on sale of property and equipment	-	-	36	596	-
Remuneration from management of fund	-	-	-	1,035,957	-
Sales load	-	-	-	31,453	-
Reimbursement of expenses by funds	-	-	-	269,247	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	219,911
<b>Expense</b>					
Mark-up / return / interest paid	64,334	118,818	12,940	758,943	395,940
Remuneration paid	-	-	992,047	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	52,330	18,232	-	-
Net Charge for defined contribution plans	-	-	32,518	-	321,912
Net Charge for defined benefit plans	-	-	6,165	-	441,340
Provision - net	-	-	-	-	30
Other expenses	-	-	-	-	336,166
Clearing charges	-	-	-	-	87,937
Membership, subscription, sponsorship and maintenance charges	-	-	1,790	-	14,308
<b>Other Information</b>					
Dividend paid	13,898,036	451,703	13,103	15,522	3,250,231
Insurance premium paid	-	-	2,392	703,741	-
Insurance claims settled	-	-	-	282,086	-

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

### Minimum Capital Requirement (MCR):

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
Paid-up capital (net of losses)	12,521,239	12,241,797

### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	360,184,999	235,348,145
Eligible Additional Tier 1 (ADT 1) Capital	9,907,326	9,870,811
Total Eligible Tier 1 Capital	370,092,325	245,218,956
Eligible Tier 2 Capital	79,873,272	81,529,158
Total Eligible Capital (Tier 1 + Tier 2)	449,965,597	326,748,114

### Risk Weighted Assets (RWAs):

Credit Risk	1,286,244,069	984,217,218
Market Risk	313,096,399	275,897,396
Operational Risk	327,012,027	327,012,027
Total	1,926,352,495	1,587,126,641

### Common Equity Tier 1 Capital Adequacy Ratio

	18.70%	14.83%
--	--------	--------

### Tier 1 Capital Adequacy Ratio

	19.21%	15.45%
--	--------	--------

### Total Capital Adequacy Ratio

	23.36%	20.59%
--	--------	--------

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the year ended June 30, 2025 stood at Rs.12,521.239 million (2024: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.

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

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2024. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 23.36 % whereas CET 1 and Tier 1 ratios stood at 18.70% and 19.21% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/751777/2024 dated August 29, 2024. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.0%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	370,092,325	245,218,956
Total Exposures	11,480,359,178	7,858,268,797
Leverage Ratio	3.22%	3.12%

### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	2,873,901,121	1,809,400,194
Total Net Cash Outflow	1,307,239,620	721,237,268
Liquidity Coverage Ratio	219.85%	250.87%

### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	2,992,512,508	2,163,819,529
Total Required Stable Funding	2,033,369,693	2,027,714,826
Net Stable Funding Ratio	147.17%	106.71%

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

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 41. ISLAMIC BANKING BUSINESS

The Bank operates 670 (December 31, 2024: 496) Islamic Banking branches and 598 (December 31, 2024: 558) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
Note		----- (Rupees in '000) -----	
<b>ASSETS</b>			
	Cash and balances with treasury banks	48,208,595	44,290,715
	Balances with other banks	3,829,217	571,962
41.1	Due from financial institutions	-	-
41.2	Investments	130,806,939	119,366,357
41.3	Islamic financing and related assets - net	299,906,581	147,886,966
	Property and equipment	11,675,543	6,029,227
	Right-of-use assets	12,093,271	3,181,023
	Intangible assets	-	-
	Due from Head Office	334,325,968	284,069,490
	Other assets	16,066,382	4,813,226
		856,912,496	610,208,966

### LIABILITIES

	Bills payable	7,362,472	8,607,107
	Due to financial institutions	8,145,613	8,003,110
41.4	Deposits and other accounts	756,114,532	519,488,249
	Due to Head Office	-	-
	Lease Liability	12,804,941	3,788,556
	Other liabilities	3,730,185	5,519,705
		788,157,743	545,406,727
		68,754,753	64,802,239

### NET ASSETS

### REPRESENTED BY

	Islamic Banking Fund	2,181,000	2,181,000
	Reserves	-	-
	Surplus on revaluation of assets	822,690	572,058
41.5	Unappropriated profit	65,751,063	62,049,181
		68,754,753	64,802,239

### CONTINGENCIES AND COMMITMENTS

41.6

### PROFIT AND LOSS ACCOUNT

		(Un-audited) January - June 2025	January - June 2024
		----- (Rupees in '000) -----	
	Profit / return earned	19,880,552	35,058,477
	Profit / return expensed	7,129,089	17,155,823
	Net profit / return	12,751,463	17,902,654

### Other income

	Fee and commission income	583,280	239,071
	Foreign exchange (loss) / income	(91,363)	46,669
	Gain on securities - net	18,890	209,819
	Other income	75,707	40,350
	Total other income	586,514	535,909
	<b>Total Income</b>	13,337,977	18,438,563

### Other expenses

	Other operating expenses	8,835,994	2,691,060
	<b>Profit before credit loss allowance</b>	4,501,983	15,747,503
	Credit loss allowance and write offs - net	800,101	161,031
	<b>Profit before taxation</b>	3,701,882	15,586,472
	Taxation	1,999,016	7,637,371
	<b>Profit after taxation</b>	1,702,866	7,949,101

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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**41.1 Due from Financial Institutions**

	As at June 30, 2025 (Un-audited)			As at December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Musharakah lending	-	-	-	-	-	-
Bai Muajjal	-	-	-	-	-	-
with other Financial Institutions	-	-	-	-	-	-
with State Bank of Pakistan	-	-	-	-	-	-
	-	-	-	-	-	-

**41.2 Investments by segments**

	Note	As at June 30, 2025 (Un-audited)			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)			
<b>Debt Instruments</b>					
<b>Measured at amortised cost</b>					
Federal Government Securities					
- Ijarah Sukuks		10,000,808		-	10,000,808
- Bai Muajjal with Govt. of Pakistan		51,774,232		-	51,774,232
Non Government debt securities		8,416,464	(151)	-	8,416,313
		70,191,504	(151)	-	70,191,353
<b>Measured at FVOCI</b>					
Federal Government securities					
- Ijarah Sukuks		39,553,582	-	822,690	40,376,272
- Islamic Naya Pakistan Certificate		1,034,053	-	-	1,034,053
Non Government debt securities		-	-	-	-
		40,587,635	-	822,690	41,410,325
<b>Measured at FVPL</b>					
Federal Government securities					
- Ijarah Sukuks		18,904,560	-	701	18,905,261
		18,904,560	-	701	18,905,261
<b>Instruments mandatorily classified / measured at FVPTL</b>					
Non Government debt securities		300,000	-	-	300,000
<b>Total investments</b>		129,983,699	(151)	823,391	130,806,939

	Note	As at December 31, 2024 (Audited)			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		(Rupees in '000)			
<b>Debt Instruments</b>					
<b>Measured at amortised cost</b>					
Federal Government Securities					
- Ijarah Sukuks		10,001,109	-	-	10,001,109
- Bai Muajjal with Govt. of Pakistan		47,618,148	-	-	47,618,148
Non Government debt securities		8,900,193	(151)	-	8,900,042
		66,519,450	(151)	-	66,519,299
<b>Measured at FVOCI</b>					
Federal Government securities					
- Ijarah Sukuks		49,296,295	-	572,058	49,868,353
- Islamic Naya Pakistan Certificate		2,678,705	-	-	2,678,705
Non Government debt securities		-	-	-	-
		51,975,000	-	572,058	52,547,058
<b>Instruments mandatorily classified / measured at FVPTL</b>					
Non Government debt securities		300,000	-	-	300,000
		118,794,450	(151)	572,058	119,366,357

**Particulars of credit loss allowance**

	As at June 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Federal Government securities	-	-	-	-	-	-	-	-
Non Government debt securities	(151)	-	-	(151)	(151)	-	-	(151)
	(151)	-	-	(151)	(151)	-	-	(151)

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>41.2.1 Bai Muajjal with Government of Pakistan</b>		
Bai Muajjal Investment	69,340,000	69,340,000
Less: Deferred Income	(17,565,768)	(21,721,852)
Bai Muajjal Investment-net	<u>51,774,232</u>	<u>47,618,148</u>
<b>41.3 Islamic financing and related assets</b>		
Ijarah	414,362	183,651
Murabaha	668,677	165,372
Musharakah	158,751,214	73,230,869
Diminishing Musharakah	97,387,711	45,705,613
Mera Pakistan Mera Ghar (MPMG)	4,646,930	4,839,643
Istisna	1,218,224	240,064
Tijarah	8,750,000	-
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	3,552,646	3,692,614
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	4,109,754	8,710,000
Islamic Export Refinance scheme - Istisna	575,465	608,058
Advances against Islamic assets		
Advances against Ijarah	474,036	17,910
Advances for Diminishing Musharakah	13,690,113	8,689,619
Advances for Murabaha	83,326	-
Advances against Mera Pakistan Mera Ghar	1,543	4,335
Advances for Istisna	234,486	1,312,312
Advances against Istisna - Under SBP' Islamic Export Refinance scheme	1,113,000	256,000
Advances against Diminishing Musharakah ITERF	-	-
Inventory related to Islamic financing		
Istisna	1,065,142	111,700
Tijarah	350,000	-
Profit and other receivables against financings	5,631,813	2,189,222
Gross Islamic financing and related assets	302,718,442	149,956,982
Less: Credit Loss Allowance against Islamic financings		
- Stage 1	(1,457,923)	(1,668,457)
- Stage 2	(894,560)	(213,344)
- Stage 3	(459,378)	(188,215)
	(2,811,861)	(2,070,016)
Islamic financing and related assets - net of credit loss allowance	<u>299,906,581</u>	<u>147,886,966</u>
<b>41.4 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	501,895,572	343,912,552
Saving deposits	133,796,831	123,254,188
Term deposits	8,422,422	5,223,078
	644,114,825	472,389,818
<b>Financial Institutions</b>		
Current deposits	1,378,035	1,164,744
Saving deposits	110,481,672	45,900,687
Term deposits	140,000	33,000
	111,999,707	47,098,431
	<u>756,114,532</u>	<u>519,488,249</u>
<b>41.4.1</b> Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 539,895.829 million (December 31, 2024: Rs. 409,558.614 million).		
<b>41.5 Islamic Banking Business Unappropriated Profit</b>		
	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
Opening Balance	62,049,181	31,398,864
Impact of adoption of IFRS 9	-	(1,570,146)
Profit for the period / year	3,701,882	32,220,463
	65,751,063	62,049,181
Taxation	(1,999,016)	(17,399,050)
Closing Balance	<u>63,752,047</u>	<u>44,650,131</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>41.6 Contingencies and commitments</b>		
- Guarantees	4,760,599	321,847
- Commitments	27,012,357	10,214,840
	<u>31,772,956</u>	<u>10,536,687</u>
	(Un-audited)	
	January - June 2025	January - June 2024
	----- (Rupees in '000) -----	
<b>41.7 Profit / Return earned</b>		
On:		
Financing	10,653,818	4,035,789
Investments	8,790,285	30,816,968
Placements	341,889	138,199
Rental Income from Ijarah	94,560	67,521
	<u>19,880,552</u>	<u>35,058,477</u>
<b>41.8 Profit / Return expensed</b>		
On:		
Deposits and other accounts	6,314,825	13,763,121
Due to Financial Institutions	141,357	3,265,391
Others	672,907	127,311
	<u>7,129,089</u>	<u>17,155,823</u>
<b>41.9 Disclosures for profit and loss distribution and pool management</b>		

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)**

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.

**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.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Mudarib's share on Deposits for the period ended June 30, 2025 is Rs.5,050.00 million (48.30% of distributable profit of Mudarabah Pool) of this, an amount of Rs.917.81 million (18.17% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 13.27% per annum and the rate of profit paid on average deposits was 8.23% 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 utilizing The funds from the pool.
- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on ijarah assets, takaful premium, Amortization of Premium on investment etc.
- No expense of general or administrative nature is charged to the pools.
- No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset.
- The profit of the pool is shared between equity and Rab-ul-Maal of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity.
- The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee.

The Bank managed following pools during the period.

### For the six months ended June 30, 2025 (Un-audited)

For the six months ended June 30, 2020 (IN Lakhs)									
	No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	Rupees in '000	%	%	Rupees in '000
Special Pools	45	Mudarbaha	Monthly	11.08%	40.06%	714,947	9.63%	34.69%	248,028
IERS Pools	6	Musharkah	Monthly	13.06%	41.64%	122,488	8.05%	0.00%	-
General Pools	6	Mudarbaha	Monthly	13.18%	50.00%	4,335,057	7.72%	15.45%	669,785
Treasury Pools	0	Musharkah	Monthly	0.00%	0.00%	-	0.00%	0.00%	-

### For the six months ended June 30, 2024 (Un-audited)

No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharakah share / Wakalah Fee	Average profit rate / return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba	
			%	%	Rupees in '000	%	%	Rupees in '000	
ADMA Pools	6	Mudarbaha	Monthly	12.24%	35.00%	92,549	8.30%	7.95%	7,360
Special Pools	69	Mudarbaha	Monthly	21.48%	13.91%	1,409,212	20.07%	51.15%	720,842
IERS Pools	12	Musharkah	Monthly	18.57%	59.62%	512,427	18.00%	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	2.13%	50.00%	4,594	1.06%	0.00%	-
General Pools	6	Mudarbaha	Monthly	20.97%	49.99%	3,306,791	18.50%	26.71%	883,107
Treasury Pools	172	Musharkah	Monthly	21.78%	30.52%	1,512,836	21.12%	0.00%	-

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
<b>41.10 Deployment of Mudarabah based deposits by class of business</b>		
Chemical and pharmaceuticals	7,231,403	11,119,892
Agriculture	153,780,082	64,330,828
Textile	35,632,524	6,937,944
Sugar	9,543,828	-
Financial	300,000	800,000
Plastic	94,488	197,855
Individuals	21,327,232	26,446,650
Production and transmission of energy	27,483,685	18,216,021
Government of Pakistan Securities	122,090,474	110,166,197
Others	56,041,663	31,107,952
	<u>433,525,379</u>	<u>269,323,339</u>

**42. YEMEN OPERATIONS**

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

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

**43. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on July 11, 2025 has declared an interim cash dividend in respect of quarter ended June 30, 2025 of Rs. 8.0 per share (June 30, 2024: Rs. 11.0 per share). This is in addition to Rs. 11.0 already paid during the period bringing the total dividend for the six months to Rs 19.0 per share (June 30, 2024: Rs. 22.0). These consolidated condensed interim financial statements for the six months ended June 30, 2025 do not include the effect of these appropriations which will be accounted for subsequent to the period end.


**44. GENERAL**


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

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

**45. DATE OF AUTHORISATION**

These consolidated condensed interim financial statements were authorised for issue on July 11, 2025, by the Board of Directors of the Bank.

  
**Syed Manzoor Hussain Zaidi**  
Chief Financial Officer

  
**Muhammad Jawaid Iqbal**  
President &  
Chief Executive Officer

  
**Shazia Syed**  
Director

  
**Daniel Michael Howlett**  
Director

  
**Sir Mohammed Anwar Pervaz, OBE, HPK**  
Chairman

## کریڈٹ ریٹنگ

ویز کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 30 جون 2025 کو یونائیٹڈ بینک لمیٹڈ (UBL) کی ”AAA/A-1“ (ٹرپل اے / اے ون پلس) ریٹنگز کی دوبارہ توثیق کی ہے۔ علاوہ ازیں، یو بی ایل کی ایڈیشنل ٹیئر (TFC-1) (ADT-1) کی بھی بطور AA دوبارہ توثیق کی جا چکی ہے۔ مزید برآں، یونائیٹڈ بینک لمیٹڈ (سابقہ سلک بینک لمیٹڈ) کے Tier-2 TFC کی ریٹنگ کو AAA (ٹرپل اے) کے طور پر حتمی قرار دیا گیا۔ تفویض کردہ ریٹنگز پر توقعات ’مستحکم‘ ہیں۔

## مستقبل کی توقعات

یو بی ایل سال 2025 کے پہلے چھ ماہ میں اپنی مستحکم رفتار اور عملی صلاحیتوں کا مظاہرہ بھرپور انداز میں جاری رکھے ہوئے ہے۔ سلک بینک کے ساتھ انضمام مستحکم انداز میں بتدریج آگے بڑھ رہا ہے، مزید ہم آہنگی کے حصول کے لیے انضمامی کوششوں کا عمل بھی جاری ہے تاکہ اس سے مارکیٹ تک ہماری رسائی میں مزید اضافہ اور ہمارے اہم شہری اور علاقائی سینٹرز میں کسٹمر تک بہتر سروس کی فراہمی میں یقینی اضافہ کیا جاسکے۔ صارفین کے تجربے کو بہتر بنانے، عملی صلاحیتوں میں اضافے اور سائبر سیکیورٹی کے فریم ورکز کو مضبوط کرنے کے لیے اہم پلیٹ فارمز متعارف کرنے کے ساتھ ساتھ ڈیجیٹل ٹرانسفارمیشن کے لیے یو بی ایل کی وابستگی میں مزید اضافہ ہوا ہے۔ بینک سے جڑا انسانی سرمایہ ہمیشہ سے ہماری کامیابی کا ایک اہم اور بنیادی ستون رہا ہے۔ ہم صلاحیتوں میں مزید اضافے اور لیڈرشپ پروگرامز میں سرمایہ کاری جاری رکھے ہوئے ہیں تاکہ اعلیٰ کارکردگی کے ایسی ثقافت کو فروغ دیا جاسکے جو ہماری حکمت عملی کے مقاصد سے ہم آہنگ بھی ہو۔ مستقبل کو پیش نظر رکھتے ہوئے، ہمیں یو بی ایل کی صلاحیتوں پر مکمل اعتماد ہے کہ وہ اپنے اسٹیک ہولڈرز کے لیے مستحکم ترقی، منافع اور قدر میں اضافے کا عمل جاری رکھے گا۔

## اظہار تشکر

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

Amel Amel

ڈینیل مائیکل ہاؤلیٹ  
ڈائریکٹر



محمد جاوید اقبال  
صدر اور سی ای او  
لندن،

11 جولائی 2025

# یونائیٹڈ بینک لمیٹڈ

## ارکان کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے 30 جون 2025 کو ختم ہونے والے نصف سال کے لیے یونائیٹڈ بینک لمیٹڈ (UBL) کے مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

### کارکردگی کا جائزہ

غیر مجتمع بنیادوں پر، 30 جون 2025 کو ختم ہونے والے نصف سال کے لیے 148.7 ارب روپے کا قبل از ٹیکس منافع (PBT) ریکارڈ کیا گیا جو 158 سال بہ سال کی مستحکم نمو کی نمائندگی کرتا ہے۔ H1'25 میں منافع بعد از ٹیکس (PAT 63.8) ارب روپے رہا جو کہ H1'24 کے مقابلے میں 29.4 ارب روپے تھا جبکہ آمدنی فی حصص (EPS 25.69) رہی جو گذشتہ سال کے اسی عرصے میں 12.03 تھی۔ یو بی ایل نے 64.7 ارب روپے (H1'24: 31.4 ارب روپے) کے ساتھ 26.07 آمدنی فی حصص (H1'24: 12.58) مجتمع بنیاد پر منافع بعد از ٹیکس کا اندراج کیا۔

یو بی ایل کے ڈائریکٹرز نے 11 جولائی 2025 کو لندن میں منعقد ہونے والے اپنے اجلاس میں 30 جون 2025 کو ختم ہونے والے نصف سال کے نتائج کے ساتھ 8.0 روپے فی حصص کے عبوری نقد منافع کا اعلان کیا۔

بینک کی مجموعی آمدنی H1'25 میں 206.2 ارب روپے رہی جو کہ سال بہ سال 123 فیصد اضافے کے ساتھ نیٹ مارک آپ آمدنی 175.4 ارب روپے کے مستحکم اضافے سے بڑھ رہی ہے۔ بینک نے H1'25 میں بنیادی آمدنی میں مستحکم اضافے کے ساتھ 30.8 ارب روپے کی نان مارک آپ آمدنی حاصل کی۔ H1'25 میں فیس اور کمیشن کی مد میں 14.5 ارب روپے کی آمدنی حاصل کی گئی جو کہ سال بہ سال 44 فیصد اضافہ ہے۔ اس کی وجہ کارڈ سے متعلقہ فیسوں میں مضبوط اضافہ مضبوط تجارتی آمدنی، کارپوریٹ سروس فیس اور ملکی ترسیلات زر کے شعبے میں یو بی ایل کی مسلسل قائدانہ تعاون سے ممکن ہوا۔

بینک کے آپریٹنگ اخراجات میں H1'24 کے مقابلے میں 64% کا اضافہ ریکارڈ کیا گیا ہے جو بڑھ کر H1'25 میں 58.5 ارب روپے تک پہنچ گیا۔ ایسا عملے کی لاگت میں سال بہ سال 59 فیصد اضافے کے ساتھ 23.0 ارب روپے، پراپرٹی سے متعلق سال بہ سال 47 فیصد اضافے کے ساتھ 7.2 ارب روپے اور آئی ٹی اخراجات میں 20 فیصد اضافے کے ساتھ 4.8 ارب روپے تک پہنچ جانے کے باعث ہوا۔

یو بی ایل نے H1'24 کے 2.4 ارب روپے کے نیٹ پرویژن ریورسل کے مقابلے میں H1'25 میں 3.9 ارب روپے کا نیٹ پرویژن ریورسل ریکارڈ کیا گیا، جو کہ بنیادی طور پر بین الاقوامی پورٹ فولیو میں وصولیوں کے نتیجے میں ممکن ہوا ہے۔

### سرمائے کا تناسب۔ مجتمع

بینک ایک موثر سرمایہ کی بنیاد کو برقرار رکھنے کی کوشش کرتا ہے جو مستقبل میں ترقی کے ساتھ ساتھ ریگولیٹری تقاضوں سے زائد مناسب بفرز کی بنیاد کو بھی یقینی بنائے رکھے۔ مجتمع CAR جون 2025 میں 23.4% (دسمبر 2024: 20.6%) رہا، جس میں کم سے کم 12.5% کے ریگولیٹری تقاضے پر 10.9% کا بفر بھی ظاہر ہوتا ہے۔ کامن ایکویٹی ٹیئر 1 (CET-1) کا تناسب جون 2025 میں 18.7% (دسمبر 2024: 14.8%) رہا۔ جون 2025 کو ٹوٹل ٹیئر 1 کیسٹل کا تناسب 19.2% (دسمبر 2024: 15.5%) ریکارڈ کیا گیا۔












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

## UNITED BANK LIMITED

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