



# DEFINED BY SERVICE DRIVEN BY EXCELLENCE

Nine Months Report September 30, 2025  
(UN-AUDITED)

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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 nine months ending September 30, 2025.

## **Performance Overview**

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 222.6 billion for the nine months ending September 30, 2025, with a strong growth of 107% year on year. Profit After Tax (PAT) stood at Rs. 98.5 billion for 9M'25 as compared to Rs. 55.0 billion for 9M'24 with Earnings per share (EPS) of Rs. 39.55 compared to Rs. 22.46 for the corresponding period last year. On a consolidated basis, UBL reported PAT of Rs. 100.1 billion (9M'24: Rs. 49.7 billion) with consolidated EPS of Rs. 40.19 (9M'24: Rs. 20.06).

The Board of Directors declared an interim cash dividend of Rs. 8.0 per share in their meeting held in Islamabad on October 15, 2025 along with the results for the nine months ending September 30, 2025.

The Bank's gross revenues were Rs. 311.2 billion in 9M'25, a year-on-year growth of 87% with net mark-up income growing steadily to Rs. 267.4 billion. The Bank earned non-markup income of Rs. 43.8 billion in 9M'25 with a strong build up in core revenues. Fees and commission income was Rs. 21.3 billion in 9M'25, a year-on-year growth of 34%. This was led by strong growth in card related fees, supported by solid trade income, corporate service and investment banking fees, and UBL's continued leadership position in the domestic home remittances space.

The Bank's operating expenses recorded a 53% increase over 9M'24 and stood at Rs. 88.9 billion in 9M'25. This was driven by staff costs increasing by 52% year-on-year to Rs. 35.3 billion, property related expenses rising 42% year on year to Rs. 11.7 billion and IT expenses increasing 32% year-on-year to Rs. 7.9 billion.

UBL recorded a net provision reversal of Rs. 4.7 billion for 9M'25 against a net provision reversal of Rs. 1.5 billion in 9M'24, mainly resulting from recoveries in both domestic and international portfolios.

## **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 23.8% as of Sep'25 (Dec'24: 20.6%), with a buffer of 10.8% over the minimum regulatory requirement of 13.0%. The Common Equity Tier 1 (CET-1) ratio stood at 18.8% as of Sep'25 (Dec'24: 14.8%). The Total Tier 1 Capital ratio was 19.3% as of Sep'25 (Dec'24: 15.5%).

## **Credit Rating**

VIS Credit Rating Company Limited (VIS) re-affirmed the entity rating 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). Outlook on the assigned ratings is 'Stable'.

## Future Outlook

Looking ahead, UBL remains committed to driving sustainable growth through a focused strategy centered on strengthening its core banking operations across both conventional and Islamic segments. This includes expanding our branch network to enhance accessibility, customer outreach and market share. With the successful integration of Silk Bank, we aim to deepen market penetration, with particular emphasis on the consumer banking segment. UBL's commitment to delivering superior customer service across all banking channels is reflected in our continued investment in technology with a focus on speed, stability, and security. We continue to invest in our transformation agenda with re-alignment of structures and processes to better synergize the organization. Going forward, we remain committed to delivering continued performance and solid returns to our stakeholders.

## Acknowledgements

On behalf of the Board of Directors, we would like to express our appreciation to UBL's customers and shareholders 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

Islamabad,  
October 15, 2025



# UNITED BANK LIMITED

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


# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT SEPTEMBER 30, 2025

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	531,013,804	309,745,911
Balances with other banks	7	70,735,449	59,968,246
Lendings to financial institutions	8	139,355,737	18,492,483
Investments	9	8,818,515,414	5,886,894,503
Advances	10	1,103,393,866	1,443,481,944
Property and equipment	11	110,871,377	85,246,731
Right-of-use assets	12	29,703,543	9,896,084
Intangible assets	13	63,889,434	2,481,475
Deferred tax assets	14	-	-
Other assets	15	406,662,008	246,924,757
		11,274,140,632	8,063,132,134
<b>LIABILITIES</b>			
Bills payable	17	32,655,154	44,221,818
Borrowings	18	5,724,114,144	4,855,373,516
Deposits and other accounts	19	4,768,789,701	2,640,211,489
Lease liabilities	20	32,450,739	12,008,797
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities	14	79,656,081	38,959,061
Other liabilities	22	182,165,257	146,135,202
		10,829,831,076	7,746,909,883
<b>NET ASSETS</b>		<u>444,309,556</u>	<u>316,222,251</u>
<b>REPRESENTED BY:</b>			
Share capital	23	12,521,239	12,241,797
Reserves		136,117,024	114,734,831
Surplus on revaluation of assets	24	139,664,851	77,289,805
Unappropriated profit		<u>156,006,442</u>	<u>111,955,818</u>
		<u>444,309,556</u>	<u>316,222,251</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		25	

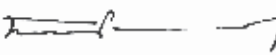
The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

  
**Syed Manzoor Hussain Zaidi**  
 Chief Financial Officer

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

  
**Shazia Syed**  
 Director

  
**Daniel Michael Howlett**  
 Director

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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

		July - September 2025	July - September 2024	January - September 2025	January - September 2024
Note		(Rupees in '000)			
Mark-up / return / interest earned	27	297,224,588	310,741,852	861,218,417	825,895,798
Mark-up / return / interest expensed	28	205,250,937	259,148,402	593,822,518	720,664,403
<b>Net mark-up / interest income</b>		<u>91,973,651</u>	<u>51,593,450</u>	<u>267,395,899</u>	<u>105,231,395</u>
<b>Non mark-up / interest income</b>					
Fee and commission income	29	6,754,687	5,844,125	21,259,706	15,893,508
Dividend income		298,810	266,556	1,732,330	1,189,692
Foreign exchange income		4,836,577	3,294,805	12,280,199	9,662,474
Loss from derivatives		(1,313)	(16,176)	(1,255,891)	(41,021)
Gain on securities - net	30	902,623	5,930,797	9,049,933	24,074,130
Capital gain on derecognition of financial assets measured at amortised cost		-	-	-	2,894,427
Other income	31	252,267	7,260,557	740,231	7,618,066
<b>Total non mark-up / interest income</b>		<u>13,043,651</u>	<u>22,580,664</u>	<u>43,806,508</u>	<u>61,291,276</u>
<b>Total income</b>		<u>105,017,302</u>	<u>74,174,114</u>	<u>311,202,407</u>	<u>166,522,671</u>
<b>Non mark-up / interest expenses</b>					
Operating expenses	32	30,372,033	22,201,169	88,858,478	57,961,029
Workers' Welfare Fund		1,450,463	982,752	4,365,567	2,215,724
Other charges	33	43,321	155	45,815	32,966
<b>Total non mark-up / interest expenses</b>		<u>31,865,817</u>	<u>23,184,076</u>	<u>93,269,860</u>	<u>60,209,719</u>
<b>Profit before credit loss allowance</b>		<u>73,151,485</u>	<u>50,990,038</u>	<u>217,932,547</u>	<u>106,312,952</u>
Credit loss allowance and write-offs - net	34	(822,101)	893,529	(4,711,348)	(1,473,236)
<b>Profit before taxation</b>		<u>73,973,586</u>	<u>50,096,509</u>	<u>222,643,895</u>	<u>107,786,188</u>
Taxation	35	39,270,818	24,556,195	124,150,535	52,800,301
<b>Profit after taxation</b>		<u>34,702,768</u>	<u>25,540,314</u>	<u>98,493,360</u>	<u>54,985,887</u>
<b>(Rupees)</b>					
<b>Earnings per share - basic and diluted - Restated</b>	36	<u>13.86</u>	<u>10.43</u>	<u>39.55</u>	<u>22.46</u>

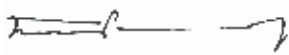
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Syed Manzoor Hussain Zaidi  
Chief Financial Officer

  
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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	July - September 2025	July - September 2024	January - September 2025	January - September 2024
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	34,702,768	25,540,314	98,493,360	54,985,887
<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	(1,125,686)	(249,127)	1,059,096	(1,441,633)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	2,315,505	49,790,714	61,132,466	50,306,596
	1,189,819	49,541,587	62,191,562	48,864,963
<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	2,038,318	532,553	2,566,757	1,370,373
Movement in surplus on revaluation of property and equipment - net of tax	-	(65)	-	5,457
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
	2,038,318	532,488	2,566,757	1,375,830
<b>Total comprehensive income for the period</b>	<u>37,930,905</u>	<u>75,614,389</u>	<u>163,251,679</u>	<u>105,226,680</u>

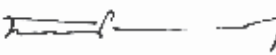
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**Syed Manzoor Hussain Zaidi**  
Chief Financial Officer

  
**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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2024									
Profit after taxation for the nine months ended September 30, 2024	-	-	-	-	-	-	-	54,985,887	54,985,887
Other comprehensive income - net of tax	-	-	(1,441,633)	-	51,676,969	5,457	-	-	50,240,793
Total comprehensive income for the nine months ended September 30, 2024	-	-	(1,441,633)	-	51,676,969	5,457	-	54,985,887	105,226,680
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	-	-	-	5,498,589	-	-	-	(5,498,589)	-
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)
Interim cash dividend - June 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
	-	-	-	-	-	-	-	(40,397,931)	(40,397,931)
Balance as at September 30, 2024 (Un-audited)	12,241,797	-	59,481,222	52,376,712	52,521,188	38,173,381	-	98,207,166	313,001,466
Total comprehensive income for the three months ended December 31, 2024									
Profit after taxation for the three months ended December 31, 2024	-	-	-	-	-	-	-	25,541,647	25,541,647
Other comprehensive income - net of tax	-	-	322,732	-	(13,670,045)	313,782	1,146	4,177,500	(8,854,885)
Total comprehensive income for the three months ended December 31, 2024	-	-	322,732	-	(13,670,045)	313,782	1,146	29,719,147	16,686,762
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	-	-	-	2,554,165	-	-	-	(2,554,165)	-
Transactions with owners, recorded directly in equity									
Interim cash dividend - September 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
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 remeasurement 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 nine months ended September 30, 2025									
Profit after taxation for the nine months ended September 30, 2025	-	-	-	-	-	-	-	98,493,360	98,493,360
Other comprehensive income - net of tax	-	-	1,059,096	-	63,699,223	-	-	-	64,758,319
Total comprehensive income for the nine months ended September 30, 2025	-	-	1,059,096	-	63,699,223	-	-	98,493,360	163,251,679
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	-	-	-	-	-	(52,082)	-	52,082	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(2,627,840)	-	-	2,627,840	-
Share issued under amalgamation	1.1	279,442	10,473,761	-	-	-	-	-	10,753,203
Transfer to statutory reserve	-	-	-	9,849,336	-	-	-	(9,849,336)	-
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)
Interim cash dividend - June 30, 2025 declared at Rs. 8.0 per share	-	-	-	-	-	-	-	(20,033,982)	(20,033,982)
	-	-	-	-	-	-	-	(47,273,322)	(47,273,322)
Balance as at September 30, 2025 (Un-audited)	12,521,239	10,473,761	60,863,050	64,780,213	101,262,338	38,401,367	1,146	156,006,442	444,309,556

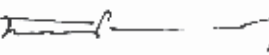
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Syed Manzoor Hussain Zaidi  
Chief Financial Officer

  
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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	January - September 2025	January - September 2024
----- (Rupees in '000) -----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	222,643,895	107,786,188
Less: Dividend income	1,732,330	1,189,692
	<u>220,911,565</u>	<u>106,596,496</u>
<b>Adjustments:</b>		
Depreciation on property and equipment	6,528,435	4,053,854
Depreciation on Islamic financing against leased assets (Ijarah)	102,050	58,652
Depreciation on right-of-use assets	3,014,991	1,782,454
Depreciation on non-banking assets acquired in satisfaction of claims	29,853	2,420
Amortisation	833,959	716,175
Workers' Welfare Fund - charge	4,365,567	2,215,724
Provision for retirement benefits	1,364,137	1,145,073
Provision for compensated absences	109,575	119,882
Credit loss allowance against loans and advances - net	(4,534,504)	(1,142,648)
Credit loss allowance against off - balance sheet obligations - net	198,026	46,676
Credit loss allowance for diminution in value of investments - net	65,525	(250,046)
Interest expense on lease liability against right-of-use assets	2,452,502	1,077,013
Loss / (gain) on sale of Ijarah assets - net	234	(533)
Gain on sale of property and equipment - net	(88,897)	(148,042)
Gain on sale of subsidiary	-	(7,083,501)
Bad debts written-off directly	58,036	36,211
Unrealised gain on revaluation of investments classified as FVTPL	(42,667)	(261,073)
Credit loss allowance against other assets - net	45,220	(11,149)
Other credit loss allowance / write-offs	183,670	161,798
	<u>14,685,712</u>	<u>2,518,940</u>
	<u>235,597,277</u>	<u>109,115,436</u>
<b>(Increase) / Decrease in operating assets</b>		
Lendings to financial institutions	(120,863,254)	33,371,115
Securities classified as FVTPL	(208,564,550)	2,936,771
Advances	345,360,053	(5,957,740)
Other assets (excluding advance taxation)	(219,007,360)	(34,308,513)
	<u>(203,075,111)</u>	<u>(3,958,367)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(11,566,664)	2,187,803
Borrowings	868,740,628	1,488,484,808
Deposits and other accounts	2,128,578,212	487,455,205
Other liabilities	18,429,781	38,602,636
	<u>3,004,181,957</u>	<u>2,016,730,452</u>
	<u>3,036,704,123</u>	<u>2,121,887,521</u>
Receipts on account of staff retirement benefits	628,616	2,808,765
Income taxes paid	(83,447,204)	(43,115,580)
<b>Net cash flow generated from operating activities</b>	<u>2,953,885,535</u>	<u>2,081,580,706</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities classified as FVOCI	(2,377,825,293)	(1,991,646,143)
Net investments in amortized cost securities	(213,820,407)	38,842,561
Net investments in subsidiaries	-	1,855,222
Net investments in associates	9,910	-
Net cash inflow on amalgamation	15,198,229	-
Dividend income received	1,715,365	1,156,617
Proceeds realised on sale of subsidiary	-	9,053,275
Investment in property and equipments and intangible assets	(94,585,879)	(17,988,176)
Sale proceeds from disposal of property and equipments	279,777	168,370
Sale proceeds from disposal of Ijarah assets	10,360	27,645
Effect of translation of net investment in overseas branches	1,059,096	(1,441,633)
<b>Net cash flow used in investing activities</b>	<u>(2,667,958,842)</u>	<u>(1,959,972,262)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(4,870,019)	(2,693,923)
Payment of subordinated debt	(1,998,400)	-
Dividend paid	(47,023,178)	(40,399,075)
<b>Net cash flow used in financing activities</b>	<u>(53,891,597)</u>	<u>(43,092,998)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>232,035,096</u>	<u>78,515,446</u>
Cash and cash equivalents at the beginning of the period	367,534,705	309,638,228
Effect of exchange rate changes on cash and cash equivalents	2,179,452	(1,607,260)
	<u>369,714,157</u>	<u>308,030,968</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>601,749,253</u></u>	<u><u>386,546,414</u></u>

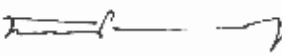
The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

  
**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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 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 1,818 (December 31, 2024: 1,474) branches inside Pakistan including 689 (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 had sanctioned the scheme of amalgamation of SBL with and into the Bank, 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 assets</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 by an independent firm 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 NINE MONTHS ENDED SEPTEMBER 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><u>(61,009,767)</u></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 NINE MONTHS ENDED SEPTEMBER 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 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 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 NINE MONTHS ENDED SEPTEMBER 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 assets</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:

Surplus on revaluation of investments	Rupees in '000
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 unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		65,306,670	53,188,216
Foreign currencies		12,541,751	8,126,798
		77,848,421	61,315,014
With State Bank of Pakistan in			
Local currency current accounts		168,039,819	108,175,484
Foreign currency current accounts		7,305,340	5,094,782
Foreign currency deposit accounts		11,205,695	8,205,041
		186,550,854	121,475,307
With other central banks in			
Foreign currency current accounts		99,512,867	88,215,425
Foreign currency deposit accounts		113,476,547	19,326,856
		212,989,414	107,542,281
With National Bank of Pakistan in			
Local currency current accounts		53,349,877	19,133,450
Foreign currency deposit accounts		-	-
		53,349,877	19,133,450
National prize bonds		352,620	479,356
		531,091,186	309,945,408
Less: Credit loss allowance held against cash and balances with treasury banks	6.1	(77,382)	(199,497)
Cash and balances with treasury banks - net of credit loss allowance		<u>531,013,804</u>	<u>309,745,911</u>
<b>6.1</b> Cash and balances with treasury banks are all classified as Stage 1.			
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		245,967	-
In deposit accounts		141	7
		246,108	7
Outside Pakistan			
In current accounts		56,425,871	47,801,939
In deposit accounts		14,065,809	12,173,491
		70,491,680	59,975,430
		70,737,788	59,975,437
Less: Credit loss allowance held against balances with other banks	7.1	(2,339)	(7,191)
Balances with other banks - net of credit loss allowance		<u>70,735,449</u>	<u>59,968,246</u>
<b>7.1</b> Balances with other banks are all classified as Stage 1.			



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

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
8. LENDINGS TO FINANCIAL INSTITUTIONS	Note	----- (Rupees in '000) -----	
Call lending		135,500,000	-
Repurchase agreement lendings (Reverse Repo)		3,855,801	2,492,483
Bai Muajjal receivable with Scheduled bank / financial institution		-	16,000,000
		139,355,801	18,492,483
Less: Credit loss allowance held against lending to financial institutions	8.1	(64)	-
Lending to financial institutions - net of credit loss allowance		139,355,737	18,492,483

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

	September 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>FVTPL</b>								
Federal Government Securities	230,612,028	-	41,687	230,653,715	22,066,195	-	35,068	22,101,263
Shares and units	53,825	-	980	54,805	-	-	-	-
Non-Government debt securities	1,864,893	-	-	1,864,893	1,864,933	-	-	1,864,933
	232,530,746	-	42,667	232,573,413	23,931,128	-	35,068	23,966,196
<b>FVOCI</b>								
Federal Government securities	7,516,763,054	(1,898,692)	200,650,710	7,715,515,072	5,330,379,611	(1,556,324)	75,878,404	5,404,701,691
Shares and units	11,405,112	-	10,566,618	21,971,730	15,141,147	-	7,869,404	23,010,551
Non-Government debt securities	4,901,590	(394,033)	247,631	4,755,188	462,335	(162,407)	-	299,928
Foreign securities	305,439,529	(7,273)	(501,754)	304,930,502	112,833,367	(15,298)	(2,841,124)	109,976,945
	7,838,509,285	(2,299,998)	210,963,205	8,047,172,492	5,458,816,460	(1,734,029)	80,906,684	5,537,989,115
<b>Amortized cost</b>								
Federal Government securities	494,839,590	(296,662)	-	494,542,928	277,953,188	-	-	277,953,188
Non-Government debt securities	19,616,980	(668,565)	-	18,948,415	20,604,187	(1,264,743)	-	19,339,444
Foreign securities	22,935,565	(7,309)	-	22,928,256	25,321,895	(15,335)	-	25,306,560
	537,392,135	(972,536)	-	536,419,599	323,879,270	(1,280,078)	-	322,599,192
<b>Associates</b>	1,307,395	(1,057,485)	-	249,910	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>	8,611,839,561	(4,330,019)	211,005,872	8,818,515,414	5,810,024,343	(4,071,592)	80,941,752	5,886,894,503

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
9.1.1 Investments given as collateral	----- (Rupees in '000) -----	
<b>Federal Government securities</b>		
Market Treasury Bills	1,999,392	285,281,664
Pakistan Investment Bonds	5,361,574,976	4,331,366,718
Foreign securities	3,491,525	29,926,938
	5,367,065,893	4,646,575,320

The market value of securities given as collateral is Rs. 5,502,715 million (December 31, 2024: Rs. 4,691,781 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
9.2 Credit loss allowance for diminution in value of investments	----- (Rupees in '000) -----	
Opening balance	4,071,592	26,013,551
Transfer under amalgamation	181,559	-
Exchange adjustments	11,343	(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	1,053,929	108,170
Reversals for the period / year	(988,404)	(381,411)
	65,525	(273,241)
Derecognition of ECL on disposals	-	(15,474,456)
Amounts written off	-	-
Closing balance	4,330,019	4,071,592

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

## FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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

Category of classification		September 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	8,177,962,217	589	5,644,745,195	589
Under performing	Stage 2	-	-	-	-
<b>Non-performing</b>					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		627,063	627,063	618,283	618,283
<b>Overseas</b>					
Performing	Stage 1	418,383,949	2,644,882	138,034,682	30,630
Under performing	Stage 2	-	-	8,087,551	2,364,605
<b>Non-performing</b>					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		-	-	-	-
<b>Total</b>		<u>8,596,973,229</u>	<u>3,272,534</u>	<u>5,791,485,711</u>	<u>3,014,107</u>

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

September 30, 2025 (Un-audited)						
Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit after tax	Total comprehensive income for the period
(Rupees in '000)						
%						
<b>Associates</b>						
UBL Insurers Limited	Pakistan 30.00%	14,245,877	11,382,261	1,715,135	236,890	230,575
<b>Subsidiaries</b>						
UBL Fund Managers Limited	Pakistan 98.87%	6,749,369	851,990	3,574,578	1,473,666	1,473,666
UBL Currency Exchange (Private) Limited	Pakistan 100.00%	2,466,265	413,474	739,265	87,808	86,484
September 30, 2024 (Un-audited)						
Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit after tax	Total comprehensive income for the period
(Rupees in '000)						
%						
<b>Associates</b>						
UBL Insurers Limited	Pakistan 30.00%	12,772,031	10,049,197	1,647,237	544,100	616,553
<b>Subsidiaries</b>						
UBL Fund Managers Limited	Pakistan 98.87%	6,724,719	2,858,267	2,624,212	798,976	798,976
UBL Currency Exchange (Private) Limited	Pakistan 100.00%	2,450,738	457,480	362,634	7,509	6,400

9.4 The market value of securities classified as amortised cost as at September 30, 2025 amounted to Rs. 540,219.510 million (December 31, 2024: Rs. 322,113.848 million).

### 10. ADVANCES

Note	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
(Rupees in '000)						
Loans, cash credits, running finances, etc.	659,637,500	1,250,821,132	109,044,216	108,082,351	768,681,716	1,358,903,483
Islamic financing and related assets	361,736,189	149,696,208	573,274	260,774	362,309,463	149,956,982
Bills discounted and purchased	94,404,213	48,618,071	3,027,846	7,648,825	97,432,059	56,266,896
<b>Advances - gross</b>	<b>1,115,777,902</b>	<b>1,449,135,411</b>	<b>112,645,336</b>	<b>115,991,950</b>	<b>1,228,423,238</b>	<b>1,565,127,361</b>
Expected credit loss allowance against advances	10.3					
-Stage 1	(7,010,984)	(6,009,588)	-	-	(7,010,984)	(6,009,588)
-Stage 2	(10,616,554)	(7,736,178)	-	-	(10,616,554)	(7,736,178)
-Stage 3	-	-	(107,401,834)	(107,899,651)	(107,401,834)	(107,899,651)
	(17,627,538)	(13,745,766)	(107,401,834)	(107,899,651)	(125,029,372)	(121,645,417)
<b>Advances - net of expected credit loss allowance</b>	<b>1,098,150,364</b>	<b>1,435,389,645</b>	<b>5,243,502</b>	<b>8,092,299</b>	<b>1,103,393,866</b>	<b>1,443,481,944</b>

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

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
10.1 Particulars of advances - gross		
In local currency	839,465,636	1,109,925,640
In foreign currencies	388,957,602	455,201,721
	<u>1,228,423,238</u>	<u>1,565,127,361</u>

10.2 Advances include Rs.112,645.336 million (December 31, 2024: Rs. 115,991.950 million) which have been placed under non-performing status as detailed below:

Category of Classification in Stage 3	(Un-audited) September 30, 2025		(Audited) December 31, 2024	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned	93,776	49,588	80,088	47,504
Substandard	2,327,793	1,593,985	2,307,470	1,538,389
Doubtful	462,847	259,316	280,114	135,921
Loss	73,104,365	72,127,264	22,398,233	21,455,978
	<u>75,988,781</u>	<u>74,030,153</u>	<u>25,065,905</u>	<u>23,177,792</u>
<b>Overseas</b>				
Other Assets Especially Mentioned	-	-	-	-
Substandard	20,003	12,410	78,407	12,297
Doubtful	18,893	-	4,305,685	1,568,890
Loss	36,617,659	33,359,271	86,541,953	83,140,672
	<u>36,656,555</u>	<u>33,371,681</u>	<u>90,926,045</u>	<u>84,721,859</u>
Total	<u>112,645,336</u>	<u>107,401,834</u>	<u>115,991,950</u>	<u>107,899,651</u>

10.3 Particulars of credit loss allowance against advances

	September 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	15,206	36,045	846,540	897,791	(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	1,725,001	2,450,080	568,200	4,743,281	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(2,786,909)	(1,811,622)	(4,679,254)	(9,277,785)	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	<u>(1,061,908)</u>	<u>638,458</u>	<u>(4,111,054)</u>	<u>(4,534,504)</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)	(43,561)	-	-	(69,501)	(69,501)
Other adjustments	(172,049)	-	(172,049)	-	-	597,848	54,112	651,960
Amounts written off	-	-	(49,493,363)	(49,493,363)	-	-	(577,830)	(577,830)
Transfers (out) / in - net	883,253	(1,017,029)	133,776	-	462,123	(6,073,900)	5,611,777	-
Closing balance	<u>7,010,984</u>	<u>10,616,554</u>	<u>107,401,834</u>	<u>125,029,372</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

	September 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	15,206	36,045	846,540	897,791	(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	2,659,780	1,103,695	201,524	3,964,999	2,067,736	1,758,867	-	3,826,603
Advances derecognized or repaid	(2,786,909)	(1,811,622)	(4,679,254)	(9,277,785)	(376,907)	(1,687,780)	(3,180,881)	(5,245,568)
Transfer to stage 1	1,037,122	(1,013,196)	(23,926)	-	412,794	(412,794)	-	-
Transfer to stage 2	(141,645)	155,229	(13,584)	-	53,836	173,493	(227,329)	-
Transfer to stage 3	(12,224)	(159,062)	171,286	-	(4,507)	(5,834,599)	5,839,106	-
	<u>756,124</u>	<u>(1,724,956)</u>	<u>(4,343,954)</u>	<u>(5,312,786)</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)	(43,561)	-	-	(69,501)	(69,501)
Other adjustments	(172,049)	-	(172,049)	-	-	597,848	54,112	651,960
Amounts written off	-	-	(49,493,363)	(49,493,363)	-	-	(577,830)	(577,830)
Changes in risk parameters	(934,779)	1,346,385	366,676	778,282	(945,706)	179,194	13,439,125	12,672,613
Closing balance	<u>7,010,984</u>	<u>10,616,554</u>	<u>107,401,834</u>	<u>125,029,372</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 NINE MONTHS ENDED SEPTEMBER 30, 2025

## 10.4.1 Advances - Category of classification

		September 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	732,943,388	5,823,537	1,075,219,446	4,488,965
Under performing	Stage 2	60,744,922	7,290,836	53,914,657	4,104,778
Non-performing	Stage 3				
Substandard		2,421,569	1,643,573	2,387,558	1,585,893
Doubtful		462,847	259,316	280,114	135,921
Loss		73,104,365	72,127,264	22,398,233	21,455,978
		75,988,781	74,030,153	25,065,905	23,177,792
Sub Total		869,677,091	87,144,526	1,154,200,008	31,771,535
<b>Overseas</b>					
Performing	Stage 1	301,568,079	1,187,447	292,653,746	1,520,623
Under performing	Stage 2	20,521,513	3,325,718	27,347,562	3,631,400
Non-performing	Stage 3				
Substandard		20,003	12,410	78,407	12,297
Doubtful		18,893	-	4,305,685	1,568,890
Loss		36,617,659	33,359,271	86,541,953	83,140,672
		36,656,555	33,371,681	90,926,045	84,721,859
Sub Total		358,746,147	37,884,846	410,927,353	89,873,882
Total		1,228,423,238	125,029,372	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. 549.140 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)
		September 30, 2025	December 31, 2024
		----- (Rupees in '000) -----	
<b>11. PROPERTY AND EQUIPMENT</b>		Note	
Capital work-in-progress	11.1	13,061,172	3,294,327
Property and equipment		97,810,205	81,952,404
		110,871,377	85,246,731
<b>11.1 Capital work-in-progress</b>			
Civil works		9,154,834	2,141,941
Equipment		1,766,400	897,707
Advances to suppliers		2,139,938	254,679
		13,061,172	3,294,327
		(Un-audited)	
		January - September 2025	January - September 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		9,766,845	6,658,454
<b>Property and equipment</b>			
Freehold land		2,679,519	770,331
Leasehold land		-	2,448,554
Building on freehold land		748,040	72,355
Building on leasehold land		1,250,665	-
Leasehold improvements		4,168,333	1,389,211
Furniture and fixtures		1,593,816	856,194
Electrical, office and computer equipment		8,717,047	4,061,700
Vehicles		1,104,840	985,454
		20,262,260	10,583,799
Total		30,029,105	17,242,253

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

(Un-audited)

January - September 2025      January - September 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	107,348	11,648
Furniture and fixtures	6,437	2,381
Electrical, office and computer equipment	43,560	2,904
Vehicles	33,535	3,395
Total	190,880	20,328

## 12. RIGHT-OF-USE ASSETS

	September 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	23,740,436	67,341	23,807,777	4,651,429	19,761	4,671,190
Deletions during the period / year	(985,327)	-	(985,327)	(837,213)	(11,130)	(848,343)
Depreciation charge for the period / year	(2,978,936)	(36,055)	(3,014,991)	(2,361,515)	(62,266)	(2,423,781)
Exchange rate adjustments	-	-	-	(11)	-	(11)
Net Carrying Amount	29,610,109	93,434	29,703,543	9,833,936	62,148	9,896,084

## 13. INTANGIBLE ASSETS

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
Capital work-in-progress - Computer software		882,154	167,129
Intangible assets - Computer software		1,997,513	2,314,346
Assets through business combination	1.1	61,009,767	-
		63,889,434	2,481,475

## 13.1 Additions to intangible assets - net

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

Capital work-in-progress - net	715,025	348,918
Directly purchased - Intangible assets	280,236	397,005
	995,261	745,923

## 14. DEFERRED TAX (LIABILITIES) / ASSETS

### Deductible temporary differences on

Credit loss allowance against advances and off balance sheet obligations	30,201,464	7,252,539
Workers' Welfare Fund	8,978,509	6,638,445
Interest expense allowed u/s 1(ba) of 7th schedule	988,008	-
	40,167,981	13,890,984

### Taxable temporary differences on

Surplus on revaluation of property and equipment / non-banking assets	(1,161,630)	(1,219,970)
Surplus on revaluation of investments	(112,793,092)	(45,227,466)
Post retirement employee benefits	(5,378,140)	(5,378,140)
Accelerated tax depreciation	(361,905)	(960,788)
Others	(129,295)	(63,681)
	(119,824,062)	(52,850,045)
	(79,656,081)	(38,959,061)

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>15. OTHER ASSETS</b>			
Income / mark-up accrued in local currency		254,794,781	161,322,103
Income / mark-up accrued in foreign currencies	15.1	11,844,330	3,617,197
Advance taxation - net of provision for taxation	22.3	-	1,913,753
Receivable from staff retirement fund		11,179,323	13,006,849
Branch adjustment account		109,284	-
Receivable from other banks against telegraphic transfers and demand drafts		7,226,686	2,097,214
Unrealized gain on forward foreign exchange contracts		1,254,250	1,102,125
Rebate / incentive receivable - net		26,397,124	9,500,919
Unrealised gain on derivative financial instruments	26	9,961	1,262,202
Suspense accounts		380,122	51,321
Stationery and stamps on hand		530,165	599,150
Non-banking assets acquired in satisfaction of claims		1,676,384	39,688
Advances, deposits, advance rent and other prepayments		7,989,256	3,266,211
Dividend receivable		16,965	-
Commission receivable - Bancassurance & Branchless Banking		676,047	719,773
Receivable against fraud & forgery and looted notes		501,148	463,765
Acceptances	22	60,779,508	38,205,805
Prepaid deferred expense		14,100,722	9,880,472
Others		9,326,041	1,432,231
		<u>408,792,097</u>	<u>248,480,778</u>
Expected credit loss allowance / provision held against other assets	15.2	<u>(2,132,476)</u>	<u>(1,558,408)</u>
Other assets - net of expected credit loss allowance		406,659,621	246,922,370
Surplus / (Deficit) on revaluation of non-banking assets acquired in satisfaction of claims	24	2,387	2,387
		<u>406,662,008</u>	<u>246,924,757</u>

**15.1** Unrealised mark-up held in suspense amounting to Rs.23,856.163 million (December 31, 2024: Rs. 46,732.081 million) against non-performing overseas advances has been netted off.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>15.2 Expected credit loss allowance held against other assets</b>		
Advances, deposits, advance rent and other prepayments	1,104,901	1,094,643
Receivable against fraud & forgery and looted notes	501,148	463,765
Others	526,427	-
	<u>2,132,476</u>	<u>1,558,408</u>

## 15.2.1 Movement in expected credit loss allowance held against other assets

Opening balance	1,558,408	1,150,885
Exchange adjustments	3,421	(5,319)
Transfer under amalgamation	526,427	-
Charge / (reversals)		
Charge for the period / year	85,967	595,026
Reversals for the period / year	(40,747)	(118,774)
	45,220	476,252
Transfers out - net	-	(62,852)
Amounts written off	(1,000)	(558)
Closing balance	<u>2,132,476</u>	<u>1,558,408</u>

## 16 CONTINGENT ASSETS

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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

			(Un-audited) September 30, 2025	(Audited) December 31, 2024
			----- (Rupees in '000) -----	
<b>17. BILLS PAYABLE</b>				
In Pakistan			29,445,716	42,994,426
Outside Pakistan			3,209,438	1,227,392
			<u>32,655,154</u>	<u>44,221,818</u>
<b>18. BORROWINGS</b>				
<b>Secured</b>				
Borrowings from the State Bank of Pakistan under:				
Export refinance scheme			26,265,932	31,367,936
Refinance facility for modernization of SME			1,590,011	2,119,689
Long term financing facility			8,156,814	10,373,465
Renewable energy scheme			1,182,551	1,339,755
Temporary economic refinance facility			13,378,533	15,009,764
Refinance facility for combating COVID-19			44,208	110,693
Repurchase agreement borrowings			5,348,005,930	4,532,326,857
Financing facility for storage of agriculture products			46,993	20,625
Refinance for women entrepreneurs			32,879	45,295
			5,398,703,851	4,592,714,079
Repurchase agreement borrowings			136,980,850	157,965,709
Bai Muajjal			19,998,686	-
			<u>156,979,536</u>	<u>157,965,709</u>
<b>Unsecured</b>				
Call borrowings			165,702,301	103,908,861
Overdrawn nostro accounts			2,728,456	784,867
			<u>168,430,757</u>	<u>104,693,728</u>
			<u>5,724,114,144</u>	<u>4,855,373,516</u>
<b>19. DEPOSITS AND OTHER ACCOUNTS</b>				
			September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
			In Local Currency	In Local Currency
			In Foreign Currencies	In Foreign Currencies
			Total	Total
			----- (Rupees in '000) -----	
<b>Customers</b>				
Current deposits	1,564,502,398	819,270,065	2,383,772,463	1,061,667,711
Savings deposits	1,128,578,765	67,753,126	1,196,331,891	745,150,912
Term deposits	423,833,009	128,238,162	552,071,171	74,795,514
Others	108,274,741	10,337,342	118,612,083	50,177,905
	<u>3,225,188,913</u>	<u>1,025,598,695</u>	<u>4,250,787,608</u>	<u>1,931,792,042</u>
				584,385,949
				<u>2,516,177,991</u>
<b>Financial Institutions</b>				
Current deposits	8,609,274	6,398,060	15,007,334	18,273,598
Saving deposits	398,363,029	83,997	398,447,026	95,621,869
Term deposits	97,491,013	7,056,720	104,547,733	131,850
	<u>504,463,316</u>	<u>13,538,777</u>	<u>518,002,093</u>	<u>114,027,317</u>
				10,006,181
	<u>3,729,652,229</u>	<u>1,039,137,472</u>	<u>4,768,789,701</u>	<u>2,045,819,359</u>
				<u>594,392,130</u>
				<u>2,640,211,489</u>
<b>19.1</b>	This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 2,139,489.538 million (December 31, 2024: Rs 1,637,394.911 million).			
<b>20. LEASE LIABILITIES</b>				
			(Un-audited) September 30, 2025	(Audited) December 31, 2024
			----- (Rupees in '000) -----	
<b>Note</b>				
Opening balance			12,008,797	10,339,867
Addition during the period / year			23,915,232	4,645,024
Lease payments including interest			(4,870,019)	(3,501,433)
Interest expense			2,452,502	1,469,697
Termination/modification			(1,055,773)	(944,022)
Exchange adjustments			-	(336)
Closing balance			<u>32,450,739</u>	<u>12,008,797</u>
<b>20.1 Liabilities Outstanding</b>				
Not later than one year			361,715	331,744
Later than one year and upto five years			4,976,045	4,086,832
Over five years			27,112,979	7,590,221
Total			<u>32,450,739</u>	<u>12,008,797</u>
<b>21. SUBORDINATED DEBT</b>				
Listed Term Finance Certificates - Additional Tier I		21.1	<u>10,000,000</u>	<u>10,000,000</u>

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

- 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.

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>22. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		51,235,464	55,728,483
Mark-up / return / interest payable in foreign currencies		1,145,171	1,192,511
Accrued expenses		13,694,869	17,598,319
Branch adjustment account		-	153,603
Deferred income		3,090,442	2,532,247
Unearned commission and income on bills discounted		2,502,965	3,100,180
Credit loss allowance against off-balance sheet obligations	22.1	3,983,351	3,385,916
Unrealized loss on forward foreign exchange contracts		750,233	1,324,301
Unrealized loss on derivative financial instruments	26	11,998	5,708
Deferred liabilities	22.2	4,926,854	4,652,052
Current taxation (provisions less payments)	22.3	12,500,110	-
Workers' Welfare Fund payable		17,168,934	12,766,241
Liabilities against card settlement		336,027	74,372
Dividends payable		582,993	372,343
Unclaimed dividends		432,866	393,372
Acceptances	15	60,779,508	38,205,805
Charity fund balance		18,690	17,237
Levies and taxes payable		3,789,018	888,448
Others		5,215,764	3,744,064
		<u>182,165,257</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		17,256	(11,779)
Impact of adoption of IFRS 9		-	1,037,902
Charge / (reversal)			
Charge for the period / year		226,045	1,308,168
Reversals for the period / year		(28,019)	(4,760)
		<u>198,026</u>	<u>1,303,408</u>
Closing balance		<u>3,983,351</u>	<u>3,385,916</u>
<b>22.2 Deferred liabilities</b>			
Provision for post-retirement medical benefits		3,163,308	2,921,465
Provision for compensated absences		557,013	554,514
End of service benefits			
-Overseas branches		752,241	675,476
-Outsourced services		454,292	500,597
		<u>4,926,854</u>	<u>4,652,052</u>



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

## FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

- 22.3** 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, 2024 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 2025 (accounting year ended December 31, 2024) 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 2025. 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.

## 23. SHARE CAPITAL

### Authorised Capital

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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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) September 30, 2025	(Audited) December 31, 2024
Note		----- (Rupees in '000) -----	
	<b>Surplus / (Deficit) arising on revaluation of:</b>		
	- Securities measured at FVOCI - Debt	200,396,587	73,037,280
	- Securities measured at FVOCI - Equity	10,566,618	7,869,404
	- Property and Equipment	39,561,756	39,672,178
	- Non-banking assets acquired in satisfaction of claims	2,387	2,387
		250,527,348	120,581,249
	<b>Deferred tax on surplus / (deficit) on revaluation of:</b>		
	- Securities measured at FVOCI - Debt	104,206,225	37,979,386
	- Securities measured at FVOCI - Equity	5,494,641	4,092,088
	- Property and Equipment	1,160,389	1,218,729
	- Non-banking assets acquired in satisfaction of claims	1,241	1,241
		110,862,497	43,291,444
		139,664,851	77,289,805

## 25. CONTINGENCIES AND COMMITMENTS

Guarantees	25.1	446,778,263	352,581,311
Commitments	25.2	1,733,552,512	1,433,032,657
Other contingent liabilities	25.3	17,730,732	15,960,716
		2,198,061,507	1,801,574,684

### 25.1 Guarantees:

Financial guarantees	145,433,717	124,354,428
Performance guarantees	252,674,513	221,439,705
Other guarantees	48,670,033	6,787,178
	446,778,263	352,581,311

### 25.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		464,140,769	354,707,969
Commitments in respect of:			
- forward foreign exchange contracts	25.2.2	862,551,047	582,473,911
- forward Government securities transactions	25.2.3	22,026,100	319,286,690
- forward lending	25.2.4	369,427,489	168,187,869
- future equity	25.2.5	54,675	-
- operating leases	25.2.6	94,316	172,438
		1,254,153,627	1,070,120,908
Commitments for acquisition of:			
- property and equipment		12,337,008	6,691,082
- intangible assets		2,921,108	1,512,698
		15,258,116	8,203,780
		1,733,552,512	1,433,032,657

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## 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.

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>25.2.2 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		468,411,245	302,218,129
Sale		394,139,802	280,255,782
		<u>862,551,047</u>	<u>582,473,911</u>

## 25.2.3 Commitments in respect of forward Government securities transactions

Purchase	22,026,100	296,701,690
Sale	-	22,585,000
	<u>22,026,100</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	152,529,040	73,281,452
Others		216,898,449	94,906,417
		<u>369,427,489</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) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>25.2.5 Commitments in respect of equity futures</b>			
Purchase		-	-
Sale		54,675	-
		<u>54,675</u>	<u>-</u>

## 25.2.6 Commitments in respect of operating leases

Not later than one year	94,316	167,593
Later than one year and not later than five years	-	4,845
Later than five years	-	-
	<u>94,316</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>17,730,732</u>	<u>15,960,716</u>
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# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 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 22.3.

## 26. Derivative Instruments

### Product analysis

September 30, 2025 (Un-audited)									
Equity Futures		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss
(Rupees in '000)									
Hedging	54,675	(131)	-	-	-	-	-	54,675	(131)
Market making	-	-	-	-	22,026,100	(1,906)	-	22,026,100	(1,906)
	54,675	(131)	-	-	22,026,100	(1,906)	-	22,080,775	(2,037)
December 31, 2024 (Audited)									
Equity Futures		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	(2,215)	319,286,690	1,256,494
	-	-	-	-	296,701,690	1,258,709	22,585,000	319,286,690	1,256,494

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

On:

	(Un-audited) January - September 2025	January - September 2024
Loans and advances	88,272,759	76,571,924
Investments	762,039,678	740,983,709
Lendings to financial institutions	3,085,136	2,344,231
Balances with banks	7,820,844	5,995,934
	861,218,417	825,895,798

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

On:

Deposits	121,529,865	163,760,310
Borrowings	467,078,971	550,793,691
Subordinated debt	1,018,280	1,684,277
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,742,900	3,349,112
Lease liability against right-of-use assets	2,452,502	1,077,013
	593,822,518	720,664,403

## 29. FEE AND COMMISSION INCOME

Branch banking customer fee	1,581,806	1,466,598
Consumer finance related fee	1,145,977	887,277
Card related fee (debit and credit cards)	5,742,734	2,781,490
Investment banking fee	943,685	230,095
Financial Institution rebate / commission	873,745	564,743
Corporate service charges / facility fee	1,761,004	1,087,435
Commission on trade	2,670,842	2,360,854
Commission on guarantees	1,372,147	1,076,961
Commission on cash management	814,978	852,766
Commission / Incentive on remittances including home remittances - net	2,996,261	3,355,085
Commission on bancassurance	776,966	869,807
Rent on lockers	249,438	169,118
Others	330,123	191,279
	21,259,706	15,893,508

## 30. GAIN ON SECURITIES - NET

Realized	30.1	9,007,266	23,813,057
Unrealized - Measured at FVTPL	9.1	42,667	261,073
		9,049,933	24,074,130

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	(Un-audited) January - September 2025	(Un-audited) January - September 2024
	----- (Rupees in '000) -----	
<b>30.1 Realized gain on:</b>		
Federal Government securities	8,978,322	19,381,500
Shares	7,109	244,402
Foreign securities	21,386	4,158,628
Other securities	449	28,527
	<u>9,007,266</u>	<u>23,813,057</u>
<b>31. OTHER INCOME</b>		
Charges recovered	468,455	313,184
Rent on properties	100,361	79,225
Gain on sale of Property and equipment - net	88,897	148,042
(Loss) / gain on sale of Ijarah assets - net	(234)	533
Gain / (Loss) on trading liabilities - net	82,752	(6,419)
	<u>740,231</u>	<u>7,618,066</u>
<b>32. OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	35,319,295	23,281,825
<b>Property expense</b>		
Rent and taxes	1,810,675	1,136,766
Insurance	145,586	228,995
Utilities cost	2,887,818	2,460,098
Security (including guards)	1,702,119	1,228,652
Repair and maintenance (including janitorial charges)	572,506	368,059
Depreciation on owned fixed assets	1,477,713	1,009,926
Depreciation on right-of-use assets	3,014,991	1,782,454
Depreciation on non-banking assets acquired in satisfaction of claims	29,853	2,420
Others	39,176	35,675
	<u>11,680,437</u>	<u>8,253,045</u>
<b>Information technology expenses</b>		
Software maintenance	2,900,242	2,483,947
Hardware maintenance	594,673	462,621
Depreciation	1,981,985	1,313,672
Amortisation	833,959	716,175
Network charges	914,625	804,450
Consultancy charges	674,566	218,856
	<u>7,900,050</u>	<u>5,999,721</u>
<b>Other operating expenses</b>		
Legal and professional charges	537,651	357,773
Outsourced service costs	2,139,841	1,502,695
Commission paid to branchless banking agents	154,353	230,293
Commission paid to sales force	843,589	1,439,521
Travelling and conveyance	288,413	181,837
Clearing charges	416,019	252,061
Depreciation - others	3,068,737	1,730,256
Depreciation on Islamic financing against leased assets	102,050	58,652
Training and development	109,988	149,446
Postage and courier charges	344,919	345,773
Communication	220,019	213,667
Stationery and printing	1,896,793	1,547,947
Marketing, advertisement and publicity	6,701,080	1,465,623
Donations	142,090	197,391
Auditors' remuneration	145,263	107,254
Insurance	282,467	90,341
Deposit protection premium expense	1,964,874	1,652,188
Cash transportation and sorting charges	1,272,404	897,443
Entertainment	522,661	296,155
Office running expenses	369,766	275,966
Vehicle expenses	1,177,028	403,043
Banking service charges	7,571,493	4,738,200
Repairs and maintenance	1,892,271	1,302,904
Subscription	118,078	85,564
Miscellaneous expenses	1,676,849	904,445
	<u>33,958,696</u>	<u>20,426,438</u>
	<u>88,858,478</u>	<u>57,961,029</u>

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

		(Un-audited)	
		January - September 2025	January - September 2024
		(Rupees in '000) -----	
33.	OTHER CHARGES	Note	
	Penalties imposed by the SBP		45,7782,306
	Penalties imposed by other regulatory bodies of overseas branches		3730,660
			45,81532,966
34.	CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
	Credit loss allowance for diminution in value of investments	9.2	65,525(250,046)
	Credit loss allowance against loans and advances	10.3	(4,534,504)(1,142,648)
	Bad debts written off directly		58,03636,211
	Credit loss allowance against other assets - net	15.2.1	45,220(11,149)
	Credit loss allowance against off-balance sheet obligations - net	22.1	198,02646,676
	Recovery of written-off / charged off bad debts		(605,206)(314,078)
	Credit loss allowance against cash and balances with treasury banks		(122,115)-
	Other provisions and write-offs		183,670161,798
			(4,711,348)(1,473,236)
35.	TAXATION		
	Current		91,039,22155,274,229
	Prior years		6,747,701(267,820)
	Deferred		26,363,613(2,206,108)
			124,150,53552,800,301
			(Un-audited)
			January - September 2025
			January - September 2024
			(Rupees in '000) -----
36.	EARNINGS PER SHARE		
	Profit after taxation for the period		98,493,36054,985,887
			----- (Number of shares) -----
	Weighted average number of ordinary shares		2,490,122,1172,448,359,374
			----- (Rupees) -----
Earnings per share - basic and diluted - restated			39.5522.46
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 September 30, 2025 and September 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 NINE MONTHS ENDED SEPTEMBER 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.

37.1.2 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
<b>Non-listed equity investments financial sector</b>				
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:

Carrying value	September 30, 2025 (Un-audited)			
	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	7,946,168,787	-	7,946,168,787	-
- Shares and units	22,026,535	17,688,963	-	4,337,572
- Foreign securities	304,930,502	-	304,930,502	-
- Non-Government debt securities	6,620,081	-	6,620,081	-
	8,279,745,905	17,688,963	8,257,719,370	4,337,572
				8,279,745,905
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
- Federal Government Securities	494,542,928	-	498,635,703	-
- Foreign securities	22,927,645	-	22,554,864	-
- Non-Government debt securities	18,948,415	-	19,028,943	-
	536,418,988	-	540,219,510	-
	8,816,164,893	17,688,963	8,797,938,880	4,337,572
				8,819,965,415

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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

Foreign exchange contracts - purchased and sold  
Equity future -sold  
Forward Government Securities - purchased and sold

September 30, 2025 (Un-audited)				
Carrying value	Fair value			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
862,551,047	-	504,017	-	504,017
54,675	(131)	-	-	(131)
22,026,100	-	(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			Total
	Level 1	Level 2	Level 3	
----- (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  
Equity future -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

September 30, 2025 (Un-audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
65,177,885	-	-	65,177,885	65,177,885
1,678,771	-	-	1,678,771	1,678,771
66,856,656	-	-	66,856,656	66,856,656

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 NINE MONTHS ENDED SEPTEMBER 30, 2025

## 38. SEGMENT INFORMATION

### 38.1 Segment details with respect to business activities

For the nine months ended September 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	18,593,270	275,517,880	(76,135,374)	22,210,100	25,659,351	1,550,672	267,395,899
Inter segment (expense) / revenue - net	(8,315,936)	(138,293,368)	149,026,826	-	-	(2,417,522)	-
Non mark-up / return / interest income	8,796,555	16,734,829	12,196,973	1,125,991	4,158,206	793,954	43,806,508
<b>Total Income / (loss)</b>	<b>19,073,889</b>	<b>153,959,341</b>	<b>85,088,425</b>	<b>23,336,091</b>	<b>29,817,557</b>	<b>(72,896)</b>	<b>311,202,407</b>
Segment direct expenses	3,989,834	3,209,225	58,749,321	14,944,703	6,780,340	5,596,437	93,269,860
Inter segment expense allocation	2,241,316	2,464,315	4,462,836	-	438,778	(9,607,245)	-
<b>Total expenses</b>	<b>6,231,150</b>	<b>5,673,540</b>	<b>63,212,157</b>	<b>14,944,703</b>	<b>7,219,118</b>	<b>(4,010,808)</b>	<b>93,269,860</b>
Credit loss allowance - net	2,241,491	132,488	(761,047)	(1,386,077)	2,400,124	2,084,369	4,711,348
<b>Profit before taxation</b>	<b>15,084,230</b>	<b>148,418,289</b>	<b>21,115,221</b>	<b>7,005,311</b>	<b>24,998,563</b>	<b>6,022,281</b>	<b>222,643,895</b>
For the nine months ended September 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	40,060,227	143,133,381	(119,327,689)	27,383,604	15,484,545	(1,502,673)	105,231,395
Inter segment (expense) / revenue - net	(30,957,556)	(212,876,402)	234,733,638	-	-	9,100,320	-
Non mark-up / return / interest income	6,519,575	25,543,193	9,413,402	1,937,210	10,034,937	7,842,959	61,291,276
<b>Total Income / (loss)</b>	<b>15,622,246</b>	<b>(44,199,828)</b>	<b>124,819,351</b>	<b>29,320,814</b>	<b>25,519,482</b>	<b>15,440,606</b>	<b>166,522,671</b>
Segment direct expenses	1,477,721	549,422	38,640,669	4,291,786	5,931,003	9,319,118	60,209,719
Inter segment expense allocation	288,551	710,968	6,219,441	-	-	(7,218,960)	-
<b>Total expenses</b>	<b>1,766,272</b>	<b>1,260,390</b>	<b>44,860,110</b>	<b>4,291,786</b>	<b>5,931,003</b>	<b>2,100,158</b>	<b>60,209,719</b>
Credit loss allowance - net	174,376	(164)	138,476	(43,904)	1,109,466	94,986	1,473,236
<b>Profit / (loss) before taxation</b>	<b>14,030,350</b>	<b>(45,460,382)</b>	<b>80,097,717</b>	<b>24,985,124</b>	<b>20,697,945</b>	<b>13,435,434</b>	<b>107,786,188</b>
As at September 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	34,619	88,940,652	78,403,138	147,476,159	286,894,685	-	601,749,253
Investments	9,665,036	8,234,103,230	-	147,501,146	418,118,794	9,127,208	8,818,515,414
Net inter segment lending	240,809,898	-	2,269,976,945	-	5,452,386	136,155,100	2,652,394,329
Lendings to financial institutions	-	3,855,801	-	135,499,936	-	-	139,355,737
Advances - performing	328,737,352	1,955	91,225,445	358,580,944	317,576,425	2,028,243	1,098,150,364
Advances - non-performing net	1,570,396	-	296,387	75,429	3,284,873	16,417	5,243,502
Others	9,714,636	250,169,316	103,603,752	125,645,609	23,832,921	98,160,128	611,126,362
<b>Total Assets</b>	<b>590,531,937</b>	<b>8,577,070,954</b>	<b>2,543,505,667</b>	<b>914,779,223</b>	<b>1,055,160,084</b>	<b>245,487,096</b>	<b>13,926,534,961</b>

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

As at September 30, 2025 (Un-audited)

	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
(Rupees in '000)							
Borrowings	29,449,004	5,668,614,115	10,683,361	10,647,426	4,720,238	-	5,724,114,144
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	596,475,378	775,448	2,461,634,544	801,522,715	907,864,563	517,053	4,768,789,701
Net inter segment borrowing	-	2,652,394,329	-	-	-	-	2,652,394,329
Others	15,577,334	100,050,654	106,791,612	30,937,529	10,718,357	62,851,745	326,927,231
<b>Total Liabilities</b>	<b>641,501,716</b>	<b>8,421,834,546</b>	<b>2,579,109,517</b>	<b>843,107,670</b>	<b>923,303,158</b>	<b>73,368,798</b>	<b>13,482,225,405</b>
Equity	(50,969,779)	155,236,408	(35,603,850)	71,671,553	131,856,926	172,118,298	444,309,556
<b>Total Equity &amp; liabilities</b>	<b>590,531,937</b>	<b>8,577,070,954</b>	<b>2,543,505,667</b>	<b>914,779,223</b>	<b>1,055,160,084</b>	<b>245,487,096</b>	<b>13,926,534,961</b>
<b>Contingencies and Commitments</b>	<b>1,016,590,869</b>	<b>276,760,637</b>	<b>163,918,134</b>	<b>36,759,555</b>	<b>701,741,615</b>	<b>2,290,697</b>	<b>2,198,061,507</b>

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:

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

As at September 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	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	4,401,640
Repaid during the period	-	-	-	-	-	(3,971,440)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	430,200
<b>Investments</b>						
Opening balance	-	-	-	2,100,000	1,657,486	3,635,440
Investment made during the period	-	-	-	-	9,910	-
Investment disposed off / redeemed during the period	-	-	-	-	-	(63,635)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	2,100,000	1,667,396	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	-	7,554	288,262	-	-	168,867,017
Repaid during the period	-	(7,646)	(240,213)	-	-	(249,956,584)
Transfers in / (out) - net	-	-	(188,816)	-	-	(1,285)
Closing balance	-	445	455,516	-	-	150,006,568
Credit loss allowance held against advances	-	22	12,430	-	-	32
Property and equipment / Capital work in progress	-	-	-	-	-	10,298
<b>Other Assets</b>						
Income / mark-up accrued	-	-	-	-	-	4,310,526
Receivable from staff retirement fund	-	-	-	-	-	11,179,323
Prepaid insurance	-	-	-	-	287,379	-
Dividend Receivable	-	-	-	-	-	-
Other receivable	-	-	-	17,355	-	19,645
Credit loss allowance against other assets	-	-	-	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	-	-	-	94,460,700
Borrowings during the period	-	-	-	-	3,896,632	479,451,607
Settled during the period	-	-	-	-	(3,896,632)	(566,807,818)
Closing balance	-	-	-	-	-	7,104,489
Overdrawn nostros	-	-	-	-	-	109,669
<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	22,819,546	36,007,502	1,997,055	173,039,362	66,228,542	3,152,123,469
Withdrawn during the period	(22,808,954)	(36,278,629)	(2,057,789)	(172,915,399)	(65,861,404)	(3,071,367,317)
Transfers in / (out) - net	-	-	(63,558)	-	-	(123,568)
Closing balance	13,797	6,991,910	27,778	459,463	963,563	121,268,256

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	As at September 30, 2025 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Subordinated debt	-	-	-	-	-	50,000
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	127	70,457	43	1,926	1,749	537,960
Dividend payable	-	34	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-
Unearned income	-	-	-	-	-	-
Unrealized loss on forward foreign exchange contracts	-	-	-	307	-	32
Other payable	-	-	-	-	-	27,163
Contingencies and Commitments						
Letters of credit	-	-	-	-	-	10,315
Forward Govt. Securities Sale	-	-	-	-	-	-
Forward foreign exchange contracts purchase	-	-	-	168,790	-	29,981
Others						
Securities held as custodian	5,460,000	1,303,000	12,500	-	2,768,500	18,858,130
	As at December 31, 2024 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Statement of financial position						
Balances with other banks						
In current accounts	-	-	-	-	-	391,556
In deposit accounts	-	-	-	-	-	-
	-	-	-	-	-	391,556
Lendings to financial institutions						
Opening balance	-	-	-	-	-	804,102
Addition during the year	-	-	-	-	-	2,191,560
Repaid during the year	-	-	-	-	-	(2,995,662)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
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	-
Advances						
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 NINE MONTHS ENDED SEPTEMBER 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
<b>Others</b>						
Securities held as custodian	5,290,205	1,222,000	52,350	-	3,467,400	34,604,380

	For the nine months ended September 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	-	-	13,238	-	-	12,743
Commission / charges recovered	-	211	2,656	1,412	15,751	13,049
Dividend income	-	-	-	-	80,815	519,507
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	3,171	-	68,771
Gain on sale of subsidiary	-	-	-	-	-	-
Gain / (Loss) on sale of property and equipment	-	-	(5,405)	-	2,785	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	507,471
Management fee	-	-	-	62,158	-	-

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## For the nine months ended September 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	57,612	227,087	4,999	13,532	30,789	2,678,643
Remuneration paid	-	-	1,411,714	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	77,981	-	-	-	-
Charge for defined contribution plans	-	-	27,409	-	-	649,379
Charge for defined benefit plans	-	-	8,440	-	-	714,759
Provision	-	-	-	-	-	-
Other expenses	-	-	5,793	-	-	292,571
Clearing charges	-	-	-	-	-	251,955
Membership, subscription, sponsorship and maintenance charges	-	-	2,733	-	-	14,551
<b>Other Information</b>						
Dividend paid	24,005,698	1,120,076	18,574	-	-	9,342,971
Purchase of Government securities	-	57,218	13,742	-	1,949,099	2,988,627,499
Sale of Government securities	6,126,813	1,088,137	-	-	2,120,296	2,959,365,862
Insurance premium paid	-	-	-	-	927,367	-
Insurance claims settled	-	-	-	-	242,788	-

## For the nine months ended September 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	-	-	25,280	-	-	21,909
Commission / charges recovered	-	229	1,889	1,448	14,257	11,235
Dividend income	-	-	-	-	54,613	445,292
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	2,630	-	45,726
Gain on sale of subsidiary	-	-	-	7,083,501	-	-
Gain on sale of property and equipment	-	-	36	-	1,905	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	336,478
Management fee	-	-	-	20,945	-	-
<b>Expense</b>						
Mark-up / return / interest paid	64,336	200,807	14,601	112,538	1,222,110	570,522
Remuneration paid	-	-	956,534	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	78,540	-	-	-	-
Charge for defined contribution plans	-	-	24,794	-	-	488,651
Charge for defined benefit plans	-	-	7,706	-	-	660,638
Provision	-	-	-	-	-	-
Other expenses	-	-	-	-	-	317,550
Clearing charges	-	-	-	-	-	138,980
Membership, subscription, sponsorship and maintenance charges	-	-	2,635	-	-	14,534
<b>Other Information</b>						
Dividend paid	20,847,054	717,419	23,082	-	38,348	5,255,358
Purchase of Government securities	11,791,252	555,675	-	-	695,758	50,263,758
Sale of Government securities	3,835,733	1,428,825	28,111	-	1,235,001	64,513,389
Insurance premium paid	-	-	-	-	759,967	-
Insurance claims settled	-	-	-	-	337,621	-

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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

### Minimum Capital Requirement (MCR):

	(Un-audited) September 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	371,213,946	231,378,975
Eligible Additional Tier 1 (ADT 1) Capital	9,960,657	9,934,770
Total Eligible Tier 1 Capital	381,174,603	241,313,745
Eligible Tier 2 Capital	89,771,562	79,934,771
Total Eligible Capital (Tier 1 + Tier 2)	470,946,165	321,248,516

### Risk Weighted Assets (RWAs):

Credit Risk	1,384,489,096	982,317,606
Market Risk	283,756,100	268,034,475
Operational Risk	331,068,883	331,068,883
Total	1,999,314,079	1,581,420,964

### Common Equity Tier 1 Capital Adequacy Ratio

	18.57%	14.63%
--	--------	--------

### Tier 1 Capital Adequacy Ratio

	19.07%	15.26%
--	--------	--------

### Total Capital Adequacy Ratio

	23.56%	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 September 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 September 30, 2025. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 23.56% whereas CET 1 and Tier 1 ratios stood at 18.57% and 19.07% 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-1/Bank/UBL/984691/2025 dated August 22, 2025. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. 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) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	381,174,603	241,313,745
Total Exposures	11,798,380,734	7,852,713,980
Leverage Ratio	3.23%	3.07%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	3,161,732,419	1,809,400,194
Total Net Cash Outflow	1,475,186,162	721,237,268
Liquidity Coverage Ratio	214.33%	250.87%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	3,144,834,510	2,163,819,529
Total Required Stable Funding	2,387,791,909	2,027,714,826
Net Stable Funding Ratio	131.70%	106.71%

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## 41. ISLAMIC BANKING BUSINESS

The Bank operates 689 (December 31, 2024: 496) Islamic Banking branches and 596 (December 31, 2024: 558) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		Note	----- (Rupees in '000) -----
<b>ASSETS</b>			
Cash and balances with treasury banks		143,093,224	44,290,715
Balances with other banks		4,382,935	571,962
Due from financial institutions	41.1	135,499,936	-
Investments	41.2	147,501,146	119,366,357
Islamic financing and related assets - net	41.3	358,656,373	147,886,966
Property and equipment		13,363,809	6,029,227
Right-of-use assets		13,961,503	3,181,023
Intangible assets		-	-
Due from Head Office		79,289,971	284,069,490
Other assets		19,030,326	4,813,226
		914,779,223	610,208,966
<b>LIABILITIES</b>			
Bills payable		5,509,042	8,607,107
Due to financial institutions		10,647,426	8,003,110
Deposits and other accounts	41.4	801,522,715	519,488,249
Due to Head Office		-	-
Lease Liability		14,985,913	3,788,556
Other liabilities		10,442,574	5,519,705
		843,107,670	545,406,727
<b>NET ASSETS</b>		71,671,553	64,802,239
<b>REPRESENTED BY</b>			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Surplus on revaluation of assets		436,061	572,058
Unappropriated profit	41.5	69,054,492	62,049,181
		71,671,553	64,802,239
<b>CONTINGENCIES AND COMMITMENTS</b>		41.6	
<b>PROFIT AND LOSS ACCOUNT</b>			
		(Un-audited) January - September 2025	(Un-audited) January - September 2024
		----- (Rupees in '000) -----	
Profit / return earned	41.7	34,021,049	51,610,570
Profit / return expensed	41.8	11,810,949	24,226,966
Net profit / return		22,210,100	27,383,604
<b>Other income</b>			
Fee and commission income		1,056,052	356,372
Foreign exchange (loss) / income		(95,156)	86,444
Gain on securities - net		52,925	1,434,053
Other income		112,170	60,341
Total other income		1,125,991	1,937,210
<b>Total Income</b>		23,336,091	29,320,814
<b>Other expenses</b>			
Other operating expenses		14,944,703	4,291,786
<b>Profit before credit loss allowance</b>		8,391,388	25,029,028
Credit loss allowance and write offs - net		1,386,077	43,904
<b>Profit before taxation</b>		7,005,311	24,985,124
Taxation		3,712,815	12,242,711
<b>Profit after taxation</b>		3,292,496	12,742,413



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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## 41.1 Due from Financial Institutions

	As at September 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	135,500,000	-	135,500,000	-	-	-
Bai Muajjal						
with other Financial Institutions	-	-	-	-	-	-
with State Bank of Pakistan	-	-	-	-	-	-
Less: Credit Loss Allowance						
Stage 1	(64)	-	(64)	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	135,499,936	-	135,499,936	-	-	-

## 41.2 Investments by segments

		As at September 30, 2025 (Un-audited)			
	Note	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		10,000,655		-	10,000,655
- Bai Muajjal with Govt. of Pakistan	41.2.1	53,886,716		-	53,886,716
Non Government debt securities		8,378,112	(151)	-	8,377,961
		72,265,483	(151)	-	72,265,332
<b>Measured at FVOCI</b>					
Federal Government securities					
- Ijarah Sukuks		54,607,571	-	436,061	55,043,632
- Islamic Naya Pakistan Certificate		914,192	-	-	914,192
Non Government debt securities		-	-	-	-
		55,521,763	-	436,061	55,957,824
<b>Measured at FVPL</b>					
Federal Government securities					-
- Ijarah Sukuks		18,961,266	-	16,724	18,977,990
		18,961,266	-	16,724	18,977,990
<b>Instruments mandatorily classified / measured at FVPTL</b>					
Non Government debt securities		300,000	-	-	300,000
<b>Total investments</b>		147,048,512	(151)	452,785	147,501,146

		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 September 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	(Un-audited) September 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	(15,453,284)	(21,721,852)
Bai Muajjal Investment-net	<u>53,886,716</u>	<u>47,618,148</u>
<b>41.3 Islamic financing and related assets</b>		
Ijarah	975,877	183,651
Murabaha	1,297,754	165,372
Musharakah	193,256,768	73,230,869
Diminishing Musharakah	116,195,591	45,705,613
Mera Pakistan Mera Ghar (MPMG)	4,552,241	4,839,643
Istisna	1,108,611	240,064
Tijarah	8,437,500	-
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	3,388,798	3,692,614
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	10,887,531	8,710,000
Islamic Export Refinance scheme - Istisna	215,076	608,058
Advances against Islamic assets		
Advances against Ijarah	400,015	17,910
Advances for Diminishing Musharakah	43,953	8,689,619
Advances for Murabaha	10,549,048	-
Advances against Mera Pakistan Mera Ghar	1,735,744	4,335
Advances for Istisna	895,000	1,312,312
Advances against Istisna - Under SBP's Islamic Export Refinance scheme	1,544	256,000
Advances against Diminishing Musharakah ITERF	-	-
Inventory related to Islamic financing		
Istisna	760,281	111,700
Tijarah	350,000	-
Profit and other receivables against financings	7,258,131	2,189,222
Gross Islamic financing and related assets	362,309,463	149,956,982
Less: Credit Loss Allowance against Islamic financings		
- Stage 1	(1,893,522)	(1,668,457)
- Stage 2	(1,277,085)	(213,344)
- Stage 3	(482,483)	(188,215)
	<u>(3,653,090)</u>	<u>(2,070,016)</u>
Islamic financing and related assets - net of credit loss allowance	<u>358,656,373</u>	<u>147,886,966</u>
<b>41.4 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	547,894,513	343,912,552
Saving deposits	151,746,562	123,254,188
Term deposits	6,763,611	5,223,078
	<u>706,404,686</u>	<u>472,389,818</u>
<b>Financial Institutions</b>		
Current deposits	943,711	1,164,744
Saving deposits	49,369,318	45,900,687
Term deposits	44,805,000	33,000
	<u>95,118,029</u>	<u>47,098,431</u>
	<u>801,522,715</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. 598,227.746 million (December 31, 2024: Rs. 409,558.614 million).		
<b>41.5 Islamic Banking Business Unappropriated Profit</b>		
Opening Balance	62,049,181	31,398,864
Impact of adoption of IFRS 9	-	(1,570,146)
Profit for the period / year	<u>7,005,311</u>	<u>32,220,463</u>
	69,054,492	62,049,181
Taxation for the period / year	<u>(3,712,815)</u>	<u>(17,399,050)</u>
Closing Balance	<u>65,341,677</u>	<u>44,650,131</u>

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## 41.6 Contingencies and commitments

- Guarantees
- Commitments

(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----	
5,585,336	321,847
31,174,219	10,214,840
36,759,555	10,536,687

## 41.7 Profit / Return earned

On:

- Financing
- Investments
- Placements
- Rental Income from Ijarah

(Un-audited) September 2025	January - September 2024
----- (Rupees in '000) -----	
20,371,165	6,058,637
13,042,545	45,261,627
409,229	191,981
198,110	98,325
34,021,049	51,610,570

## 41.8 Profit / Return expensed

On:

- Deposits and other accounts
- Due to Financial Institutions
- Others

10,429,620	20,094,302
248,951	3,930,625
1,132,378	202,039
11,810,949	24,226,966

## 41.9 Disclosures for profit and loss distribution and pool management

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

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

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

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

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

The Mudarib's share on Deposits for the period ended Sept 30, 2025 is Rs.8,097.57 million (46.26% of distributable profit of Mudarabah Pool) of this, an amount of Rs.1,747.01 million (21.57% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 13.00% per annum and the rate of profit paid on average deposits was 8.15% 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 nine months ended September 30, 2025 (Un-audited)

For the nine months ended September 30, 2020 (GK-added)									
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	57	Mudarbaha	Monthly	11.14%	33.86%	1,373,092	8.81%	40.17%	551,536
IERS Pools	11	Musharkah	Monthly	8.66%	41.64%	122,488	5.34%	0.00%	-
General Pools	9	Mudarbaha	Monthly	12.96%	50.00%	6,724,486	7.73%	17.78%	1,195,479
FCY Pools	10	Mudarbaha	Monthly	7.09%	81.00%	52,046	0.12%	22.94%	11,942
Treasury Pools	0	Musharkah	Monthly	0.00%	0.00%	-	0.00%	0.00%	-

### For the nine months ended September 30, 2024 (Un-audited)

For the nine months ended September 30, 2024 (IN: added)									
	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	9	Mudarbaha	Monthly	12.16%	38.80%	151,622	8.20%	15.31%	23,207
Special Pools	104	Mudarbaha	Monthly	20.66%	13.45%	2,032,150	19.06%	42.71%	868,028
IERS Pools	18	Musharkah	Monthly	17.78%	59.36%	735,665	17.78%	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	2.13%	50.00%	4,594	1.06%	0.00%	-
General Pools	9	Mudarbaha	Monthly	20.58%	49.99%	4,874,260	12.59%	23.27%	1,134,037
Treasury Pools	219	Musharkah	Monthly	18.94%	11.16%	420,971	17.85%	0.00%	-

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	(Un-audited) September 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	9,732,134	11,119,892
Agriculture	164,667,533	64,330,828
Textile	39,321,458	6,937,944
Sugar	22,445,105	-
Financial	135,799,936	800,000
Plastic	-	197,855
Individuals	24,908,992	26,446,650
Production and transmission of energy	31,502,934	18,216,021
Government of Pakistan Securities	138,823,034	110,166,197
Others	78,109,419	31,107,952
	<u>645,310,545</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 October 15, 2025 has declared an interim cash dividend in respect of quarter ended September 30, 2025 of Rs. 8.0 per share (September 30, 2024: Rs. 11.0 per share). This is in addition to Rs. 19.0 already paid during the period bringing the total dividend for the nine months to Rs. 27.0 per share (September 30, 2024: Rs. 33.0). These unconsolidated condensed interim financial statements for the nine months ended September 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 unconsolidated 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 October 15, 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 NINE MONTHS ENDED  
SEPTEMBER 30, 2025  
(Un-audited)**

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

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	531,920,576	310,836,376
Balances with other banks	7	70,760,528	59,968,246
Lendings to financial institutions	8	139,355,737	18,492,483
Investments	9	8,823,130,334	5,889,765,841
Advances	10	1,103,393,866	1,443,481,944
Property and equipment	11	111,180,606	85,591,999
Right-of-use assets	12	30,058,715	10,231,121
Intangible assets	13	64,199,450	2,792,016
Deferred tax assets	14	-	-
Other assets	15	407,407,805	247,937,251
		11,281,407,617	8,069,097,277
<b>LIABILITIES</b>			
Bills payable	17	32,655,154	44,221,818
Borrowings	18	5,724,114,144	4,855,373,516
Deposits and other accounts	19	4,768,330,238	2,639,875,985
Lease liabilities	20	32,819,151	12,381,018
Subordinated debt	21	10,000,000	10,000,000
Deferred tax liabilities	14	79,926,990	39,311,263
Other liabilities	22	183,093,736	147,125,664
		10,830,939,413	7,748,289,264
<b>NET ASSETS</b>		<u>450,468,204</u>	<u>320,808,013</u>
<b>REPRESENTED BY:</b>			
Share capital	23	12,521,239	12,241,797
Reserves		136,117,024	114,734,831
Surplus on revaluation of assets	24	139,656,101	77,309,424
Unappropriated profit		<u>162,107,278</u>	<u>116,472,051</u>
Total equity attributable to the equity holders of the Bank		450,401,642	320,758,103
Non-controlling interest		<u>66,562</u>	<u>49,910</u>
		<u>450,468,204</u>	<u>320,808,013</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		25	

The annexed notes 1 to 46 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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

		July - September 2025	July - September 2024	January - September 2025	January - September 2024
	Note	(Rupees in '000)			
Mark-up / return / interest earned	27	297,235,579	310,757,603	861,251,119	825,931,552
Mark-up / return / interest expensed	28	205,251,701	259,143,899	593,838,387	720,569,733
<b>Net mark-up / interest income</b>		<b>91,983,878</b>	<b>51,613,704</b>	<b>267,412,732</b>	<b>105,361,819</b>
<b>Non mark-up / interest income</b>					
Fee and commission income	29	7,793,913	6,478,039	24,282,106	17,594,243
Dividend income		287,126	266,556	1,651,515	1,135,079
Foreign exchange income		5,027,596	3,438,925	12,875,535	9,866,476
Loss from derivatives		(1,313)	(16,176)	(1,255,891)	(41,021)
Gain on securities - net	30	902,623	5,930,797	9,049,933	24,074,130
Capital gain on derecognition of financial assets measured at amortised cost		-	-	-	2,894,427
Other income	31	238,025	251,270	693,482	864,077
Total non mark-up / interest income		14,247,970	16,349,411	47,296,680	56,387,411
<b>Total income</b>		<b>106,231,848</b>	<b>67,963,115</b>	<b>314,709,412</b>	<b>161,749,230</b>
<b>Non mark-up / interest expenses</b>					
Operating expenses	32	31,034,398	23,024,463	90,688,043	59,576,656
Workers' Welfare Fund		1,468,158	993,613	4,411,327	2,246,109
Other charges	33	45,124	155	47,618	32,966
Total non mark-up / interest expenses		32,547,680	24,018,231	95,146,988	61,855,731
Share of profit of associates		161,065	426,286	766,500	672,233
<b>Profit before credit loss allowance</b>		<b>73,845,233</b>	<b>44,371,170</b>	<b>220,328,924</b>	<b>100,565,732</b>
Credit loss allowance and write-offs - net	34	(822,101)	893,528	(4,711,348)	(1,473,236)
<b>Profit before taxation from continuing operations</b>		<b>74,667,334</b>	<b>43,477,642</b>	<b>225,040,272</b>	<b>102,038,968</b>
Taxation	35	39,304,932	24,747,107	124,945,657	53,249,350
<b>Profit after taxation from continuing operations</b>		<b>35,362,402</b>	<b>18,730,535</b>	<b>100,094,615</b>	<b>48,789,618</b>
<b>Discontinued Operation</b>					
(Loss) / gain from discontinued operation - net of tax	36	-	(409,151)	-	938,610
		<b>35,362,402</b>	<b>18,321,384</b>	<b>100,094,615</b>	<b>49,728,228</b>
<b>Attributable to:</b>					
Equity holders of the Bank					
from continuing operations		35,355,263	18,728,087	100,077,963	48,780,590
from discontinued operation		-	(409,151)	-	332,118
		<b>35,355,263</b>	<b>18,318,936</b>	<b>100,077,963</b>	<b>49,112,708</b>
Non-controlling interest					
from continuing operations		7,139	2,448	16,652	9,028
from discontinued operation		-	-	-	606,492
		<b>7,139</b>	<b>2,448</b>	<b>16,652</b>	<b>615,520</b>
		<b>35,362,402</b>	<b>18,321,384</b>	<b>100,094,615</b>	<b>49,728,228</b>
		<b>(Rupees)</b>			
<b>Earnings per share for profit from continuing operations attributable to the equity holders of the Bank - Restated</b>					
Basic and diluted	37	14.12	7.65	40.19	19.92
<b>Earnings per share for profit attributable to the equity holders of the Bank - Restated</b>					
Basic and diluted		14.12	7.48	40.19	20.06

The annexed notes 1 to 46 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	July - September 2025	July - September 2024	January - September 2025	January - September 2024
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period attributable to:</b>				
Equity holders of the Bank	35,355,263	18,318,936	100,077,963	49,112,708
Non-controlling interest	7,139	2,448	16,652	615,520
	<u>35,362,402</u>	<u>18,321,384</u>	<u>100,094,615</u>	<u>49,728,228</u>
<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 and subsidiaries				
Equity holders of the Bank	(1,125,686)	(249,127)	1,059,096	(1,705,359)
Non-controlling interest	-	-	-	(219,135)
	<u>(1,125,686)</u>	<u>(249,127)</u>	<u>1,059,096</u>	<u>(1,924,494)</u>
Less: Reserve reclassified to profit and loss on disposal of subsidiary	-	(8,706,711)	-	(8,706,711)
	<u>(1,125,686)</u>	<u>(8,955,838)</u>	<u>1,059,096</u>	<u>(10,631,205)</u>
Movement in surplus on revaluation of debt investments through FVOCI - net of tax				
Equity holders of the Bank	2,342,406	49,744,290	61,133,409	50,759,436
Non-controlling interest	-	-	-	405,717
	<u>2,342,406</u>	<u>49,744,290</u>	<u>61,133,409</u>	<u>51,165,153</u>
	<u>1,216,720</u>	<u>40,788,452</u>	<u>62,192,505</u>	<u>40,533,948</u>
<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				
Equity holders of the Bank	2,009,006	532,552	2,537,445	1,370,372
Non-controlling interest	-	-	-	-
	<u>2,009,006</u>	<u>532,552</u>	<u>2,537,445</u>	<u>1,370,372</u>
Movement in surplus on revaluation of property and equipment - net of tax				
Equity holders of the Bank	-	(63)	-	(61,237)
Non-controlling interest	-	-	-	(74,091)
	<u>-</u>	<u>(63)</u>	<u>-</u>	<u>(135,328)</u>
	<u>2,009,006</u>	<u>532,489</u>	<u>2,537,445</u>	<u>1,235,044</u>
<b>Total comprehensive income for the period</b>	<u><u>38,588,128</u></u>	<u><u>59,642,325</u></u>	<u><u>164,824,565</u></u>	<u><u>91,497,220</u></u>
<b>Attributable to:</b>				
Equity holders of the Bank	38,580,989	59,639,877	164,807,913	90,769,209
Non-controlling interest	7,139	2,448	16,652	728,011
	<u>38,588,128</u>	<u>59,642,325</u>	<u>164,824,565</u>	<u>91,497,220</u>

The annexed notes 1 to 46 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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2024											
Profit after taxation for the nine months ended September 30, 2024	-	-	-	-	-	-	-	49,112,708	49,112,708	615,520	49,728,228
Other comprehensive income - net of tax	-	-	-	(10,412,070)	52,129,808	(61,237)	-	-	41,656,501	112,491	41,768,992
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	(10,412,070)	52,129,808	(61,237)	-	49,112,708	90,769,209	728,011	91,497,220
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	-	-	-	-	-	(63,841)	-	63,841	-	-	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	61,377	-	-	(61,377)	-	-	-
Transfer to statutory reserve	-	-	5,498,589	-	-	-	-	(5,498,589)	-	-	-
Derecognition of subsidiary	-	-	-	-	535,734	(3,492,963)	-	2,957,229	-	(15,590,116)	(15,590,116)
Transactions with owners for the nine months ended September 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)
Interim cash dividend - June 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
	-	-	-	-	-	-	-	(40,397,931)	(40,397,931)	-	(40,397,931)
Balance as at September 30, 2024 (Un-audited)	12,241,797	-	52,376,712	59,481,223	52,533,926	38,154,339	-	102,223,683	317,011,680	42,274	317,053,954
Total comprehensive income for the three months ended December 31, 2024											
Profit after taxation for the three months ended December 31, 2024	-	-	-	-	-	-	-	26,043,145	26,043,145	6,071	26,049,216
Other comprehensive income - net of tax	-	-	-	322,731	(13,665,969)	313,782	1,146	4,197,565	(8,830,745)	1,565	(8,829,180)
Total comprehensive income for the three months ended December 31, 2024	-	-	-	322,731	(13,665,969)	313,782	1,146	30,240,710	17,212,400	7,636	17,220,036
Transfer of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(14,672)	-	14,672	-	-	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(13,128)	-	-	13,128	-	-	-
Transfer to statutory reserve	-	-	2,554,165	-	-	-	-	(2,554,165)	-	-	-
Transactions with owners for the three months ended December 31, 2024, recorded directly in equity											
Interim cash dividend - September 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Balance as at December 31, 2024 (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 remeasurement 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 nine months ended September 30, 2025											
Profit after taxation for the nine months ended September 30, 2025	-	-	-	-	-	-	-	100,077,963	100,077,963	16,652	100,094,615
Other comprehensive income - net of tax	-	-	-	1,059,096	63,670,854	-	-	-	64,729,950	-	64,729,950
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	1,059,096	63,670,854	-	-	100,077,963	164,807,913	16,652	164,824,565
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(52,082)	-	52,082	-	-	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(2,627,840)	-	-	2,627,840	-	-	-
Transfer to statutory reserve	-	-	9,849,336	-	-	-	-	(9,849,336)	-	-	-
Shares issued under amalgamation	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)
Interim cash dividend - June 30, 2025 declared at Rs. 8.0 per share	-	-	-	-	-	-	-	(20,033,982)	(20,033,982)	-	(20,033,982)
	-	-	-	-	-	-	-	(47,273,322)	(47,273,322)	-	(47,273,322)
Balance as at September 30, 2025 (Un-audited)	12,521,239	10,473,761	64,780,213	60,863,050	101,253,588	38,401,367	1,146	162,107,278	450,401,642	66,562	450,468,204

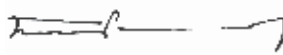
The annexed notes 1 to 46 form an integral part of these consolidated condensed interim financial statements.

  
**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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	January - September 2025	January - September 2024
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation including discontinued operations	225,040,272	103,711,492
Less: Dividend income	1,651,515	1,135,079
Less: Share of profit of associates	766,500	672,233
	<u>222,622,257</u>	<u>101,904,180</u>
<b>Adjustments:</b>		
Depreciation on property and equipment	6,602,878	4,097,614
Depreciation on Islamic financing against leased assets (Ijarah)	102,050	58,652
Depreciation on right-of-use assets	3,074,120	1,820,179
Depreciation on non-banking assets acquired in satisfaction of claims	29,853	2,420
Amortisation	844,119	727,292
Workers' Welfare Fund - charge	4,411,327	2,246,109
Provision for retirement benefits	1,378,476	1,305,473
Provision for compensated absences	109,575	128,055
Credit loss allowance against loans and advances - net	(4,534,504)	(1,142,648)
Credit loss allowance against off - balance sheet obligations - net	198,026	46,676
Credit loss allowance for diminution in value of investments - net	65,525	(250,046)
Interest expense on lease liability against right-of-use assets	2,481,903	1,088,176
Loss / (gain) on sale of Ijarah assets - net	234	(533)
Gain on sale of property and equipments - net	(89,048)	(148,042)
Transfer of exchange translation reserve to profit and loss on derecognition of subsidiary	-	(8,706,711)
Bad debts written-off directly	58,036	36,211
Unrealised gain on revaluation of investments classified as FVTPL	(42,667)	(261,073)
Credit loss allowance against other assets - net	45,220	(11,149)
Other credit loss allowance / write-offs	183,670	161,798
	<u>14,918,793</u>	<u>1,198,453</u>
	<u>237,541,050</u>	<u>103,102,633</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(120,863,254)	37,356,267
Securities classified as FVTPL	(208,564,550)	3,202,339
Advances	345,360,053	(55,502,873)
Other assets (excluding advance taxation)	(215,587,050)	(34,917,450)
	<u>(199,654,801)</u>	<u>(49,861,717)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(11,566,664)	2,116,644
Borrowings	868,740,628	1,482,063,705
Deposits and other accounts	2,128,454,253	532,711,096
Other liabilities	18,115,688	38,459,758
	<u>3,003,743,905</u>	<u>2,055,351,203</u>
	<u>3,041,630,154</u>	<u>2,108,592,119</u>
Receipts on account of staff retirement benefits	628,529	2,742,669
Income taxes paid	(83,919,249)	(43,778,709)
<b>Net cash flow generated from operating activities</b>	<u>2,958,339,434</u>	<u>2,067,556,079</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities classified as FVOCI	(2,380,475,512)	(1,977,409,691)
Net investments in amortized cost securities	(213,820,407)	38,842,560
Net investments in associates	(1,752,858)	(1,454,863)
Net cash inflow on amalgamation	15,198,229	-
Dividend income received	1,668,480	1,102,004
Proceeds realised on sale of subsidiary	-	9,053,275
Investment in property and equipments and intangible assets	(94,637,486)	(18,154,200)
Sale proceeds from disposal of property and equipments	283,496	168,370
Sale proceeds from disposal of Ijarah assets	27,645	27,645
Effect of translation of net investment in overseas branches	1,059,096	(1,924,494)
<b>Net cash flow used in investing activities</b>	<u>(2,672,449,317)</u>	<u>(1,949,749,394)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(4,992,057)	(2,755,882)
Payment of subordinated debt	(1,998,400)	-
Dividend paid	(47,023,178)	(40,399,075)
<b>Net cash flow used in financing activities</b>	<u>(54,013,635)</u>	<u>(43,154,957)</u>
<b>Increase in cash and cash equivalents</b>	<u>231,876,482</u>	<u>74,651,728</u>
Cash and cash equivalents at the beginning of the period	368,625,170	312,294,647
Effect of exchange rate changes on cash and cash equivalents	2,179,452	(1,508,516)
	<u>370,804,622</u>	<u>310,786,131</u>
Cash and cash equivalents of subsidiary at disposal date	-	1,796,950
<b>Cash and cash equivalents at the end of the period</b>	<u>602,681,104</u>	<u>387,234,809</u>

The annexed notes 1 to 46 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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 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)

- UBL Financial Services (Private) Limited (Formerly 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 1,818 (December 31, 2024: 1,474) branches inside Pakistan including 689 (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 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 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 had sanctioned 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 assets</b>	<b>(45,825,827)</b>	<b>(4,430,737)</b>	<b>(50,256,564)</b>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 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 by an independent firm 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 42 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 NINE MONTHS ENDED SEPTEMBER 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 NINE MONTHS ENDED SEPTEMBER 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 assets</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 NINE MONTHS ENDED SEPTEMBER 30, 2025

The impact of the transition to IFRS 9 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	38,854,829
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>40,210,574</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 38.1.1.

## 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		65,711,899	53,476,586
Foreign currencies		13,043,294	8,928,893
		78,755,193	62,405,479
With State Bank of Pakistan in			
Local currency current accounts		168,039,819	108,175,484
Foreign currency current accounts		7,305,340	5,094,782
Foreign currency deposit account		11,205,695	8,205,041
		186,550,854	121,475,307
With other central banks in			
Foreign currency current accounts		99,512,867	88,215,425
Foreign currency deposit accounts		113,476,547	19,326,856
		212,989,414	107,542,281
With National Bank of Pakistan in			
Local currency current accounts		53,349,877	19,133,450
National Prize Bonds		352,620	479,356
		531,997,958	311,035,873
Less: Credit loss allowance held against cash and balances with treasury banks	6.1	(77,382)	(199,497)
Cash and balances with treasury banks - net of credit loss allowance		531,920,576	310,836,376
<b>6.1.</b> Cash and balances with treasury banks are all classified as Stage 1.			
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		267,936	-
In deposit accounts		3,251	7
		271,187	7
Outside Pakistan			
In current accounts		56,425,807	47,801,939
In deposit accounts		14,065,873	12,173,491
		70,491,680	59,975,430
		70,762,867	59,975,437
Less: Credit loss allowance held against balances with other banks	7.1	(2,339)	(7,191)
Balances with other Banks - net of credit loss allowance		70,760,528	59,968,246
<b>7.1</b> Balances with other banks are classified as stage 1.			
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call lending		135,500,000	-
Repurchase agreement lendings (reverse repo)		3,855,801	2,492,483
Bai Muajjal receivable with scheduled bank / financial institution		-	16,000,000
		139,355,801	18,492,483
Less: Credit loss allowance held against lending to financial institutions	8.1	(64)	-
Lending to financial institutions - net of credit loss allowance		139,355,737	18,492,483
<b>8.1</b> Lendings to financial institutions are all classified as stage 1.			

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

9. INVESTMENTS	September 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)								
9.1 Investments by type								
<b>FVTPL</b>								
Federal Government securities	230,612,028	-	41,687	230,653,715	22,066,195	-	35,068	22,101,263
Shares and units	53,825	-	980	54,805	-	-	-	-
Non-Government debt securities	1,864,893	-	-	1,864,893	1,864,933	-	-	1,864,933
	232,530,746	-	42,667	232,573,413	23,931,128	-	35,068	23,966,196
<b>FVOCI</b>								
Federal Government securities	7,517,087,215	(1,898,692)	200,649,386	7,715,837,909	5,330,704,079	(1,556,324)	75,876,139	5,405,023,894
Shares and units	11,405,377	-	10,566,618	21,971,995	15,141,412	-	7,869,404	23,010,816
Non-Government debt securities	4,901,590	(394,033)	247,631	4,755,188	462,335	(162,407)	-	299,928
Foreign securities	305,439,529	(7,273)	(501,754)	304,930,502	112,833,367	(15,298)	(2,841,124)	109,976,945
	7,838,833,711	(2,299,998)	210,961,881	8,047,495,594	5,459,141,193	(1,734,029)	80,904,419	5,538,311,583
<b>Amortised cost</b>								
Federal Government securities	494,839,590	(296,662)	-	494,542,928	277,953,188	-	-	277,953,188
Non-Government debt securities	19,616,980	(668,565)	-	18,948,415	20,604,187	(1,264,743)	-	19,339,444
Foreign securities	22,935,565	(7,309)	-	22,928,256	25,321,895	(15,335)	-	25,306,560
	537,392,135	(972,536)	-	536,419,599	323,879,270	(1,280,078)	-	322,599,192
<b>Associates</b>	7,699,213	(1,057,485)	-	6,641,728	5,946,355	(1,057,485)	-	4,888,870
<b>Total Investments</b>	<b>8,616,455,805</b>	<b>(4,330,019)</b>	<b>211,004,548</b>	<b>8,823,130,334</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

September 30, 2025 (Un-audited)							
	Country of incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income
(Rupees in '000)							
UBL Stock Advantage Fund	Pakistan	1.14%	30,445,945	929,931	6,867,832	6,610,981	6,610,981
Al-Ameen Islamic Energy Fund	Pakistan	2.29%	6,665,697	364,149	1,114,982	1,065,704	1,065,704
UBL Pakistan Enterprise Exchange Traded Fund	Pakistan	39.34%	191,610	3,465	8,249	7,713	7,713
UBL Liquidity Plus Fund	Pakistan	0.02%	20,251,860	156,080	630,601	560,454	560,454
UBL Government Securities Fund	Pakistan	26.51%	15,039,932	84,078	417,147	368,496	368,496
UBLKPK - Money Market Sub Fund	Pakistan	57.57%	73,719	4,814	2,269	2,093	2,093
UBKPK - Debt Sub-Fund	Pakistan	100.00%	600	11	11	9	9
UBKPK - Equity Sub-Fund	Pakistan	100.00%	600	11	11	9	9
UBKPK-Equity Index Sub Fund	Pakistan	100.00%	600	11	11	9	9
AIKPK - Money Market Sub Fund	Pakistan	36.85%	104,140	2,244	2,210	2,030	2,030
AIKPK - Debt Sub-Fund	Pakistan	100.00%	580	7	22	19	19
AIKPK - Equity Sub-Fund	Pakistan	100.00%	581	8	22	19	19
AIKPK-Equity Index Sub Fund	Pakistan	100.00%	580	7	22	19	19
UBL Financial Sector Fund	Pakistan	8.01%	4,373,589	187,185	1,135,146	1,096,392	1,096,392
UBL Money Market Fund	Pakistan	0.89%	71,979,143	15,036,341	1,799,871	1,600,397	1,600,397
Al-Ameen Islamic Cash Plan-I	Pakistan	1.82%	15,683,481	38,852	437,737	399,712	399,712
UBL Insurers Limited	Pakistan	30.00%	14,245,877	11,382,261	1,715,135	236,890	230,575

September 30, 2024 (Un-audited)							
	Country of incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income
(Rupees in '000)							
UBL Stock Advantage Fund	Pakistan	1.89%	9,450,767	963,112	1,906,219	1,679,754	1,679,754
Al-Ameen Islamic Energy Fund	Pakistan	5.96%	1,135,633	49,082	145,861	109,963	109,963
UBL Pakistan Enterprise Exchange Traded Fund	Pakistan	71.64%	51,831	1,696	4,871	4,037	4,081
UBL Liquidity Plus Fund	Pakistan	7.89%	36,174,340	361,805	4,830,485	4,483,522	4,483,522
Al-Ameen Islamic Cash Plan-I	Pakistan	20.34%	10,369,037	62,777	3,195,069	3,017,598	3,017,598
UBL Fixed Return Plan - II-N	Pakistan	3.50%	293,833	968	11,478	10,311	10,311
UBL Fixed Return Plan-IV-B	Pakistan	21.97%	198,225	1,941	32,931	29,435	29,435
UBL Government Securities Fund	Pakistan	1.89%	17,211,499	108,112	1,165,038	1,087,876	1,087,876
UBLKPK - Money Market Sub Fund	Pakistan	70.57%	52,272	344	6,011	5,687	5,687
AIKPK - Money Market Sub Fund	Pakistan	54.74%	67,738	1,913	5,935	5,568	5,568
UBL Insurers Limited	Pakistan	30.00%	12,772,031	10,049,197	1,647,237	544,100	616,553

9.3 Investments given as collateral

**Federal Government securities**

Market Treasury Bills	1,999,392	285,281,664
Pakistan Investment Bonds	5,361,574,976	4,331,366,718

**Foreign securities**

Foreign bonds - sovereign	3,491,525	29,926,938
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(Un-audited) September 30, 2025  
(Audited) December 31, 2024  
----- (Rupees in '000) -----

**5,367,065,893** **4,646,575,320**

The market value of securities given as collateral is Rs. 5,502,715 million (December 31, 2024: Rs. 4,691,781 million).

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

## 9.4 Credit loss allowance for diminution in value of investments

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
Opening balance	4,071,592	25,989,852
Transfer under amalgamation	181,559	-
Exchange adjustments	11,343	(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	1,053,929	131,869
Reversals for the period / year	(988,404)	(381,411)
	65,525	(249,542)
Derecognition of ECL on disposals		(15,474,456)
Closing balance	<u>4,330,019</u>	<u>4,071,592</u>

## 9.5 Particulars of credit loss allowance against debt securities

	September 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	8,178,286,378	589	5,645,069,663	589
Under performing	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	627,063	627,063	618,283	618,283
	8,178,913,441	627,652	5,645,687,946	618,872
<b>Overseas</b>				
Performing	418,383,949	2,644,882	138,034,682	30,630
Under performing	-	-	8,087,551	2,364,605
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	418,383,949	2,644,882	146,122,233	2,395,235
Total	<u>8,597,297,390</u>	<u>3,272,534</u>	<u>5,791,810,179</u>	<u>3,014,107</u>

9.6 The market value of securities classified as amortised cost as at September 30, 2025 amounted to Rs. 540,129.510 million (December 31, 2024: Rs. 322,113.848 million).

## 10. ADVANCES

	Performing		Non-performing		Total	
	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	659,637,500	1,250,821,132	109,044,216	108,082,351	768,681,716	1,358,903,483
Islamic financing and related assets	361,736,189	149,696,208	573,274	260,774	362,309,463	149,956,982
Bills discounted and purchased	94,404,213	48,618,071	3,027,846	7,648,825	97,432,059	56,266,896
<b>Advances - gross</b>	<u>1,115,777,902</u>	<u>1,449,135,411</u>	<u>112,645,336</u>	<u>115,991,950</u>	<u>1,228,423,238</u>	<u>1,565,127,361</u>
Credit loss allowance against advances						
-Stage 1	(7,010,984)	(6,009,588)	-	-	(7,010,984)	(6,009,588)
-Stage 2	(10,616,554)	(7,736,178)	-	-	(10,616,554)	(7,736,178)
-Stage 3	-	-	(107,401,834)	(107,899,651)	(107,401,834)	(107,899,651)
	(17,627,538)	(13,745,766)	(107,401,834)	(107,899,651)	(125,029,372)	(121,645,417)
<b>Advances - net of credit loss allowance</b>	<u>1,098,150,364</u>	<u>1,435,389,645</u>	<u>5,243,502</u>	<u>8,092,299</u>	<u>1,103,393,866</u>	<u>1,443,481,944</u>

## 10.1 Particulars of advances - gross

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
In local currency	839,465,636	1,109,925,640
In foreign currencies	388,957,602	455,201,721
	<u>1,228,423,238</u>	<u>1,565,127,361</u>

10.2 Advances include Rs. 112,645.336 million (2024: Rs. 115,991.950 million) which have been placed under non-performing status as detailed below:

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
Category of Classification (Stage 3)	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	93,776	49,588	80,088	47,504
Substandard	2,327,793	1,593,985	2,307,470	1,538,389
Doubtful	462,847	259,316	280,114	135,921
Loss	73,104,365	72,127,264	22,398,233	21,455,978
	75,988,781	74,030,153	25,065,905	23,177,792
<b>Overseas</b>				
Other Assets Especially Mentioned (OAEM)	-	-	-	-
Substandard	20,003	12,410	78,407	12,297
Doubtful	18,893	-	4,305,685	1,568,890
Loss	36,617,659	33,359,271	86,541,953	83,140,672
	36,656,555	33,371,681	90,926,045	84,721,859
Total	<u>112,645,336</u>	<u>107,401,834</u>	<u>115,991,950</u>	<u>107,899,651</u>

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

## 10.3 Particulars of credit loss allowance against advances

Note	September 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	15,206	36,045	846,540	897,791	(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	1,725,001	2,450,080	568,200	4,743,281	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(2,786,909)	(1,811,622)	(4,679,254)	(9,277,785)	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	(1,061,908)	638,458	(4,111,054)	(4,534,504)	745,123	250,281	10,258,244	11,253,648
Amounts charged off agriculture financing	-	-	(43,561)	(43,561)	-	-	(69,501)	(69,501)
Other Adjustments	(172,049)	-	-	(172,049)	-	597,848	54,112	651,960
Amounts written off	-	-	(49,493,363)	(49,493,363)	-	-	(577,830)	(577,830)
Disposal of subsidiary	-	-	-	-	(156,560)	-	-	(156,560)
Transfers (out) / in - net	883,253	(1,017,029)	133,776	-	462,123	(6,073,900)	5,611,777	-
Closing balance	7,010,984	10,616,554	107,401,834	125,029,372	6,009,588	7,736,178	107,899,651	121,645,417

## 10.4 Advances - Particulars of credit loss allowance

	September 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	15,206	36,045	846,540	897,791	(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	2,659,780	1,103,695	201,524	3,964,999	2,067,736	1,758,867	-	3,826,603
Advances derecognised or repaid	(2,786,909)	(1,811,622)	(4,679,254)	(9,277,785)	(376,907)	(1,687,780)	(3,180,881)	(5,245,568)
Transfer to stage 1	1,037,122	(1,013,196)	(23,926)	-	412,794	(412,794)	-	-
Transfer to stage 2	(141,645)	155,229	(13,584)	-	53,836	173,493	(227,329)	-
Transfer to stage 3	(12,224)	(159,062)	171,286	-	(4,507)	(5,834,599)	5,839,106	-
	756,124	(1,724,956)	(4,343,954)	(5,312,786)	2,152,952	(6,002,813)	2,430,896	(1,418,965)
Amounts charged off - agriculture financing	-	-	(43,561)	(43,561)	-	-	(69,501)	(69,501)
Amounts written off	-	-	(49,493,363)	(49,493,363)	-	-	(577,830)	(577,830)
Changes in risk parameters	(934,779)	1,346,385	366,676	778,282	(945,706)	179,194	13,439,125	12,672,613
Disposal of subsidiary	-	-	-	-	(156,560)	-	-	(156,560)
Other adjustments	(172,049)	-	-	(172,049)	-	597,848	54,112	651,960
Closing balance	7,010,984	10,616,554	107,401,834	125,029,372	6,009,588	7,736,178	107,899,651	121,645,417

### 10.4.1 Advances - Category of classification

		September 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	732,943,388	5,823,537	1,075,219,446	4,488,965
Under performing	Stage 2	60,744,922	7,290,836	53,914,657	4,104,778
Non-performing	Stage 3				
Substandard		2,421,569	1,643,573	2,387,558	1,585,893
Doubtful		462,847	259,316	280,114	135,921
Loss		73,104,365	72,127,264	22,398,233	21,455,978
		75,988,781	74,030,153	25,065,905	23,177,792
Sub total		869,677,091	87,144,526	1,154,200,008	31,771,535
<b>Overseas</b>					
Performing	Stage 1	301,568,079	1,187,447	292,653,746	1,520,623
Under performing	Stage 2	20,521,513	3,325,718	27,347,562	3,631,400
Non-performing	Stage 3				
Substandard		20,003	12,410	78,407	12,297
Doubtful		18,893	-	4,305,685	1,568,890
Loss		36,617,659	33,359,271	86,541,953	83,140,672
		36,656,555	33,371,681	90,926,045	84,721,859
Sub total		358,746,147	37,884,846	410,927,353	89,873,882
Total		1,228,423,238	125,029,372	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 549.140 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024				
		----- (Rupees in '000) -----					
11.	PROPERTY AND EQUIPMENT	Note					
	Capital work-in-progress	11.1	13,066,338				
	Property and equipment		3,357,691				
			98,114,268				
			82,234,308				
			111,180,606				
			85,591,999				
11.1	Capital work-in-progress						
	Civil works		9,160,000				
	Equipment		2,205,305				
	Advances to suppliers		1,766,400				
			897,707				
			2,139,938				
			254,679				
			13,066,338				
			3,357,691				
(Un-audited)							
		January -	January -				
		September 2025	September 2024				
		----- (Rupees in '000) -----					
11.2	Additions to Property and equipment						
The following additions have been made to Property and equipment during the period:							
	Capital work-in-progress - net		9,708,647				
			6,685,379				
	Property and equipment						
	Freehold land		2,679,519				
	Leasehold land		770,331				
	Building on freehold land		-				
	Building on leasehold land		2,448,554				
	Leasehold improvements		748,040				
	Furniture and fixtures		72,355				
	Electrical, office and computer equipment		1,250,665				
	Vehicles		-				
			4,176,193				
			1,414,669				
			1,646,274				
			892,561				
			8,744,184				
			4,105,823				
			1,117,295				
			1,113,521				
			20,362,170				
			10,817,814				
			30,070,817				
			17,503,193				
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		107,348				
	Furniture and fixtures		11,648				
	Electrical, office and computer equipment		6,437				
	Vehicles		2,381				
			43,560				
			2,904				
			37,103				
			3,395				
			194,448				
			20,328				
12	RIGHT-OF-USE ASSETS						
		September 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	16,607,151	14,136,595	209,786	14,346,381
Accumulated Depreciation		(6,297,505)	(78,525)	(6,376,030)	(5,656,792)	(78,116)	(5,734,908)
Net Carrying amount at January 1,		10,168,973	62,148	10,231,121	8,479,803	131,670	8,611,473
Additions during the period / year		23,829,264	67,341	23,896,605	5,007,548	19,761	5,027,309
Deletions during the period / year		(994,891)	-	(994,891)	(852,122)	(11,130)	(863,252)
Depreciation charge for the period / year		(3,038,065)	(36,055)	(3,074,120)	(2,458,378)	(66,719)	(2,525,097)
Termination of lease		-	-	-	(7,867)	-	(7,867)
Exchange rate adjustments		-	-	-	(11)	(283)	(294)
Disposal of subsidiary		-	-	-	-	(11,151)	(11,151)
Net Carrying amount		29,965,281	93,434	30,058,715	10,168,973	62,148	10,231,121
						(Un-audited) September 30, 2025	(Audited) December 31, 2024
						----- (Rupees in '000) -----	
13.	INTANGIBLE ASSETS	Note					
	Capital work-in-progress					899,244	181,419
	Intangible assets					2,038,913	2,359,071
	Goodwill					251,526	251,526
	Assets through business combination	1.1				61,009,767	-
						64,199,450	2,792,016

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

		(Un-audited)	
		January - September 2025	January - September 2024
		----- (Rupees in '000) -----	
<b>13.1</b>	<b>Additions to intangible assets</b>	<b>Note</b>	
	The following additions have been made to intangible assets during the period		
	Capital work-in-progress - net	715,025	358,962
	Directly purchased - Intangible assets	287,071	403,848
	Through business combinations	-	251,526
		<u>1,002,096</u>	<u>1,014,336</u>
		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>14.</b>	<b>DEFERRED TAX ASSETS / (LIABILITIES)</b>		
	<b>Deductible temporary differences on</b>		
	Credit loss allowance against advances and off balance sheet obligations	30,201,464	7,252,539
	Workers Welfare Fund	8,978,509	6,638,445
	Interest expense allowed u/s 1(ba) of 7th schedule	997,843	-
	Tax losses carried forward	14,596	4,609
		<u>40,192,412</u>	<u>13,895,593</u>
	<b>Taxable temporary differences on</b>		
	Surplus on revaluation of property and equipment / non-banking assets	(1,161,630)	(1,219,970)
	Surplus on revaluation on investments	(112,793,092)	(45,227,466)
	Share of loss from associates	(321,924)	(322,838)
	Accelerated tax depreciation	(385,478)	(995,292)
	Post retirement employee benefits	(5,396,190)	(5,396,192)
	Others	(61,088)	(45,098)
		<u>(120,119,402)</u>	<u>(53,206,856)</u>
		<u>(79,926,990)</u>	<u>(39,311,263)</u>
<b>15.</b>	<b>OTHER ASSETS</b>		
	Income / mark-up accrued in local currency	254,807,175	161,331,956
	Income / mark-up accrued in foreign currencies	11,844,330	3,617,197
	Advance taxation - net of provision for taxation	-	1,852,379
	Receivable from staff retirement fund	11,213,283	13,055,061
	Branch adjustment account	109,284	-
	Receivable from other banks against telegraphic transfers and demand drafts	7,226,686	2,097,214
	Unrealised gain on forward foreign exchange contracts	1,254,250	1,102,125
	Rebate receivable - net	26,397,124	9,500,919
	Unrealised gain on derivative financial instruments	9,961	1,262,202
	Suspense accounts	380,122	51,321
	Stationery and stamps on hand	530,165	599,150
	Non-banking assets acquired in satisfaction of claims	1,676,384	39,688
	Advances, deposits, advance rent and other prepayments	8,706,054	4,283,672
	Acceptances	60,779,508	38,205,805
	Dividend Receivable	16,965	-
	Commission receivable - Bancassurance & Branchless Banking	676,047	719,773
	Receivable against fraud & forgery and looted notes	501,148	463,765
	Prepaid deferred expense	14,100,722	9,880,472
	Others	9,308,686	1,430,573
		<u>409,537,894</u>	<u>249,493,272</u>
	Less: Credit loss allowance against other assets	(2,132,476)	(1,558,408)
	Other assets - net of credit loss allowance	<u>407,405,418</u>	<u>247,934,864</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,387	2,387
		<u>407,407,805</u>	<u>247,937,251</u>

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

- 15.1 Unrealised mark-up held in suspense amounting to Rs.23,856.163 million (December 31, 2024: Rs. 46,732.081 million) against non-performing overseas advances has been netted off.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>15.2 Expected credit loss allowance held against other assets</b>		
Advances, deposits, advance rent and other prepayments	1,104,901	1,094,643
Receivable against fraud & forgery and looted notes	501,148	463,765
Others	526,427	-
	<u>2,132,476</u>	<u>1,558,408</u>

## 15.2.1 Movement in expected credit loss allowance held against other assets

Opening balance	1,558,408	1,150,885
Exchange adjustments	3,421	(5,319)
Transfer under amalgamation	526,427	-
Charge / (reversals)		
Charge for the period / year	85,967	595,026
Reversals for the period / year	(40,747)	(118,774)
	45,220	476,252
Transfers out - net	-	(62,852)
Amounts written off	(1,000)	(558)
Closing balance	<u>2,132,476</u>	<u>1,558,408</u>

## 16. CONTINGENT ASSETS

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

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>17. BILLS PAYABLE</b>		
In Pakistan	29,445,716	42,994,426
Outside Pakistan	3,209,438	1,227,392
	<u>32,655,154</u>	<u>44,221,818</u>

## 18. BORROWINGS

### Secured

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	26,265,932	31,367,936
Refinance facility for modernization of SME	1,590,011	2,119,689
Long term financing facility	8,156,814	10,373,465
Renewable energy scheme	1,182,551	1,339,755
Temporary economic refinance facility	13,378,533	15,009,764
Refinance facility for combating COVID-19	44,208	110,693
Refinance for women entrepreneurs	32,879	45,295
Financing facility for storage of agriculture products	46,993	20,625
Repurchase agreement borrowings	5,348,005,930	4,532,326,857
	<u>5,398,703,851</u>	<u>4,592,714,079</u>

Repurchase agreement borrowings from other banks

Bai Muajjal	136,980,850	157,965,709
	<u>19,998,686</u>	<u>-</u>
	<u>156,979,536</u>	<u>157,965,709</u>

### Unsecured

Call borrowings	165,702,301	103,908,861
Overdrawn nostro accounts	2,728,456	784,867
	<u>168,430,757</u>	<u>104,693,728</u>
	<u>5,724,114,144</u>	<u>4,855,373,516</u>

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

**19. DEPOSITS AND OTHER ACCOUNTS**

	September 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	1,564,502,398	819,270,065	2,383,772,463	1,061,667,711	438,673,584	1,500,341,295
Savings deposits	1,128,578,765	67,753,126	1,196,331,891	745,150,912	48,987,572	794,138,484
Term deposits	423,833,009	128,238,162	552,071,171	74,795,514	90,103,254	164,898,768
Others	108,274,741	10,337,342	118,612,083	50,177,905	6,621,539	56,799,444
	3,225,188,913	1,025,598,695	4,250,787,608	1,931,792,042	584,385,949	2,516,177,991
<b>Financial Institutions</b>						
Current deposits	8,195,561	6,398,060	14,593,621	18,028,756	6,784,813	24,813,569
Saving deposits	398,317,279	83,997	398,401,276	95,531,207	93,460	95,624,667
Term deposits	97,491,013	7,056,720	104,547,733	131,850	3,127,908	3,259,758
	504,003,853	13,538,777	517,542,630	113,691,813	10,006,181	123,697,994
	3,729,192,766	1,039,137,472	4,768,330,238	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. 2,139,489.538 million (December 31, 2024: Rs 1,637,394.911 million).

	Note	(Un-audited) September 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 period / year		24,004,060	5,012,628
Lease payments including interest		(4,992,057)	(3,625,093)
Interest expense		2,481,903	1,506,565
Termination/modification		(1,055,773)	(970,038)
Disposal of subsidiary		-	(14,965)
Exchange adjustments		-	(2,640)
Closing balance		32,819,151	12,381,018
<b>20.1 Liabilities Outstanding</b>			
Not later than one year		457,009	449,413
Later than one year and upto five years		5,009,587	4,287,828
Over five years		27,352,555	7,643,777
Total		32,819,151	12,381,018

**21. SUBORDINATED DEBT**

Listed Term Finance Certificates - Additional Tier I	21.1	10,000,000	10,000,000
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- 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  
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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>22. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		51,233,538	55,728,483
Mark-up / return / interest payable in foreign currencies		1,145,171	1,192,511
Accrued expenses		13,973,391	18,080,836
Branch adjustment account		-	153,603
Deferred income		3,090,442	2,532,247
Current taxation (provisions less payments)	22.1	12,680,959	-
Unearned commission and income on bills discounted		2,502,965	3,100,180
Credit loss allowance against off-balance sheet obligations	22.2	3,983,351	3,385,916
Unrealised loss on forward foreign exchange contracts		750,233	1,324,301
Unrealised loss on derivative financial instruments	26	11,998	5,708
Deferred liabilities	22.3	4,926,854	4,652,052
Workers' Welfare Fund payable		17,359,331	12,910,878
Liabilities against Card settlement		336,027	74,372
Dividend payable		582,993	372,343
Unclaimed dividend		432,866	393,372
Acceptances	15	60,779,508	38,205,805
Charity fund balance		18,690	17,237
Levies and taxes payable		3,963,608	964,574
Others		5,321,811	4,031,246
		<u>183,093,736</u>	<u>147,125,664</u>

**22.1** 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, 2024 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 Fund Managers and UBL Currency Exchange have been filed upto the year ended December 31, 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.

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

## Ex-Silk Bank Limited status

The Income Tax returns of the Bank have been filed up to the tax year 2025 (accounting year ended December 31, 2024) 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 2025. 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.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>22.2 Credit loss allowance against off-balance sheet obligations</b>		
Opening balance	3,385,916	1,056,385
Transfer under amalgamation	382,153	-
Exchange adjustments	17,256	(11,779)
Impact of adoption of IFRS 9		1,037,902
Charge / (reversal)		
Charge for the period / year	226,045	1,308,168
Reversals for the period / year	(28,019)	(4,760)
	198,026	1,303,408
Transfers out - net	-	-
Closing balance	3,983,351	3,385,916
<b>22.3 Deferred liabilities</b>		
Provision for post-retirement medical benefits	3,163,308	2,921,465
Provision for compensated absences	557,013	554,514
End of service benefits		
-Overseas branches	752,241	675,476
-Outsourced services	454,292	500,597
	4,926,854	4,652,052

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

## 23. SHARE CAPITAL

### Authorised Capital

(Un-audited) September 30, 2025	(Audited) December 31, 2024		(Un-audited) September 30, 2025	(Audited) 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
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### Issued, subscribed and paid-up capital

(Un-audited) September 30, 2025	(Audited) December 31, 2024		(Un-audited) September 30, 2025	(Audited) December 31, 2024
(Number of shares)			----- (Rupees in '000) -----	

		<b>Fully paid-up ordinary shares of Rs. 5 each (2024 : Rs 10 each)</b>		
1,036,000,000	518,000,000	Issued for cash	5,180,000	5,180,000
1,412,359,374	706,179,687	Issued as bonus shares	7,061,797	7,061,797
55,888,376	-	Issued as share exchange for amalgamation (Note 1.1)	279,442	-
2,504,247,750	1,224,179,687		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.

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

## 24. SURPLUS ON REVALUATION OF ASSETS

### Attributable to equity holders

#### (Deficit) / surplus arising on revaluation of:

- Securities measured at FVOCI - Debt	200,395,263	73,035,015
- Securities measured at FVOCI - Equity	10,566,618	7,869,404
- Property and Equipment	39,561,756	39,672,178
- Non-banking assets acquired in satisfaction of claims	2,387	2,387
- Assets of associates	(7,427)	21,884
	250,518,597	120,600,868

#### Deferred tax on (deficit) / surplus on revaluation of:

- Securities measured at FVOCI - Debt	104,206,225	37,979,386
- Securities measured at FVOCI - Equity	5,494,641	4,092,088
- Property and Equipment	1,160,389	1,218,729
- Non-banking assets acquired in satisfaction of claims	1,241	1,241
	110,862,496	43,291,444
	139,656,101	77,309,424

## 25. CONTINGENCIES AND COMMITMENTS

Guarantees	25.1	446,778,263	352,581,311
Commitments	25.2	1,733,383,722	1,433,032,657
Other contingent liabilities	25.3	17,730,732	15,960,716
		2,197,892,717	1,801,574,684

### 25.1 Guarantees:

Financial guarantees	145,433,717	124,354,428
Performance guarantees	252,674,513	221,439,705
Other guarantees	48,670,033	6,787,178
	446,778,263	352,581,311

### 25.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		464,140,769	354,707,969

#### Commitments in respect of:

- forward foreign exchange contracts	25.2.2	862,382,257	582,473,911
- forward Government securities transactions	25.2.3	22,026,100	319,286,690
- forward lending	25.2.4	369,427,489	168,187,869
- future equity	25.2.5	54,675	-
- operating leases	25.2.6	94,316	172,438
		1,253,984,837	1,070,120,908

#### Commitments for acquisition of:

- Property and Equipment	12,337,008	6,691,082
- intangible assets	2,921,108	1,512,698
	15,258,116	8,203,780
	1,733,383,722	1,433,032,657

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

## 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.

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>25.2.2 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		468,242,455	302,218,129
Sale		394,139,802	280,255,782
		<u>862,382,257</u>	<u>582,473,911</u>
<b>25.2.3 Commitments in respect of forward Government securities transactions</b>			
Purchase		22,026,100	296,701,690
Sale		-	22,585,000
		<u>22,026,100</u>	<u>319,286,690</u>
<b>25.2.4 Commitments in respect of forward lending</b>			
Undrawn formal standby facilities, credit lines and other commitments to lend			
Others	25.2.4.1	152,529,040	73,281,452
		<u>216,898,449</u>	<u>94,906,417</u>
		<u>369,427,489</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) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
<b>25.2.5 Commitments in respect of equity futures</b>			
Purchase		-	-
Sale		54,675	-
		<u>54,675</u>	<u>-</u>
<b>25.2.6 Commitments in respect of operating leases</b>			
Not later than one year		94,316	167,593
Later than one year and not later than five years		-	4,845
Later than five years		-	-
		<u>94,316</u>	<u>172,438</u>

## 25.3 Other contingent liabilities

**25.3.1** Claims against the Bank not acknowledged as debts 25.3.2 17,730,732 15,960,716

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 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 22.1.

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## 26. Derivative Instruments

### Product analysis

September 30, 2025 (Un-audited)							
Equity Futures		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Loss
(Rupees in '000)							
Hedging	54,675	(131)	-	-	-	54,675	(131)
Market making	-	-	22,026,100	(1,906)	-	22,026,100	(1,906)
	54,675	(131)	22,026,100	(1,906)	-	22,080,775	(2,037)

December 31, 2024 (Audited)							
Equity Futures		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain
(Rupees in '000)							
Hedging	-	-	-	-	-	-	-
Market making	-	-	296,701,690	1,258,709	22,585,000	(2,215)	1,256,494
	-	-	296,701,690	1,258,709	22,585,000	(2,215)	1,256,494

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

On:

(Un-audited)			
January - September 2025	January - September 2024		
Loans and advances	88,272,759	76,571,924	
Investments	762,071,823	741,017,184	
Lendings to financial institutions	3,085,136	2,344,231	
Balances with banks	7,821,401	5,998,213	
	861,251,119	825,931,552	

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

On:

Deposits	121,516,333	163,647,772
Borrowings	467,078,971	550,800,396
Subordinated debt	1,018,280	1,684,277
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,742,900	3,349,112
Lease liability against right-of-use assets	2,481,903	1,088,176
	593,838,387	720,569,733

## 29. FEE AND COMMISSION INCOME

Branch banking customer fee	1,580,394	1,465,150
Consumer finance related fee	1,145,977	887,277
Card related fees (debit and credit cards)	5,742,734	2,781,490
Investment banking fees	943,685	230,095
Financial Institution rebate / commission	873,745	564,743
Corporate service charges / facility fee	1,761,004	1,087,435
Commission on trade	2,670,842	2,360,854
Commission on guarantees	1,372,147	1,076,961
Commission on cash management	814,978	852,766
Commission / Incentive on remittances including home remittances - net	2,996,261	3,355,085
Commission on bancassurance	776,966	869,807
Rent on lockers	249,438	169,118
Management fee	2,794,226	1,632,535
Others	559,709	260,927
	24,282,106	17,594,243

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

		(Un-audited)	
		January - September 2025	January - September 2024
Note	----- (Rupees in '000) -----		
<b>30. GAIN ON SECURITIES - NET</b>			
Realised	30.1	9,007,266	23,813,057
Unrealised - Measured at FVTPL	9.1	42,667	261,073
		<u>9,049,933</u>	<u>24,074,130</u>
<b>30.1 Realised gain on:</b>			
Federal Government securities		8,978,322	19,381,500
Shares		7,109	244,402
Foreign securities		21,386	4,158,628
Other securities		449	28,527
		<u>9,007,266</u>	<u>23,813,057</u>
<b>31. OTHER INCOME</b>			
Charges recovered		424,726	644,457
Rent on properties		97,190	77,464
Gain on sale of property and equipment - net		89,048	148,042
(Loss) / gain on sale of Ijarah assets - net		(234)	533
Gain / (loss) on trading liabilities - net		<u>82,752</u>	<u>(6,419)</u>
		<u>693,482</u>	<u>864,077</u>
<b>32. OPERATING EXPENSES</b>			
<b>Total compensation expense</b>		36,186,428	24,085,857
<b>Property expense</b>			
Rent and taxes		1,884,664	1,183,697
Insurance		145,586	234,301
Utilities cost		2,946,885	2,501,474
Security (including guards)		1,740,963	1,247,833
Repair and maintenance (including janitorial charges)		573,591	368,424
Depreciation on owned fixed assets		1,477,713	1,009,926
Depreciation on right-of-use assets		3,074,120	1,820,179
Depreciation on non-banking assets acquired in satisfaction of claims		29,853	2,420
Others		39,176	35,675
		<u>11,912,551</u>	<u>8,403,929</u>
<b>Information technology expenses</b>			
Software maintenance		2,951,443	2,504,171
Hardware maintenance		594,673	462,621
Depreciation		2,009,797	1,336,709
Amortisation		844,119	727,292
Network charges		929,569	817,242
Consultancy Charges		<u>674,566</u>	<u>218,856</u>
		<u>8,004,167</u>	<u>6,066,891</u>
<b>Other operating expenses</b>			
Legal and professional charges		551,120	389,895
Outsourced service costs		2,139,841	1,502,695
Commission paid to branchless banking agents		453,228	384,149
Commission paid to sales force		843,589	1,439,521
Travelling and conveyance		319,769	191,880
Clearing charges		416,019	252,061
Depreciation others		3,115,368	1,750,979
Depreciation on Islamic financing against leased assets		102,050	58,652
Training and development		117,243	150,807
Postage and courier charges		344,919	345,935
Communication		238,073	226,119
Stationery and printing		1,906,345	1,554,112
Marketing, advertisement and publicity		6,735,705	1,491,792
Donations		142,166	198,569
Auditors' remuneration		148,355	109,891
Insurance		305,428	98,381
Deposit protection premium expense		1,964,874	1,652,188
Cash transportation and sorting charges		1,272,404	904,869
Entertainment		534,029	300,077
Office running expenses		369,766	275,966
Vehicle expenses		1,177,028	403,043
Banking service charges		7,581,393	4,742,861
Repairs and maintenance		1,981,486	1,378,035
Subscription		118,078	85,564
Miscellaneous expenses		<u>1,706,621</u>	<u>1,131,938</u>
		<u>34,584,897</u>	<u>21,019,979</u>
		<u>90,688,043</u>	<u>59,576,656</u>

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		(Un-audited)	
		January - September 2025	January - September 2024
		(Rupees in '000)	
33.	OTHER CHARGES	Note	
	Penalties imposed by the SBP		45,778
	Penalties imposed by other regulatory bodies including overseas branches		2,306
			<u>1,840</u>
			<u>47,618</u>
			<u>30,660</u>
			<u>32,966</u>
34.	CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
	Credit loss allowance against value of investments	9.4	65,525
	Credit loss allowance against loans and advances	10.3	(4,534,504)
	Bad debts written off directly		(250,046)
	Credit loss allowance against other assets - net		(1,142,648)
	Credit loss allowance against off-balance sheet obligations - net	15.2.1	58,036
	Recovery of written-off / charged off bad debts	22.2	45,220
	Credit loss allowance against cash and balances with treasury banks		(11,149)
	Other credit loss allowance / write-offs		198,026
			(605,206)
			(314,078)
			(122,115)
			-
			183,670
			161,798
			<u>(4,711,348)</u>
			<u>(1,473,236)</u>
35.	TAXATION		
	Current		91,938,255
	Prior years		55,768,761
	Deferred		6,720,692
			(259,886)
			<u>26,286,710</u>
			<u>(2,259,525)</u>
			<u>124,945,657</u>
			<u>53,249,350</u>
36.	DISCONTINUED OPERATION - United National Bank Limited (UNBL UK)		

The transaction for the sale of United National Bank Limited (UNBL UK) was approved by the shareholders' of United Bank Limited (UBL) in the 65th Annual General Meeting held on March 18, 2024. Subsequently, the Bank entered into a Share Purchase Agreement (SPA) with Bestway Group FS Limited for divestment of its 50.1% shareholding in United National Bank Limited (UNBL UK) at an aggregate price of GBP 25.495 million equal to Rs. 9.053 billion. Prior to this transaction, the Bank held 55% shareholding in UNBL UK.

The Change in Control Notice of Approval from the Prudential Regulatory Authority of the Bank of England was received on July 01, 2024 after which UNBL UK ceased to be treated as a subsidiary of the Bank and the transaction was subsequently concluded on July 05, 2024. The Bank continues to hold 4.9% shareholding in UNBL UK and it's treated as an unlisted equity investment in the consolidated financial statements.

The portion of gain attributable to measuring the investment retained in the former subsidiary at its fair value, at the date when the control is lost, is Rs. 885.45 million.

Bestway Group FS Limited continues to hold an option for acquisition of the remaining 4.9% at the same price for 36 months from the date of

An analysis of assets and liabilities attributable to discontinued operation as at the disposal date is as follows:

	As of July 01, 2024 (Rupees in '000)
<b>ASSETS:</b>	
Cash and balances with treasury banks	41,173
Balances with other banks	1,755,777
Lendings to financial institutions	883,266
Investments - net	43,815,778
Advances - net	309,324,399
Property and equipment	10,935,391
Right-of-use assets	11,151
Intangible assets	74,422
Other assets	786,086
	<u>367,627,443</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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**LIABILITIES:**

Bills payable  
Deposits and other accounts  
Deferred tax liability  
Lease liabilities  
Other liabilities

**As of July 01,  
2024  
(Rupees in  
'000)**

11,588  
329,796,948  
209,622  
14,965  
2,949,618  
332,982,741  
34,644,702

**Net assets attributable to discontinued operations**

**Attributable to:**

- equity holders of the Bank  
- non-controlling interest

19,054,586  
15,590,116

**As of July 01,  
2024  
(Rupees in '000)**

**Loss on disposal of subsidiary attributable to equity holders**

Net assets derecognised

(19,054,586)

Proceeds for 50.1% shareholding disposed

9,053,274

(10,001,312)

Transfer of exchange translation reserve to profit and loss on derecognition

8,706,711

Loss attributable to discontinued operation

(1,294,601)

Recognition of retained share of 4.9% at fair value

885,450

Net loss

(409,151)

Financial performance of the discontinued operation till the date of disposal is as follows:

**For the period  
January 01 to  
July 01, 2024  
(Rupees in '000)**

Mark-up / return / interest earned

9,400,835

Mark-up / return / interest expensed

5,873,124

**Net mark-up / interest income**

3,527,711

**Non mark-up / interest income**

Fee and commission income

410,167

Foreign exchange income

54,377

Loss from derivatives

-

Gain on securities - net

45,657

Other income

28,402

Total non mark-up / interest income

538,603

**Total income**

4,066,314

**Non mark-up / interest expenses**

2,388,936

**Profit before credit loss allowance**

1,677,378

Credit loss allowance and write-offs - net

4,854

**Profit before taxation**

1,672,524

Taxation

324,763

**Profit after taxation**

1,347,761

Loss on disposal attributable to equity holders due to adjustment to carrying value

(409,151)

**Profit after taxation before carrying value adjustment**

Attributable to equity holders

741,269

Attributable to NCI

606,492

1,347,761

**Profit after taxation after carrying value adjustment**

Equity holder

332,118

NCI

606,492

938,610



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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		(Un-audited)	
		January - September 2025	January - September 2024
		----- (Rupees in '000) -----	
<b>37. EARNINGS PER SHARE</b>			
Profit after tax attributable to equity shareholders of the Bank		<u>100,077,963</u>	<u>48,780,590</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>2,490,122,117</u>	<u>2,448,359,374</u>
		----- (Rupees) -----	
<b>Earnings per share - basic and diluted - restated</b>		<u>40.19</u>	<u>19.92</u>
<b>37.1.</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 September 30, 2025 and September 30, 2024.		
<b>38. 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>38.1</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 NINE MONTHS ENDED SEPTEMBER 30, 2025

38.1.1 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.

38.1.2 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, Hair cut	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

## 38.2 Fair value of financial assets

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

	September 30, 2025 (Un-audited)				
	Fair value				Total
	Level 1	Level 2	Level 3		
Carrying value	(Rupees in '000)				
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
- Federal Government securities	7,946,491,624	-	7,946,491,624	-	7,946,491,624
- Shares and units	21,971,995	17,688,963	-	4,337,837	22,026,800
- Foreign securities	304,930,502	-	304,930,502	-	304,930,502
- Non-Government debt securities	6,620,081	-	6,620,081	-	6,620,081
	8,280,014,202	17,688,963	8,258,042,207	4,337,837	8,280,069,007
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government Securities	494,542,928	-	498,635,703	-	498,635,703
- Foreign Bonds	22,927,645	-	22,554,864	-	22,554,864
- Non-Government debt securities	18,948,415	-	19,028,943	-	19,028,943
	536,418,988	-	540,219,510	-	540,219,510
	8,816,433,190	17,688,963	8,798,261,717	4,337,837	8,820,288,517
<b>Off-balance sheet financial instruments measured at fair value</b>					
Foreign exchange contracts - purchased and sold	862,382,257	-	504,017	-	504,017
Equity futures - sold	54,675	(131)	-	-	(131)
Forward Government Securities - purchased and sold	22,026,100	-	(1,906)	-	(1,906)

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**  
FOR THE NINE MONTHS ENDED SEPTEMBER 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)
Equity futures sold	-	-	-	-	-
Forward Government Securities - purchased and sold	319,286,690	-	1,256,494	-	1,256,494

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

September 30, 2025 (Un-audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Property and Equipment	65,177,885	-	-	65,177,885
Non-banking assets acquired in satisfaction of claims	1,678,771	-	-	1,678,771
	66,856,656	-	-	66,856,656

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

**38.4** 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

## 39. SEGMENT INFORMATION

### 39.1 Segment details with respect to business activities

	For the nine months ended September 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	18,593,270	275,517,880	(76,135,374)	22,210,100	25,659,351	3,301	1,564,204	267,412,732
Inter segment (expense) / revenue - net	(8,315,936)	(138,293,368)	149,026,826	-	-	-	(2,417,522)	-
Non mark-up / return / interest income	8,796,555	16,723,512	12,133,403	1,125,991	4,158,206	3,637,728	1,487,785	48,063,180
<b>Total Income</b>	19,073,889	153,948,024	85,024,855	23,336,091	29,817,557	3,641,029	634,467	315,475,912
Segment direct expenses	3,989,834	3,209,225	58,749,321	14,944,703	6,780,340	1,877,128	5,596,437	95,146,988
Inter segment expense allocation	2,241,316	2,464,315	4,462,836	-	438,778	-	(9,607,245)	-
<b>Total expenses</b>	6,231,150	5,673,540	63,212,157	14,944,703	7,219,118	1,877,128	(4,010,808)	95,146,988
Credit loss allowance - net	2,241,491	132,488	(761,047)	(1,386,077)	2,400,124	-	2,084,369	4,711,348
<b>Profit before taxation</b>	15,084,230	148,406,972	21,051,651	7,005,311	24,998,563	1,763,901	6,729,644	225,040,272

	For the nine months ended September 30, 2024 (Un-audited)							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
	(Rupees in '000)							
Profit and Loss								
Net mark-up / return / profit	40,060,227	143,133,381	(119,327,689)	27,383,604	15,484,545	130,424	(1,502,673)	105,361,819
Inter segment (expense) / revenue - net	(30,957,556)	(212,876,402)	234,733,638	-	-	-	9,100,320	-
Non mark-up / return / interest income	6,519,575	25,543,193	9,413,402	1,937,210	10,034,937	2,764,430	846,897	57,059,644
Total Income	15,622,246	(44,199,828)	124,819,351	29,320,814	25,519,482	2,894,854	8,444,544	162,421,463
Segment direct expenses	1,477,721	549,422	38,640,669	4,291,786	5,931,003	1,646,012	9,319,118	61,855,731
Inter segment expense allocation	288,551	710,968	6,219,441	-	-	-	(7,218,960)	-
Total expenses	1,766,272	1,260,390	44,860,110	4,291,786	5,931,003	1,646,012	2,100,158	61,855,731
Credit loss allowance - net	174,376	(164)	138,476	(43,904)	1,109,466	-	94,986	1,473,236
Profit / (loss) before taxation	14,030,350	(45,460,382)	80,097,717	24,985,124	20,697,945	1,248,842	6,439,372	102,038,968

	As at September 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	34,619	88,940,652	78,403,138	147,476,159	286,894,685	931,851	-	602,681,104
Investments	9,665,036	8,234,103,230	-	147,501,146	418,118,794	6,084,518	7,657,610	8,823,130,334
<i>Net inter segment lending</i>	240,809,898	-	2,269,976,945	-	5,452,386	-	136,155,100	2,652,394,329
Lendings to financial institutions	-	3,855,801	-	135,499,936	-	-	-	139,355,737
Advances - performing net of credit loss allowance	328,737,352	1,955	91,225,445	358,580,944	317,576,425	-	2,028,243	1,098,150,364
Advances - non-performing net of credit loss allowance	1,570,396	-	296,387	75,429	3,284,873	-	16,417	5,243,502
Others	9,714,636	250,169,316	103,603,752	125,645,609	23,832,921	1,739,802	98,140,540	612,846,576
<b>Total Assets</b>	<b>590,531,937</b>	<b>8,577,070,954</b>	<b>2,543,505,667</b>	<b>914,779,223</b>	<b>1,055,160,084</b>	<b>8,756,171</b>	<b>243,997,910</b>	<b>13,933,801,946</b>
Borrowings	29,449,004	5,668,614,115	10,683,361	10,647,426	4,720,238	-	-	5,724,114,144
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits and other accounts	596,475,378	775,448	2,461,175,083	801,522,715	907,864,563	-	517,051	4,768,330,238
<i>Net inter segment borrowing</i>	-	2,652,394,329	-	-	-	-	-	2,652,394,329
Others	15,577,334	100,050,654	106,791,612	30,937,529	10,718,357	1,248,109	63,171,436	328,495,031
<b>Total Liabilities</b>	<b>641,501,716</b>	<b>8,421,834,546</b>	<b>2,578,650,056</b>	<b>843,107,670</b>	<b>923,303,158</b>	<b>1,248,109</b>	<b>73,688,487</b>	<b>13,483,333,742</b>
Equity	(50,969,779)	155,236,408	(35,144,389)	71,671,553	131,856,926	7,508,062	170,309,423	450,468,204
<b>Total Equity &amp; liabilities</b>	<b>590,531,937</b>	<b>8,577,070,954</b>	<b>2,543,505,667</b>	<b>914,779,223</b>	<b>1,055,160,084</b>	<b>8,756,171</b>	<b>243,997,910</b>	<b>13,933,801,946</b>
<b>Contingencies and Commitments</b>	<b>1,016,590,869</b>	<b>276,591,847</b>	<b>163,918,134</b>	<b>36,759,555</b>	<b>701,741,615</b>	<b>-</b>	<b>2,290,697</b>	<b>2,197,892,717</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	2,077,688	5,889,765,841
<i>Net inter segment lending</i>	-	-	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	2,004,998	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>104,395,813</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
<i>Net inter segment borrowing</i>	-	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	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>550,632,667</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	52,182,863	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>104,395,813</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>1,504,910</b>	<b>1,801,574,684</b>

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

## 40. 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 September 30, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
<b>Statement of financial position</b>					
<b>Lendings to financial institutions</b>					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	4,401,640
Repaid during the period	-	-	-	-	(3,971,440)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	430,200
<b>Investments</b>					
Opening balance	-	-	-	6,306,355	3,635,440
Investment made during the period	-	-	-	12,157,590	-
Investment disposed during the period	-	-	-	(10,787,815)	(63,635)
Transfers in / (out) - net	-	-	-	-	-
Equity accounting adjustments	-	-	-	383,083	-
Closing balance	-	-	-	8,059,213	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	-	7,554	288,262	-	168,867,017
Repaid during the period	-	(7,646)	(240,213)	-	(249,956,584)
Transfers in / (out) - net	-	-	(188,816)	-	(1,285)
Closing balance	-	445	455,516	-	150,006,568
Credit loss allowance held against advances	-	22	12,430	-	32
Property and equipment / Capital work in progress	-	-	-	-	10,298
<b>Other Assets</b>					
Income / mark-up accrued	-	-	-	-	4,310,526
Receivable from staff retirement fund	-	-	-	-	11,213,283
Prepaid insurance	-	-	-	287,379	-
Remuneration and other receivable from management of funds	-	-	-	356,239	-
Sales load receivable	-	-	-	57,074	-
Other receivable	-	-	-	66,412	19,645
Credit loss allowance against other assets	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	-	94,460,700
Borrowings during the period	-	-	-	3,896,632	479,451,607
Settled during the period	-	-	-	(3,896,632)	(566,807,818)
Closing balance	-	-	-	-	7,104,489
Overdrawn nostros	-	-	-	-	109,669

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

As at September 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	22,819,546	36,007,502	1,997,055	66,228,542	3,152,123,469
Withdrawn during the period	(22,808,954)	(36,278,629)	(2,057,789)	(65,861,404)	(3,071,367,317)
Transfers in / (out) - net	-	-	(63,558)	-	(123,568)
Closing balance	13,797	6,991,910	27,778	963,563	121,268,256
<b>Subordinated debt</b>	-	-	-	-	50,000
<b>Other Liabilities</b>					
Interest / mark-up payable on deposits and borrowings	127	70,457	43	1,749	537,960
Dividend payable	-	34	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	-	32
Other payable	-	-	-	-	27,163
<b>Contingencies and Commitments</b>					
Letter of credits	-	-	-	-	10,315
Forward Government Securities Sale	-	-	-	-	-
Forward foreign exchange contracts purchase	-	-	-	-	29,981
<b>Others</b>					
Securities held as custodian	5,460,000	1,303,000	12,500	2,768,500	18,858,130
As at December 31, 2024 (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	-	-	-	-	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	-	-	-	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
<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

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

	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)
Transfer in	-	-	(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
<b>Others</b>					
Securities held as custodian	5,290,205	1,222,000	52,350	3,467,400	34,604,380

	For the nine months ended September 30, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Profit and loss account					
Income					
Mark-up / return / interest earned	-	-	13,238	-	12,743
Commission / charges recovered	-	211	2,656	15,751	13,049
Dividend income	-	-	-	80,815	519,507
Net loss on sale of securities	-	-	-	-	-
Other income	-	-	-	-	68,771
Gain / (Loss) on sale of property and equipment	-	-	(5,405)	2,785	-
Remuneration from management of funds	-	-	-	2,756,719	-
Sales load	-	-	-	84,547	-
Reimbursement of expenses by funds	-	-	-	18,662	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	507,471

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	For the nine months ended September 30, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
<b>Expense</b>					
Mark-up / return / interest paid	57,612	227,087	4,999	30,789	2,678,643
Remuneration paid	-	-	1,411,714	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	77,981	-	-	-
Charge for defined contribution plans	-	-	27,409	-	649,379
Charge for defined benefit plans	-	-	8,440	-	714,759
Provision	-	-	-	-	-
Other expenses	-	-	5,793	-	292,571
Clearing charges	-	-	-	-	251,955
Donations	-	-	-	-	-
Seminar and Membership fees	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	2,733	-	14,551

## Other Information

Dividend paid	24,005,698	1,120,076	18,574	-	9,342,971
Purchase of Government securities	-	57,218	13,742	1,949,099	2,988,627,499
Sale of Government securities	6,126,813	1,088,137	-	2,120,296	2,959,365,862
Insurance premium paid	-	-	-	927,367	-
Insurance claims settled	-	-	-	242,788	-

For the nine months ended September 30, 2024 (Un-audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	(Rupees in '000)				
Income					
Mark-up / return / interest earned	-	-	25,280	-	21,909
Commission / charges recovered	-	229	1,889	14,257	11,235
Dividend income	-	-	-	402,811	445,292
Net gain on sale of securities	-	-	-	(176,806)	-
Other income	-	-	-	-	45,726
Gain on sale of property and equipment	-	-	36	1,905	-
Remuneration from management of fund	-	-	-	1,619,832	-
Sales load	-	-	-	59,848	-
Reimbursement of expenses by funds	-	-	-	340,283	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	336,478

## Expense

Mark-up / return / interest paid	64,336	200,807	14,601	1,222,110	570,522
Remuneration paid	-	-	1,207,257	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	78,540	-	-	-
Net Charge for defined contribution plans	-	-	43,026	-	488,651
Net Charge for defined benefit plans	-	-	24,792	-	660,638
Provision	-	-	-	-	-
Other expenses	-	-	-	-	426,846
Clearing charges	-	-	-	-	138,980
Membership, subscription, sponsorship and maintenance charges	-	-	2,635	-	14,534

## Other Information

Dividend paid	20,847,054	717,419	23,082	38,348	5,255,358
Purchase of Government securities	11,791,252	555,675	-	695,758	50,263,758
Sale of Government securities	3,835,733	1,428,825	28,111	1,235,001	64,513,389
Insurance premium paid	-	-	2,392	759,967	-
Insurance claims settled	-	-	-	337,621	-



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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

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

### Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

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

12,521,239	12,241,797
------------	------------

### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

376,352,601	235,348,145
9,915,745	9,870,811
386,268,346	245,218,956
89,724,287	81,529,158
475,992,633	326,748,114

### Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

1,380,403,713	984,217,218
293,194,263	275,897,396
327,012,027	327,012,027
2,000,610,003	1,587,126,641

### Common Equity Tier 1 Capital Adequacy Ratio

### Tier 1 Capital Adequacy Ratio

### Total Capital Adequacy Ratio

18.81%	14.83%
19.31%	15.45%
23.79%	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 period ended September 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 September 30, 2025. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 23.79% whereas CET 1 and Tier 1 ratios stood at 18.81% and 19.31% 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-1/Bank/UBL/984691/2025 dated August 22, 2025. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

### Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio

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

386,268,346	245,218,956
11,804,880,517	7,858,268,797
3.27%	3.12%

### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

3,161,732,419	1,809,400,194
1,475,186,162	721,237,268
214.33%	250.87%

### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

3,144,834,510	2,163,819,529
2,387,791,909	2,027,714,826
131.70%	106.71%

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

## 42. ISLAMIC BANKING BUSINESS

The Bank operates 689 (December 31, 2024: 496) Islamic Banking branches and 596 (December 31, 2024: 558) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	-----
ASSETS			
Cash and balances with treasury banks		143,093,224	44,290,715
Balances with other banks		4,382,935	571,962
Due from financial institutions	42.1	135,499,936	-
Investments	42.2	147,501,146	119,366,357
Islamic financing and related assets - net	42.3	358,656,373	147,886,966
Property and equipment		13,363,809	6,029,227
Right-of-use assets		13,961,503	3,181,023
Intangible assets		-	-
Due from Head Office		79,289,971	284,069,490
Other assets		19,030,326	4,813,226
		914,779,223	610,208,966

### LIABILITIES

Bills payable		5,509,042	8,607,107
Due to financial institutions		10,647,426	8,003,110
Deposits and other accounts	42.4	801,522,715	519,488,249
Due to Head Office		-	-
Lease Liability		14,985,913	3,788,556
Other liabilities		10,442,574	5,519,705
		843,107,670	545,406,727
		71,671,553	64,802,239

### NET ASSETS

### REPRESENTED BY

Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Surplus on revaluation of assets		436,061	572,058
Unappropriated profit	42.5	69,054,492	62,049,181
		71,671,553	64,802,239

### CONTINGENCIES AND COMMITMENTS

42.6

### PROFIT AND LOSS ACCOUNT

		(Un-audited) January - September 2025	January - September 2024
		----- (Rupees in '000) -----	
Profit / return earned	42.7	34,021,049	51,610,570
Profit / return expensed	42.8	11,810,949	24,226,966
Net profit / return		22,210,100	27,383,604

### Other income

Fee and commission income		1,056,052	356,372
Foreign exchange (loss) / income		(95,156)	86,444
Gain on securities - net		52,925	1,434,053
Other income		112,170	60,341
Total other income		1,125,991	1,937,210
<b>Total Income</b>		23,336,091	29,320,814

### Other expenses

Other operating expenses		14,944,703	4,291,786
<b>Profit before credit loss allowance</b>		8,391,388	25,029,028
Credit loss allowance and write offs - net		1,386,077	43,904
<b>Profit before taxation</b>		7,005,311	24,985,124
Taxation		3,712,815	12,242,711
<b>Profit after taxation</b>		3,292,496	12,742,413

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

## 42.1 Due from Financial Institutions

	As at September 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	135,500,000	-	135,500,000	-	-	-
Bai Muajjal						
with other Financial Institutions	-	-	-	-	-	-
with State Bank of Pakistan	-	-	-	-	-	-
Less: Credit Loss Allowance						
Stage 1	(64)	-	(64)	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	<u>135,499,936</u>	<u>-</u>	<u>135,499,936</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 42.2 Investments by segments

		As at September 30, 2025 (Un-audited)			
Note		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
<hr/> <div>(Rupees in '000)</div> <hr/>					
<b>Debt Instruments</b>					
<b>Measured at amortised cost</b>					
	Federal Government Securities				
	- Ijarah Sukuks	10,000,655		-	10,000,655
	- Bai Muajjal with Govt. of Pakistan	53,886,716		-	53,886,716
42.2.1	Non Government debt securities	8,378,112	(151)	-	8,377,961
		72,265,483	(151)	-	72,265,332
<b>Measured at FVOCI</b>					
	Federal Government securities				
	- Ijarah Sukuks	54,607,571	-	436,061	55,043,632
	- Islamic Naya Pakistan Certificate	914,192	-	-	914,192
	Non Government debt securities	-	-	-	-
		55,521,763	-	436,061	55,957,824
<b>Measured at FVPL</b>					
	Federal Government securities				
	- Ijarah Sukuks	18,961,266	-	16,724	18,977,990
		18,961,266	-	16,724	18,977,990
<b>Instruments mandatorily classified / measured at FVPTL</b>					
	Non Government debt securities	300,000	-	-	300,000
<b>Total investments</b>		<u>147,048,512</u>	<u>(151)</u>	<u>452,785</u>	<u>147,501,146</u>

As at December 31, 2024 (Audited)					
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	
<hr/> <div>(Rupees in '000)</div> <hr/>					
<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
42.2.1	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
		<u>118,794,450</u>	<u>(151)</u>	<u>572,058</u>	<u>119,366,357</u>

		As at September 30, 2025 (Un-audited)			As at December 31, 2024 (Audited)				
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<hr/> <div>(Rupees in '000)</div> <hr/>									
Federal Government securities		-	-	-	-	-	-	-	-
Non Government debt securities		(151)	-	-	(151)	(151)	-	-	(151)
		<u>(151)</u>	<u>-</u>	<u>-</u>	<u>(151)</u>	<u>(151)</u>	<u>-</u>	<u>-</u>	<u>(151)</u>

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>42.2.1 Bai Muajjal with Government of Pakistan</b>		
Bai Muajjal Investment	69,340,000	69,340,000
Less: Deferred Income	(15,453,284)	(21,721,852)
Bai Muajjal Investment-net	<u>53,886,716</u>	<u>47,618,148</u>
<b>42.3 Islamic financing and related assets</b>		
Ijarah	975,877	183,651
Murabaha	1,297,754	165,372
Musharakah	193,256,768	73,230,869
Diminishing Musharakah	116,195,591	45,705,613
Mera Pakistan Mera Ghar (MPMG)	4,552,241	4,839,643
Istisna	1,108,611	240,064
Tijarah	8,437,500	-
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	3,388,798	3,692,614
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	10,887,531	8,710,000
Islamic Export Refinance scheme - Istisna	215,076	608,058
Advances against Islamic assets		
Advances against Ijarah	400,015	17,910
Advances for Diminishing Musharakah	43,953	8,689,619
Advances for Murabaha	10,549,048	-
Advances against Mera Pakistan Mera Ghar	1,735,744	4,335
Advances for Istisna	895,000	1,312,312
Advances against Istisna - Under SBP's Islamic Export Refinance scheme	1,544	256,000
Advances against Diminishing Musharakah ITERF	-	-
Inventory related to Islamic financing		
Istisna	760,281	111,700
Tijarah	350,000	-
Profit and other receivables against financings	7,258,131	2,189,222
Gross Islamic financing and related assets	362,309,463	149,956,982
Less: Credit Loss Allowance against Islamic financings		
- Stage 1	(1,893,522)	(1,668,457)
- Stage 2	(1,277,085)	(213,344)
- Stage 3	(482,483)	(188,215)
	<u>(3,653,090)</u>	<u>(2,070,016)</u>
Islamic financing and related assets - net of credit loss allowance	<u>358,656,373</u>	<u>147,886,966</u>
<b>42.4 Deposits and other accounts</b>		
<b>Customers</b>		
Current deposits	547,894,513	343,912,552
Saving deposits	151,746,562	123,254,188
Term deposits	6,763,611	5,223,078
	706,404,686	472,389,818
<b>Financial Institutions</b>		
Current deposits	943,711	1,164,744
Saving deposits	49,369,318	45,900,687
Term deposits	44,805,000	33,000
	95,118,029	47,098,431
	<u>801,522,715</u>	<u>519,488,249</u>
<b>42.4.1</b> Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 598,227.746 million (December 31, 2024: Rs. 409,558.614 million).		
<b>42.5 Islamic Banking Business Unappropriated Profit</b>		
	(Un-audited) September 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	7,005,311	32,220,463
	69,054,492	62,049,181
Taxation for the period / year	(3,712,815)	(17,399,050)
Closing Balance	<u>65,341,677</u>	<u>44,650,131</u>

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

**42.6 Contingencies and commitments**

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	(Rupees in '000)	
- Guarantees	5,585,336	321,847
- Commitments	31,174,219	10,214,840
	<u>36,759,555</u>	<u>10,536,687</u>

**42.7 Profit / Return earned**

	(Un-audited) January - September 2025	January - September 2024
	(Rupees in '000)	
On:		
Financing	20,371,165	6,058,637
Investments	13,042,545	45,261,627
Placements	409,229	191,981
Rental Income from Ijarah	198,110	98,325
	<u>34,021,049</u>	<u>51,610,570</u>

**42.8 Profit / Return expensed**

On:		
Deposits and other accounts	10,429,620	20,094,302
Due to Financial Institutions	248,951	3,930,625
Others	1,132,378	202,039
	<u>11,810,949</u>	<u>24,226,966</u>

**42.9 Disclosures for profit and loss distribution and pool management**

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

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

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

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

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

The Mudarib's share on Deposits for the period ended Sept 30, 2025 is Rs.8,097.57 million (46.26% of distributable profit of Mudarabah Pool) of this, an amount of Rs.1,747.01 million (21.57% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 13.00% per annum and the rate of profit paid on average deposits was 8.15% 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 nine months ended September 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	57	Mudarbaha	Monthly	11.14%	33.86%	1,373,092	8.81%	40.17%	551,536
IERS Pools	11	Musharkah	Monthly	8.66%	41.64%	122,488	5.34%	0.00%	-
General Pools	9	Mudarbaha	Monthly	12.96%	50.00%	6,724,486	7.73%	17.78%	1,195,479
FCY Pools	10	Mudarbaha	Monthly	7.09%	81.00%	52,046	0.12%	22.94%	11,942
Treasury Pools	0	Musharkah	Monthly	0.00%	0.00%	-	0.00%	0.00%	-

### For the nine months ended September 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	9	Mudarbaha	Monthly	12.16%	38.80%	151,622	8.20%	15.31%	23,207
Special Pools	104	Mudarbaha	Monthly	20.66%	13.45%	2,032,150	19.06%	42.71%	868,028
IERS Pools	18	Musharkah	Monthly	17.78%	59.36%	735,665	17.78%	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	2.13%	50.00%	4,594	1.06%	0.00%	-
General Pools	9	Mudarbaha	Monthly	20.58%	49.99%	4,874,260	12.59%	23.27%	1,134,037
Treasury Pools	219	Musharkah	Monthly	18.94%	11.16%	420,971	17.85%	0.00%	-

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

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
<b>42.10 Deployment of Mudarabah based deposits by class of business</b>		
Chemical and pharmaceuticals	9,732,134	11,119,892
Agriculture	164,667,533	64,330,828
Textile	39,321,458	6,937,944
Sugar	22,445,105	-
Financial	135,799,936	800,000
Plastic	-	197,855
Individuals	24,908,992	26,446,650
Production and transmission of energy	31,502,934	18,216,021
Government of Pakistan Securities	138,823,034	110,166,197
Others	78,109,419	31,107,952
	<u>645,310,545</u>	<u>269,323,339</u>

**43. 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.

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

The Board of Directors in its meeting held on October 15, 2025 has declared an interim cash dividend in respect of quarter ended September 30, 2025 of Rs. 8.0 per share (September 30, 2024: Rs. 11.0 per share). This is in addition to Rs. 19.0 already paid during the period bringing the total dividend for the nine months to Rs. 27.0 per share (September 30, 2024: Rs. 33.0). These consolidated condensed interim financial statements for the nine months ended September 30, 2025 do not include the effect of these appropriations which will be accounted for subsequent to the period end.


**45. GENERAL**


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

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

**46. DATE OF AUTHORISATION**

These consolidated condensed interim financial statements were authorised for issue on October 15, 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

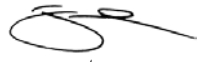
  
**Sir Mohammed Anwar Pervaz, OBE, HPk**  
Chairman

ون پلس) اینٹی ریٹنگز کی دوبارہ توثیق کی ہے۔ علاوہ ازیں، یو بی ایل کی ایڈیشنل ٹیسٹ 1-TFC (ADT-1) کی بھی بطور AA+ (ڈبل اے پلس) دوبارہ توثیق کی جا چکی ہے۔ تفویض کردہ ریٹنگز پر توقعات مستحکم ہیں۔

مستقبل کی توقعات  
مستقبل کو پیش نظر رکھتے ہوئے، یو بی ایل نہ صرف باند ار ترقی کے لیے پُر عزم ہے بلکہ کنویشنل اور اسلامی دونوں بینکاری شعبوں میں اپنے بنیادی بینکنگ آپریشنز کو مضبوط کرنے والی حکمت عملی پر توجہ مرکوز رکھے ہوئے ہے۔ اس عمل میں رسائی، کسٹمر سے روابط اور مارکیٹ شیئر میں اضافے کے لیے ہمارے برانچ نیٹ ورک کو بڑھانا شامل ہے۔ سلک بینک کے کامیاب انضمام کے بعد ہمارا مقصد کنزرویٹو بینکنگ کے شعبے پر خصوصی توجہ کے ساتھ مارکیٹ تک رسائی کو مزید مستحکم کرنا ہے۔ تمام بینکنگ چینلز میں بہترین کسٹمر سروس کی فراہمی کے یو بی ایل کے عزم کی عکاسی رفتار، استحکام اور تحفظ پر توجہ مرکوز کرتے ہوئے ٹیکنالوجی میں ہماری مسلسل سرمایہ کاری سے ہوتی ہے۔ ادارے کے ساتھ بہتر ہم آہنگی لانے کے لیے ہم اسٹرکچر اور طریقہ کار کو دوبارہ ترتیب کے ساتھ ہم اپنے ٹرانسپاریشن ایجنڈا میں مسلسل سرمایہ جاری رکھے ہوئے ہیں۔ ہم مستقبل میں بھی، کارکردگی کو جاری رکھنے اور اپنے اسٹیک ہولڈرز کو مستحکم منافع فراہم کرنے کے لیے پُر عزم ہیں۔

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  
اسلام آباد،

15 اکتوبر 2025



# یونائیٹڈ بینک لمیٹڈ

## ارکان کوڈائریکٹرز کی رپورٹ

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

کارکردگی کا جائزہ

غیر مجتمع بنیادوں پر، 30 ستمبر 2025 کو ختم ہونے والے نوماہ کے لیے 222.6 ارب روپے کا قبل از ٹیکس منافع (PBT) ریکارڈ کیا گیا جو 107 سال بہ سال کی مستحکم نمو کی نمائندگی کرتا ہے۔ 9M'25 میں منافع بعد از ٹیکس 98.5 (PAT) ارب روپے رہا جو کہ 9M'24 کے مقابلے میں 55.0 ارب روپے تھا جبکہ آمدنی فی حصص 39.55 (EPS) رہی جو گذشتہ سال کی اسی مدت میں 22.46 تھی۔ یو بی ایل نے 100.1 ارب روپے (7:24 9M'24 ارب روپے) کے ساتھ 40.19 کی آمدنی فی حصص (20.06:9M'24) (EPS روپے) میں مجتمع بنیاد پر منافع بعد از ٹیکس کا اندراج کیا۔

یو بی ایل کے ڈائریکٹرز نے 15 اکتوبر 2025 کو اسلام آباد میں منعقد ہونے والے اپنے اجلاس میں 30 ستمبر 2025 کو ختم ہونے والے نوماہ کے نتائج کے ساتھ 8.0 روپے فی حصص کے عبوری نقد منافع کا اعلان کیا۔

بینک کی مجموعی آمدنی 9M'25 میں 311.2 ارب روپے رہی جو کہ سال بہ سال 87 فیصد اضافے کے ساتھ نیٹ مارک آپ آمدنی 267.4 ارب روپے کے مستحکم اضافے سے بڑھ رہی ہے۔ بینک نے 9M'25 میں بنیادی آمدنی میں مستحکم اضافے کے ساتھ 43.8 ارب روپے کی نان مارک آپ آمدنی حاصل کی۔ 9M'25 میں فیس اور کمیشن کی مد میں 21.3 ارب روپے کی آمدنی حاصل کی گئی جو کہ سال بہ سال 34 فیصد اضافہ ہے۔ اس کی وجہ کارڈ سے متعلقہ فیسوں میں مضبوط اضافہ ہے، جو 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 9M'24 کے مقابلے میں 53% کا اضافہ ریکارڈ کیا گیا ہے جو بڑھ کر 9M'25 میں 88.9 ارب روپے تک پہنچ گیا۔ ایسا عملے کی لاگت میں سال بہ سال 52 فیصد اضافے کے ساتھ 35.3 ارب روپے، پراپرٹی سے متعلق سال بہ سال 42 فیصد اضافے کے ساتھ 11.7 ارب روپے اور آئی ٹی اخراجات میں 32 فیصد اضافے کے ساتھ 7.9 ارب روپے تک پہنچ جانے کے باعث ہوا۔ یو بی ایل نے 9M'24 کے 1.5 ارب روپے کے نیٹ پروویژن چارجز کے مقابلے میں 9M'25 میں 4.7 ارب روپے کا نیٹ پروویژن ریورسل ریکارڈ کیا، جو کہ بنیادی طور پر ملکی اور بین الاقوامی پورٹ فولیو میں وصولیوں کے نتیجے میں ممکن ہوا ہے۔

سرمائے کا تناسب۔ مجتمع

بینک ایک مؤثر 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 ستمبر 2025 میں 23.8% (دسمبر 2024: 20.6%) رہا، جس میں کم سے کم 13.0% کے ریگولیٹری تقاضے پر 10.8% کا بفر بھی ظاہر ہوتا ہے۔ کامن ایکویٹی ٹیئر 1 (CET-1) کا تناسب ستمبر 2025 میں 18.8% (دسمبر 2024: 14.8%) رہا۔ ستمبر 2025 کو ٹوٹل ٹیئر 1 کی کمیٹیٹل کا تناسب 19.3% (دسمبر 2024: 15.5%) ریکارڈ کیا گیا۔

کریڈٹ ریٹنگ

ویز کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 30 جون 2025 کو یونائیٹڈ بینک لمیٹڈ (UBL) کی "A-1 / AAA+ (ٹرپل اے) / اے





## UNITED BANK LIMITED

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