



# LEADING THE WAY IN DIGITAL REVOLUTION

QUARTERLY REPORT  
(UN-AUDITED)  
MARCH 31, 2023



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## COMPANY INFORMATION

### Board of Directors

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

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

The Honourable Haider Zameer Choudrey  
Non-Executive Director

Mr. Rizwan Pervez  
Non-Executive Director

Mr. Shazad G. Dada  
President & CEO

Mr. Muhammad Jawaid Iqbal  
Non-Executive Director

Mr. Daniel Michael Howlett \*  
Independent Director

Mr. Tariq Rashid  
Independent Director

Ms. Shazia Syed  
Independent Director

### COMMITTEES OF THE BOARD

#### BOARD AUDIT COMMITTEE (BAC):

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

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

Mr. Tariq Rashid	Chairman
Sir Mohammed Anwar Pervez, OBE, HPk	Member
Mr. Muhammad Jawaid Iqbal	Member
Mr. Rizwan Pervez	Member
Mr. Abdul Jabbar Junejo	Secretary

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

Mr. Muhammad Jawaid Iqbal	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
Ms. Shazia Syed	Member
Mr. Shazad G. Dada	Member
Mr. Imran Sarwar	Secretary

#### BOARD IT COMMITTEE (BITC):

Mr. Tariq Rashid	Chairman
Lord Zameer M. Choudrey, CBE, SI, Pk	Member
The Honourable Haider Zameer Choudrey	Member
Mr. Shazad G. Dada	Member
Mr. Muhammad Faisal Anwar	Secretary

#### BOARD NOMINATION COMMITTEE (BNC):

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

### Chief Financial Officer

Mr. Arif Akmal Saifia

### 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  
Email: customer.services@ubl.com.pk

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*\* In the Annual General Meeting of the Bank held on 29th March 2023, Mr. Amar Zafar Khan, one of the existing Independent Directors had retired on the conclusion of three years' term of directors and Mr. Daniel Michael Howlett, was elected in his place.*

# UNITED BANK LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we are pleased to present the financial statements of United Bank Limited (UBL) for the quarter ended March 31, 2023.

### Performance Overview

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 24.4 billion for the quarter ended March 31, 2023, with a strong growth of 54% year on year.

The Bank's gross revenues were recorded at Rs. 42.0 billion for Q1'23, with an increase of 49% against the corresponding period of last year. Net mark-up income stood at Rs. 33.3 billion for Q1'23, with a significant increase of 55% over last year as a result of a well-positioned investment book and efficient cost of deposits. Non-markup income stood at Rs. 8.8 billion for Q1'23 which is up 30%, owing to strong growth across major fee-based revenues and foreign exchange income.

The Bank's operating expenses stood at Rs. 14.5 billion for Q1'23, and are up 24% year on year, as a result of significantly higher inflation levels, steep decline in the value of PKR and higher overheads across the network. Despite the increase in the expense base, the cost to income ratio continues to improve and is down to 34.6% for Q1'23 as compared to 41.5% last year.

The Bank recorded a net provisioning charge of Rs. 2.6 billion for Q1'23 (Q1'22: net provision charge of Rs. 347 million), mainly to build coverage against foreign currency denominated investments.

### Financial Highlights

On a standalone basis, UBL recorded Profit After Tax (PAT) of Rs. 13.9 billion for Q1'23 as against a PAT of Rs. 9.5 billion for Q1'22, with a growth of 46% year on year. Earnings per share (EPS) was measured at Rs. 11.36 for Q1'23 (Q1'22: Rs. 7.78).

On a consolidated basis, UBL recorded PAT of Rs. 14.5 billion (Q1'22: Rs. 9.4 billion). The consolidated EPS was measured at Rs. 11.62 for Q1'23 (Q1'22: Rs. 7.60).

### Net Markup Income

The Bank earned net markup income of Rs. 33.3 billion in Q1'23, with an increase of 55% year on year. The Bank's markup earning assets averaged Rs. 2.6 trillion in Q1'23 and have grown by 23%. Bank level Net interest margins (NIMs) improved from 4.3% in Q1'22 to 5.2% in Q1'23. Benchmark interest rates averaged 18.7% in Q1'23 versus 10.8% in Q1'22 due to significant monetary tightening during the year. A timely repositioning in the investment book has led to a strong growth in interest margins with a well-diversified portfolio across fixed and floating rate investments.

Domestic deposits averaged Rs. 1.60 trillion in Q1'23, growing by 7% over last year with a net incremental increase of Rs. 105 billion. Domestic CASA deposits averaged Rs. 1.44 trillion for Q1'23, with 9% growth year on year. The average CASA to total deposits remained strong and was measured at 89.6% in Q1'23 (Q1'22: 87.8%). The Bank added approximately 233,000 new current account relationships in Q1'23 as against 162,000 current account relationships in the corresponding period of

last year. This led to average current deposits recording a growth of 12% year on year, increasing to Rs. 757 billion in Q1'23. Resultantly, the average current to total deposits ratio improved to 47.1% in Q1'23 from 44.9% in Q1'22. The domestic portfolio of savings accounts averaged Rs. 682 billion in Q1'23 (Q1'22: Rs. 644 billion). The domestic cost of deposits was measured at 7.5% as against 4.5% in the corresponding period of last year and remained well contained despite the sharp increase in interest rates over the last year.

Bank level performing advances averaged Rs. 826 billion for Q1'23, growing by 31%. Domestic performing advances averaged Rs. 675 billion for Q1'23, with an increase of 36%, mainly due to strong build up across the Corporate segments. The Bank continued its build up in business scale across the Islamic banking space as the segment loan book averaged Rs. 84 billion for Q1'23, growing by 36%. The Bank's markup earning investments averaged Rs. 1.64 trillion for Q1'23, growing by 17%. As of March 2023, yield on floating rate government securities portfolio of Bank stood at 18.0% with future reprising coming in subsequent quarters. UBL International also maintained a healthy contribution to the Bank's overall net-markup income with yields of 5.5% earned on the investment portfolio, comprising primarily of foreign sovereign debt instruments.

### **Non-Markup Income**

The Bank earned non-markup income of Rs. 8.8 billion in Q1'23, with a notable increase of 30%. Non-markup income contributed 21% to the total revenues of the Bank (Q1'22: 24%).

Fees and commission income of Rs. 4.3 billion was earned in Q1'23, recording a growth of 11%. Customer fees from branch banking operations stood at Rs. 636 million for Q1'23, an increase of 13%, driven mainly by business acquisitions across all regions. UBL maintained its leadership position in the domestic home remittances space with a market share of over 22%. As a result, net commission income of Rs. 503 million was earned in Q1'23, with growth of 12%.

Income from debit and credit card fees of Rs. 771 million was earned in Q1'23, which is growing as the portfolio of active customers continues to build up during the year. Commission income from cash management was recorded at Rs. 300 million for Q1'23, growing by 20% year on year with higher throughput volumes across corporate and SME customers.

Income from trade and guarantee business doubled at Rs. 766 million, recording a strong growth across long standing customer relationships.

The Bank earned foreign exchange income of Rs. 4.3 billion for Q1'23 as against Rs. 1.3 billion last year, primarily due to proactive balance sheet positioning and active trading. Dividend income of Rs. 475 million was earned in Q1'23 on the shares portfolio of the Bank.

### **Provisions and loan losses**

UBL recorded a net provision charge of Rs. 2.6 billion for Q1'23 as against a net provision charge of Rs. 347 million in the corresponding period last year.

Bank level non-performing loans (NPLs) stood at Rs. 109.9 billion at Mar'23, (Dec'22: Rs. 93.3 billion), The increase is mainly due to impact of currency devaluation of Rs 17 billion on UBL International NPLs portfolio. Net NPLs are at Rs. 14.1 billion at Mar'23, (Dec'22: Rs. 11.6 billion). Bank level asset quality came in at 13.4% at Mar'23 as compared to 9.2% at Dec'22, while specific coverage stood at 87.2% at Mar'23 (Dec'22: 87.6%).

Gross advances for the domestic bank stood at Rs. 595 billion at Mar'23 (Dec'22: Rs. 785 billion), constituting 76% of the total portfolio. Domestic NPLs reduced by Rs. 370 million since Dec'22, from Rs. 26.2 billion to Rs. 25.8 billion at Mar'23. Domestic bank's asset quality shifted to 4.3% at Mar'23 (Dec'22: 3.3%).

### **Cost management**

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

The Bank's operating expenses were recorded at Rs. 14.5 billion for Q1'23, growing by 24%. Employee compensation was recorded at Rs. 5.9 billion for Q1'23, an increase of 28% owing primarily to inflation related salary adjustments as well as merit increments. Property expenses were recorded at Rs. 2.2 billion, growing by 14%. IT expenses recorded an increase of 34%, primarily due to the steep devaluation in the local currency impacting licensing payments in foreign currencies. Other operating expenses were recorded at Rs. 4.8 billion for Q1'23, growing by 21%, mainly due to higher sales commissions and other charges in relation to the increased business volumes compared to last year.

### **Capital Ratios**

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

In the latest assessment carried out by SBP in December 2022, UBL has been classified as a Designated Domestic Systemically Important Bank (D-SIB). The Bank is required to meet the Higher Loss Absorbency (HLA) capital surcharge, in the form of additional Common Equity Tier 1 (CET-1) capital of 0.5% on a standalone and consolidated basis. As a result of the updated assessment, the minimum capital requirement for UBL has increase to 12.0%.

The overall CAR stood at 17.6% at Mar'23 (Dec'22: 19.2%), with a buffer of 5.6% over the minimum regulatory requirement of 12.0%. The Common Equity Tier 1 (CET-1) ratio stood at 12.4% at Mar'23 (Dec'22: 13.4%). Total Tier 1 Capital ratio was measured at 13.3% at Mar'23 (Dec'22: 14.4%).

The Board of Directors of UBL declared an interim cash dividend of Rs. 11 per share in their meeting in Islamabad held on April 28, 2023, along with the results for the quarter ended March 31, 2023.

### **Economy Review**

The country's economy is under pressure with low foreign reserves and high inflation. With policy tightening, import controls, high borrowing and fuel rates, economic activity has been impacted significantly.

The country's Current Account deficit projected for Jul-Mar FY 23 is USD 3.4 billion which reduced by 74% over the corresponding period of last year. Balance of trade recorded a deficit of USD 22.9 billion for Jul – Mar FY'23 versus a deficit of USD 35.5 billion last year reducing by 35.6%. Exports were recorded at USD 21.1 billion for Jul – Mar FY'23, down 10.0% while imports were recorded at USD 43.9 billion, a decline of 25.4% year on year. Home remittances stood at USD 20.5 billion for Jul-Mar FY'23, down 10.8% year on year. The domestic FX markets remained volatile for much of the year as the PKR

depreciated by 25% in value since Dec'22 and stood at Rs. 283.8 as at March 31, 2023. Country's FX reserves were at USD 9.8 billion at Mar'23, down by 10% since Dec'22 while reserves held by the State Bank of Pakistan stood at USD 4.2 billion at Mar'23, declining by 25% since Dec'22.

Inflation levels continue to remain at historic high levels as CPI was measured at 35.4% for Mar'23 as against 12.7% in Mar'22. Elevated domestic energy prices as well as rising food inflation will continue to slowdown economic activity and impact GDP growth in the near term. The SBP in its recent monetary policy meeting held on April 4, 2023, increased the policy rate by 100 basis points to 21.0%. The KSE-100 index also remained impacted by the current economic environment and closed at 40,001 points as at Mar'23, declining by 1% since Dec'22. Deposits for the banking sector stood at Rs. 23.6 trillion on Mar'23, up 5% since Dec'22, while banking sector advances closed at Rs. 11.8 trillion on Mar'23, down 1% over Dec'22. Non-performing loans for the banking industry stood at Rs. 924 billion at Dec'22, an increase of 7% over Dec'21, while asset quality improved from 7.9% at Dec'21 to 7.3% at Dec'22.

### **Election of Directors**

In accordance with Section 159(5) of the Companies Act, 2017, the elections of the Board of Directors were held in the 64<sup>th</sup> Annual General Meeting held on March 29<sup>th</sup>, 2023. The following directors were elected unopposed:

1. Sir Mohammed Anwar Pervez, OBE, HPk
2. Lord Zameer M. Choudrey, CBE, SI Pk
3. The Honourable Haider Zameer Choudrey
4. Mr. Rizwan Pervez
5. Mr. Tariq Rashid
6. Ms. Shazia Syed
7. Mr. Muhammad Jawaid Iqbal
8. Mr. Daniel Michael Howlett

### **Credit Rating**

VIS Credit Rating Company Limited (VIS) re-affirmed the entity ratings of UBL at "AAA / A-1+" (Triple A / A-One Plus) on June 30, 2022. Furthermore, UBL's Additional Tier-1 (ADT-1) TFC has also been re-affirmed at 'AA+' (Double A plus). Outlook on the assigned ratings are 'Stable'.

### **Outlook**

Being one of the largest financial institutions in the domestic banking space, UBL continues to expand its profitability levels with the same momentum in 2023. This has been the outcome of resilience, perseverance and commitment from each member of UBL family. Despite economic uncertainty, we are committed to building on our position as one of the country's most innovative and fastest growing digital bank. Our deposits growth has been one of the highest in the industry and will remain a fundamental component for future earnings. Regardless of inflationary pressures, UBL has improved its cost-to-income ratio. The Bank will continue to invest in both the physical and technological infrastructure to improve customer experience levels across each avenue.

Branch Banking Group with its large physical network and nationwide outreach remains the core of the UBL franchise. The Bank will further strive to invest in and improve its products, processes, and

service levels to better serve our expanding customer base. In addition, UBL will continue to introduce new and differentiated banking solutions.

The Bank remains committed to further improving its processes and culture. Strengthening compliance and control standards in line with international best practices remains a strategic priority. UBL is fully committed to setting benchmarks for the Environment, Social and Governance (ESG) standards in the Pakistani corporate space. The Bank's most valuable asset is its people and the Bank's priority is to retain and acquire the best available talent for UBL to achieve its future growth aspirations.

### **Acknowledgements**

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

For and on behalf of the Board,

Shazad G. Dada  
President & CEO  
Islamabad,  
April 28, 2023

Muhammad Jawaid Iqbal  
Director





where *you* come *first*

# UNITED BANK LIMITED

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**UNCONSOLIDATED CONDENSED  
INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2023  
(Un-audited)**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2023**

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	238,829,001	143,004,094
Balances with other banks	7	56,561,960	15,692,567
Lendings to financial institutions	8	61,287,300	85,296,480
Investments	9	1,710,211,065	1,415,193,829
Advances	10	711,215,990	921,837,095
Fixed assets	11	70,723,951	70,816,984
Intangible assets	12	2,388,588	2,406,215
Deferred tax assets	13	29,535,325	18,874,768
Other assets	14	102,960,518	85,631,077
		2,983,713,698	2,758,753,109
<b>LIABILITIES</b>			
Bills payable	16	27,532,236	36,474,017
Borrowings	17	474,106,783	564,518,588
Deposits and other accounts	18	2,138,409,508	1,838,366,814
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	10,000,000	10,000,000
Deferred tax liabilities	13	-	-
Other liabilities	20	118,897,763	100,373,434
		2,768,946,290	2,549,732,853
<b>NET ASSETS</b>		<b>214,767,408</b>	<b>209,020,256</b>
<b>REPRESENTED BY:</b>			
Share capital		12,241,797	12,241,797
Reserves		104,472,671	86,254,373
Surplus on revaluation of assets	21	5,089,293	19,085,934
Unappropriated profit		92,963,647	91,438,152
		<b>214,767,408</b>	<b>209,020,256</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		

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

Arif Akmal Saifie  
Chief Financial Officer

Shazad G. Dada  
President &  
Chief Executive Officer

Shazia Syed  
Director

Muhammad Jawaid Iqbal  
Director

Sir Mohammed Anwar Pervez, OBE, HPK  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

		January - March 2023	January - March 2022
	<b>Note</b>	----- (Rupees in '000) -----	
Mark-up / return / interest earned	24	89,837,039	47,956,205
Mark-up / return / interest expensed	25	56,581,978	26,483,283
<b>Net mark-up / interest income</b>		<u>33,255,061</u>	<u>21,472,922</u>
<b>Non mark-up / interest income</b>			
Fee and commission income	26	4,337,566	3,918,955
Dividend income		475,449	903,660
Foreign exchange income		4,346,597	1,282,724
Income / (loss) from derivatives		21,494	(37,777)
(Loss) / gain on securities - net	27	(639,894)	428,251
Other income	28	240,189	284,328
Total non mark-up / interest income		<u>8,781,401</u>	<u>6,780,141</u>
<b>Total income</b>		<u>42,036,462</u>	<u>28,253,063</u>
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	14,525,160	11,727,972
Workers' Welfare Fund		496,085	325,121
Other charges	30	1,521	5,628
Total non mark-up / interest expenses		<u>15,022,766</u>	<u>12,058,721</u>
<b>Profit before provisions</b>		<u>27,013,696</u>	<u>16,194,342</u>
Provisions and write-offs - net	31	2,614,591	347,289
<b>Profit before taxation</b>		<u>24,399,105</u>	<u>15,847,053</u>
Taxation	32	10,496,365	6,319,346
<b>Profit after taxation</b>		<u>13,902,740</u>	<u>9,527,707</u>
		----- (Rupees) -----	
<b>Earnings per share - basic and diluted</b>	33	<u>11.36</u>	<u>7.78</u>

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
<b>Profit after taxation for the period</b>	13,902,740	9,527,707
<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	16,828,024	2,152,400
Movement in deficit on revaluation of investments - net of tax	(13,978,786)	(4,757,434)
	2,849,238	(2,605,034)
<i>Items that will not be reclassified to profit and loss account in subsequent periods</i>		
Movement in surplus on revaluation of fixed assets - net of tax	12,791	708
Movement in surplus on revaluation of non-banking assets - net of tax	-	15,882
	12,791	16,590
<b>Total comprehensive income for the period</b>	16,764,769	6,939,263

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	Share capital	Capital reserve - exchange translation	Statutory reserve	Surplus / (Deficit) on revaluation			Unappropriated profit	Total
				Investments	Fixed assets	Non-banking assets		
-- (Rupees in '000) --								
<b>Balance as at January 01, 2022 (Audited)</b>	12,241,797	31,364,651	38,353,816	(2,041,000)	40,087,140	10,189	84,625,954	204,642,547
<b>Total comprehensive income for the three months ended March 31, 2022</b>								
Profit after taxation for the three months ended March 31, 2022	-	-	-	-	-	-	9,527,707	9,527,707
Other comprehensive income - net of tax	-	2,152,400	-	(4,757,434)	708	15,882	-	(2,588,444)
Total comprehensive income for the three months ended March 31, 2022	-	2,152,400	-	(4,757,434)	708	15,882	9,527,707	6,939,263
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(32,489)	-	32,489	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(22,948)	-	22,948	-
Transfer to statutory reserve	-	-	952,771	-	-	-	(952,771)	-
<b>Transactions with owners for the three months ended March 31, 2022</b>								
Final cash dividend - December 31, 2021 declared subsequent to the year end at Rs. 6.0 per share	-	-	-	-	-	-	(7,345,078)	(7,345,078)
<b>Balance as at March 31, 2022 (Un-audited)</b>	12,241,797	33,517,051	39,306,587	(6,798,434)	40,032,411	26,071	85,911,249	204,236,732
<b>Total comprehensive income for the nine months ended December 31, 2022</b>								
Profit after taxation for the nine months ended December 31, 2022	-	-	-	-	-	-	22,534,948	22,534,948
Other comprehensive income - net of tax	-	11,177,241	-	(13,881,431)	(98,889)	(668)	966,660	(1,837,087)
Total comprehensive income for the nine months ended December 31, 2022	-	11,177,241	-	(13,881,431)	(98,889)	(668)	23,501,608	20,697,861
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(103,657)	(25,403)	129,060	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(64,066)	-	64,066	-
Transfer to statutory reserve	-	-	2,253,494	-	-	-	(2,253,494)	-
<b>Transactions with owners, recorded directly in equity</b>								
Interim cash dividend - March 31, 2022 declared at Rs. 5.0 per share	-	-	-	-	-	-	(6,120,899)	(6,120,899)
Interim cash dividend - June 30, 2022 declared at Rs. 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
Interim cash dividend - September 30, 2022 declared at Rs. 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)
	-	-	-	-	-	-	(15,914,337)	(15,914,337)
<b>Balance as at December 31, 2022 (Audited)</b>	12,241,797	44,694,292	41,560,081	(20,679,865)	39,765,799	-	91,438,152	209,020,256
<b>Total comprehensive income for the three months ended March 31, 2023</b>								
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	13,902,740	13,902,740
Other comprehensive income - net of tax	-	16,828,024	-	(13,978,786)	12,791	-	-	2,862,029
Total comprehensive income for the three months ended March 31, 2023	-	16,828,024	-	(13,978,786)	12,791	-	13,902,740	16,764,769
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(30,646)	-	30,646	-
Transfer to statutory reserve	-	-	1,390,274	-	-	-	(1,390,274)	-
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - December 31, 2022 declared subsequent to the year end at Rs. 9.0 per share	-	-	-	-	-	-	(11,017,617)	(11,017,617)
<b>Balance as at March 31, 2023 (Un-audited)</b>	12,241,797	61,522,316	42,950,355	(34,658,651)	39,747,944	-	92,963,647	214,767,408

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

**Arif Akmal Saifia**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	January - March 2023	January - March 2022
----- (Rupees in '000) -----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	24,399,105	15,847,053
Less: Dividend income	475,449	903,660
	<u>23,923,656</u>	<u>14,943,393</u>
<b>Adjustments:</b>		
Depreciation on fixed assets	963,711	908,380
Depreciation on Islamic financing against leased assets (Ijarah)	33,910	40,752
Depreciation on right-of-use assets	534,627	482,336
Depreciation on non-banking assets acquired in satisfaction of claims	376	31,854
Amortisation	220,654	192,344
Workers' Welfare Fund - charge	496,085	325,121
Provision for retirement benefits	261,100	136,319
Provision for compensated absences	14,433	41,007
Reversal of provision against loans and advances - net	(1,369,560)	(147,983)
Reversal of provision against off - balance sheet obligations - net	(39,492)	(54,749)
Provision for diminution in value of investments - net	4,071,351	755,642
Interest expense on lease liability against right-of-use assets	284,515	249,007
Loss on sale of Ijarah assets - net	105	1,793
Gain on sale of fixed assets - net	(72,339)	(40,057)
Bad debts written-off directly	11,392	11,091
Unrealised gain / (loss) on revaluation of investments classified as held for trading	21,184	(108,400)
Provision / (reversal) against other assets	2,189	(2,136)
Other provisions / (reversal) and write-offs	31,730	(27,117)
	<u>5,465,971</u>	<u>2,795,204</u>
	<u>29,389,627</u>	<u>17,738,597</u>
<b>Decrease / (Increase) in operating assets</b>		
Lendings to financial institutions	24,009,180	(22,469,739)
Held for trading securities	8,962,288	(6,146,877)
Advances	211,945,258	(9,274,166)
Other assets (excluding advance taxation)	(19,012,354)	(10,610,222)
	<u>225,904,372</u>	<u>(48,501,004)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(8,941,781)	12,520,144
Borrowings	(90,411,805)	(352,640,444)
Deposits and other accounts	300,042,694	23,707,885
Other liabilities	6,719,454	7,263,209
	<u>207,408,562</u>	<u>(309,149,206)</u>
	<u>462,702,561</u>	<u>(339,911,613)</u>
(Payments) / receipts on account of staff retirement benefits	(98,085)	1,783,187
Income taxes paid	(8,977,687)	(4,809,315)
<b>Net cash flow generated from / (used in) operating activities</b>	<u>453,626,789</u>	<u>(342,937,741)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	(322,511,353)	269,456,324
Net investments in held to maturity securities	(9,838,836)	19,962,378
Net investments in subsidiaries and associates	-	(3,000,000)
Dividend income received	50,131	343,670
Investment in fixed assets and intangible assets	(815,155)	(1,030,581)
Sale proceeds from disposal of fixed assets	80,104	73,820
Sale proceeds from disposal of Ijarah assets	5,302	14,073
Effect of translation of net investment in overseas branches	16,828,024	2,152,400
<b>Net cash flow (used in) / generated from investing activities</b>	<u>(316,201,783)</u>	<u>287,972,084</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(730,599)	(652,516)
Dividend paid	(107)	(5,616,152)
<b>Net cash flow used in financing activities</b>	<u>(730,706)</u>	<u>(6,268,668)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>136,694,300</u>	<u>(61,234,325)</u>
Cash and cash equivalents at the beginning of the period	<u>139,499,506</u>	<u>270,424,087</u>
Effect of exchange rate changes on cash and cash equivalents	<u>19,197,155</u>	<u>20,876,252</u>
	<u>158,696,661</u>	<u>291,300,339</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>295,390,961</u>	<u>230,066,014</u>

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

Arif Akmal Saifie  
Chief Financial Officer

Shazad G. Dada  
President &  
Chief Executive Officer

Shazia Syed  
Director

Muhammad Jawaid Iqbal  
Director

Sir Mohammed Anwar Pervez, OBE, HPk  
Chairman

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**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 1,335 (December 31, 2022: 1,335) branches inside Pakistan including 150 (December 31, 2022: 150) Islamic Banking branches and 2 (December 31, 2022: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2022: 8) branches outside Pakistan. The Bank is a subsidiary of Bestway International Holdings Limited (BIHL) and BIHL is a wholly owned subsidiary of Bestway Group Limited (BGL) which is incorporated in the Guernsey.

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

**2. BASIS OF PRESENTATION**

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

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic 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 38 to these unconsolidated condensed interim financial statements.

**2.1 STATEMENT OF COMPLIANCE**

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

- International 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 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribe by SBP through various circulars. In case of overseas branches, IFRS 9 / respective foreign currency requirements are considered for recording, classification and valuation of investment.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.

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

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered to not be relevant or do not have any significant impact and accordingly, have not been detailed in these unconsolidated condensed interim financial statements.

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

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

As per the SBP's BPRD Circular no. 7 dated April 13, 2023, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2024 (for banks having asset size of Rs. 500 billion or above). The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed. Further, preparation of the interim financial statements on the revised formats by banks has also been extended to the first quarter of year 2024.

These unconsolidated financial statements have been prepared in accordance with the existing prudential regime to the extent of the Bank's domestic operations, whereas the requirements of this standard have been incorporated for the overseas jurisdictions where IFRS 9 has already been adopted.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2022.

**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, 2022.

**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, 2022.



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	25,350,452	27,392,567
Foreign currencies	10,438,165	8,051,809
	35,788,617	35,444,376
With State Bank of Pakistan in		
Local currency current accounts	76,842,662	55,264,401
Foreign currency current accounts	628,427	912,557
Foreign currency deposit accounts	4,992,215	204,472
	82,463,304	56,381,430
With other central banks in		
Foreign currency current accounts	60,386,382	44,342,604
Foreign currency deposit accounts	16,832,549	6,298,682
	77,218,931	50,641,286
With National Bank of Pakistan in local currency current accounts	43,113,695	377,456
National prize bonds	244,454	159,546
	<u>238,829,001</u>	<u>143,004,094</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In deposit accounts	7	7
Outside Pakistan		
In current accounts	31,912,551	10,035,719
In deposit accounts	24,649,402	5,656,841
	56,561,953	15,692,560
	<u>56,561,960</u>	<u>15,692,567</u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call / clean money lending	-	-
Repurchase agreement lendings (Reverse Repo)	61,287,300	85,296,480
Placements with State Bank of Pakistan	-	-
	<u>61,287,300</u>	<u>85,296,480</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**9. INVESTMENTS**
**9.1 Investments by type**

	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Note ----- (Rupees in '000) -----								
<b>Held for trading securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	18,830,098	-	(21,184)	18,808,914	27,546,990	-	(661)	27,546,329
- Pakistan Investment Bonds - fixed	-	-	-	-	-	-	-	-
- Pakistan Investment Bonds - floaters	-	-	-	-	-	-	-	-
	18,830,098	-	(21,184)	18,808,914	27,546,990	-	(661)	27,546,329
<b>Available for sale securities</b>								
<b>Federal Government securities</b>								
- Market Treasury Bills	384,293,218	-	(714,337)	383,578,881	111,414,256	-	(349,118)	111,065,138
- Pakistan Investment Bonds - fixed	228,112,714	-	(22,223,281)	205,889,433	228,274,771	-	(14,385,381)	213,889,390
- Pakistan Investment Bonds - floaters	451,697,124	-	(15,583,378)	436,113,746	451,294,888	-	(5,349,435)	445,945,453
- Government of Pakistan Sukuks	103,175,114	(420,520)	(3,059,539)	99,695,055	102,872,728	(302,150)	(1,138,560)	101,432,018
- Islamic Naya Pakistan Certificates	7,332,935	-	-	7,332,935	4,806,162	-	-	4,806,162
- Government of Pakistan Eurobonds	41,170,351	(12,200,645)	(13,596,431)	15,373,275	32,853,852	(8,768,691)	(10,627,203)	13,457,958
<b>Ordinary shares</b>								
- Listed companies	15,328,056	(6,425,405)	181,454	9,084,105	15,334,557	(6,017,934)	233,489	9,550,112
- Unlisted companies	787,928	(60,046)	-	727,882	791,144	(67,155)	-	723,989
<b>Non-Government debt securities</b>								
- Corporate Sukuks	1,910,000	-	-	1,910,000	1,931,429	-	-	1,931,429
- Term Finance Certificates	2,507,335	(162,334)	-	2,345,001	2,507,335	(162,334)	-	2,345,001
<b>Foreign securities</b>								
- Market Treasury Bills	36,971,097	-	(6,023)	36,965,074	5,973,330	-	314	5,973,644
- Foreign bonds - sovereign	59,248,556	(4,418,682)	(5,703,448)	49,126,426	51,667,603	(3,715,561)	(4,598,334)	43,353,708
- Foreign bonds - others	1,398,583	(495)	(151,290)	1,246,798	1,117,819	(1,167)	(119,742)	996,910
<b>Mutual Fund units</b>	258,179	-	(57,062)	201,117	258,179	-	(55,649)	202,530
<b>Real Estate Investment Trust units</b>	533,453	-	108,684	642,137	533,453	-	109,155	642,608
	1,334,724,643	(23,688,127)	(60,804,651)	1,250,231,865	1,011,631,506	(19,034,992)	(36,280,464)	956,316,050
<b>Held to maturity securities</b>								
<b>Federal Government securities</b>								
- Pakistan Investment Bonds - fixed	296,489,575	-	-	296,489,575	295,069,033	-	-	295,069,033
- Pakistan Investment Bonds - floaters	47,817,949	-	-	47,817,949	47,788,071	-	-	47,788,071
- Government of Pakistan Sukuks	10,002,177	-	-	10,002,177	10,002,327	-	-	10,002,327
- Government of Pakistan Eurobonds	16,543,415	(4,902,566)	-	11,640,849	13,221,686	(3,528,868)	-	9,692,818
- Bai Muajjal with Government of Pakistan	-	-	-	-	-	-	-	-
<b>Non-Government debt securities</b>								
- Corporate Sukuks	8,946,699	(46,394)	-	8,900,305	8,599,224	(50,934)	-	8,548,290
- Term Finance Certificates	9,179,054	(69,951)	-	9,109,103	8,076,150	(69,951)	-	8,006,199
- Debentures	2,267	(2,267)	-	-	2,267	(2,267)	-	-
- Participation Term Certificates	437	(437)	-	-	437	(437)	-	-
- Corporate Bond	2,758,033	(817,725)	-	1,940,308	2,200,838	(587,404)	-	1,613,434
<b>Foreign securities</b>								
- Market Treasury Bills	1,197,906	-	-	1,197,906	6,469,775	-	-	6,469,775
- Foreign bonds - sovereign	52,681,118	(4,515,829)	-	48,165,289	42,086,214	(3,546,802)	-	38,539,412
- Foreign bonds - others	1,512,396	(535)	-	1,511,861	1,208,667	(1,416)	-	1,207,251
- CDC SAARC Fund	616	-	-	616	492	-	-	492
	447,131,642	(10,355,704)	-	436,775,938	434,725,181	(7,788,079)	-	426,937,102
<b>Associates</b>								
- UBL Financial Sector Fund	366,640	-	-	366,640	366,640	-	-	366,640
- UBL Insurers Limited	240,000	-	-	240,000	240,000	-	-	240,000
- Khushhali Bank Limited	832,485	-	-	832,485	832,485	-	-	832,485
	1,439,125	-	-	1,439,125	1,439,125	-	-	1,439,125
<b>Subsidiaries</b>								
- United National Bank Limited (UBL UK)	2,855,223	-	-	2,855,223	2,855,223	-	-	2,855,223
- UBL Fund Managers Limited	100,000	-	-	100,000	100,000	-	-	100,000
	2,955,223	-	-	2,955,223	2,955,223	-	-	2,955,223
<b>Total Investments</b>	<b>1,805,080,731</b>	<b>(34,043,831)</b>	<b>(60,825,835)</b>	<b>1,710,211,065</b>	<b>1,478,298,025</b>	<b>(26,823,071)</b>	<b>(36,281,125)</b>	<b>1,415,193,829</b>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>9.1.1 Investments given as collateral</b>		
<b>Federal Government securities</b>		
Market Treasury Bills	-	-
Pakistan Investment Bonds - floaters	393,965,776	368,801,131
Pakistan Investment Bonds - fixed	5,956,976	56,225,155
Government of Pakistan Sukuks	-	20,000,000
<b>Foreign securities</b>		
Foreign bonds - sovereign	-	9,199,941
	<u>399,922,752</u>	<u>454,226,227</u>

The market value of securities given as collateral is Rs. 385,412 million (December 31, 2022: Rs. 442,733 million).

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
<b>9.2 Provision for diminution in value of investments</b>			
<b>9.2.1</b> Opening balance		26,823,071	8,146,230
Exchange adjustments		3,149,409	1,195,906
Charge / (reversals)			
Charge for the period / year		5,044,837	19,357,588
Reversals for the period / year		(713,431)	(207,747)
Reversal on disposals		(260,055)	(87,936)
		4,071,351	19,061,905
Amounts written off		-	(1,580,970)
Closing balance	9.5	<u>34,043,831</u>	<u>26,823,071</u>

**9.2.2 Particulars of provision against debt securities**

Category of classification	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Loss	281,383	281,383	285,923	285,923
<b>Overseas</b>				
Defaulted exposure	11,426,741	7,702,788	9,117,129	6,145,880
<b>Total</b>	<u>11,708,124</u>	<u>7,984,171</u>	<u>9,403,052</u>	<u>6,431,803</u>

**9.3** The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 393,506.880 million (December 31, 2022: Rs. 394,810.915 million).

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

**9.5** Provision against investments includes Expected Credit Losses (ECL) / impairment under IFRS 9 amounting to Rs. 27,276.994 million (December 31, 2022: Rs. 20,452.132 million) on overseas branches.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**10. ADVANCES**

	Performing		Non-performing		Total	
	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022	(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note	(Rupees in '000)					
Loans, cash credits, running finances, etc.	613,610,618	771,367,966	106,734,344	90,270,610	720,344,962	861,638,576
Islamic financing and related assets	38.2 75,483,653	102,281,886	161,646	159,579	75,645,299	102,441,465
Bills discounted and purchased	20,084,222	46,778,723	3,007,556	2,908,653	23,091,778	49,687,376
<b>Advances - gross</b>	<b>709,178,493</b>	<b>920,428,575</b>	<b>109,903,546</b>	<b>93,338,842</b>	<b>819,082,039</b>	<b>1,013,767,417</b>
Provision against advances	10.3					
- Specific	-	-	(95,805,649)	(81,783,522)	(95,805,649)	(81,783,522)
- General	(12,060,400)	(10,146,800)	-	-	(12,060,400)	(10,146,800)
	(12,060,400)	(10,146,800)	(95,805,649)	(81,783,522)	(107,866,049)	(91,930,322)
<b>Advances - net of provision</b>	<b>697,118,093</b>	<b>910,281,775</b>	<b>14,097,897</b>	<b>11,555,320</b>	<b>711,215,990</b>	<b>921,837,095</b>

**10.1 Particulars of advances - gross**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
In local currency	574,957,281	765,445,158
In foreign currencies	244,124,758	248,322,259
	<u>819,082,039</u>	<u>1,013,767,417</u>

**10.2** Advances include Rs. 109,903.546 million (December 31, 2022: Rs. 93,338.842 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Non- Performing Loans	Provision	Non- Performing Loans	Provision
	(Rupees in '000)			
<b>Domestic</b>				
Other Assets Especially Mentioned*	185,677	2,854	135,948	1,948
Substandard	2,336,545	572,480	2,307,269	569,848
Doubtful	408,122	197,926	732,137	365,716
Loss	22,894,251	21,948,746	23,018,816	22,067,588
	<u>25,824,595</u>	<u>22,722,006</u>	<u>26,194,170</u>	<u>23,005,100</u>
<b>Overseas</b>				
Not past due but impaired**	6,648,655	2,255,371	5,192,817	1,806,054
Overdue by:				
Upto 90 days	423,689	75,633	1,194,694	403,030
91 to 180 days	874,062	440,690	82,114	31,978
181 to 365 days	1,974,779	1,917,444	1,511,494	1,511,494
> 365 days	74,157,766	68,394,505	59,163,553	55,025,866
	<u>84,078,951</u>	<u>73,083,643</u>	<u>67,144,672</u>	<u>58,778,422</u>
<b>Total</b>	<u>109,903,546</u>	<u>95,805,649</u>	<u>93,338,842</u>	<u>81,783,522</u>

\* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

\*\* Not past due but impaired category mainly represents restructured exposures.

**10.3 Particulars of provision against advances**

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Note	(Rupees in '000)					
Opening balance	81,783,522	10,146,800	91,930,322	74,703,857	7,393,261	82,097,118
Exchange adjustments	15,025,660	2,331,741	17,357,401	14,624,765	1,386,654	16,011,419
Charge / (reversals)						
Charge for the period / year	222,161	3,791	225,952	2,460,068	366,812	2,826,880
Reversals for the period / year	(1,173,580)	(421,932)	(1,595,512)	(3,677,644)	(2,089,277)	(5,766,921)
	(951,419)	(418,141)	(1,369,560)	(1,217,576)	(1,722,465)	(2,940,041)
Amounts charged off						
- agriculture financing	10.4 (11,017)	-	(11,017)	(66,894)	-	(66,894)
Amounts written off	(41,097)	-	(41,097)	(3,171,280)	-	(3,171,280)
Transfers (out) / in - net	-	-	-	(3,089,350)	3,089,350	-
Closing balance	<u>95,805,649</u>	<u>12,060,400</u>	<u>107,866,049</u>	<u>81,783,522</u>	<u>10,146,800</u>	<u>91,930,322</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**10.3.1** General provision represents provision amounting to Rs. 468.194 million (December 31, 2022: Rs. 469.159 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 11,292.206 million (December 31, 2022: Rs. 9,337.641 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches operate. In addition, bank has created a general charge on agriculture finance portfolio of Rs. 300.000 million (December 31, 2022: Rs. 300.000 million).

**10.3.2** The Bank has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 01 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 10.132 million (December 31, 2022: Rs. 5.359 million).

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 6,435.505 million (December 31, 2022: Rs. 5,329.058 million) for the overseas branches.

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

**10.4** 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) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	1,176,268	1,042,334
Property and equipment		61,767,019	61,967,099
Right-of-use assets		7,780,664	7,807,551
		<u>70,723,951</u>	<u>70,816,984</u>

**11.1 Capital work-in-progress**

Civil works	1,032,961	844,654
Equipment	143,307	197,680
	<u>1,176,268</u>	<u>1,042,334</u>

(Un-audited)

**11.2 Additions to fixed assets**

	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	

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

Capital work-in-progress - net additions	133,934	239,777
<b>Property and equipment</b>		
Leasehold improvements	125,684	84,055
Furniture and fixtures	50,208	50,296
Electrical, office and computer equipment	463,807	353,288
Vehicles	29,337	9,457
	669,036	497,096
Right-of-use assets	503,504	638,822
Total	<u>1,306,474</u>	<u>1,375,695</u>

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	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
<b>11.3 Disposal of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Building on leasehold land	-	32,500
Leasehold Improvement	20	-
Furniture and fixtures	614	220
Electrical, office and computer equipment	1,309	1,043
Vehicles	5,822	-
	7,765	33,763
Derecognition of right-of-use assets	26,083	45,716
Total	33,848	79,479
<b>12. INTANGIBLE ASSETS</b>		
Capital work-in-progress - Computer software	497,954	384,706
Intangible assets - Computer software	1,890,634	2,021,509
	2,388,588	2,406,215
<b>12.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period		
Capital work-in-progress - net additions	113,248	238,489
Directly purchased - Intangible assets	54,217	57,903
	167,465	296,392
<b>13. DEFERRED TAX ASSETS</b>		
<b>Deductible temporary differences on</b>		
Provision against advances and off balance sheet obligations	2,628,666	2,628,666
Deficit on revaluation of investments	26,146,000	15,600,599
Post retirement employee benefits	58,193	58,193
Workers' Welfare Fund	3,249,870	3,036,553
Others	(329,132)	(68,995)
	31,753,597	21,255,016
<b>Taxable temporary differences on</b>		
Surplus on revaluation of fixed assets / non-banking assets	(1,699,277)	(1,715,201)
Accelerated tax depreciation	(518,995)	(665,047)
	(2,218,272)	(2,380,248)
	29,535,325	18,874,768

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

14. OTHER ASSETS	Note	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
		----- (Rupees in '000) -----	
Income / mark-up accrued in local currency		59,557,839	48,134,777
Income / mark-up accrued in foreign currencies	14.2	4,626,370	3,463,398
Advance taxation - net of provision for taxation	14.1	589,214	2,514,314
Receivable from staff retirement fund		2,455,628	2,517,968
Receivable from other banks against telegraphic transfers and demand drafts		33,610	2,960,752
Unrealised gain on forward foreign exchange contracts		4,458,704	2,831,134
Rebate receivable - net		1,989,033	2,030,996
Unrealised gain on derivative financial instruments		44,837	22,900
Suspense accounts		281,792	254,279
Stationery and stamps on hand		357,194	418,454
Non-banking assets acquired in satisfaction of claims		40,424	40,800
Advances, deposits, advance rent and other prepayments		2,514,527	2,144,988
Dividend Receivable		425,318	-
Commission receivable - Branchless Banking		564,577	561,390
Commission receivable - Bancassurance		80,626	208,047
Receivable against fraud & forgery and looted notes		543,472	632,418
Acceptances	20	24,453,909	16,502,130
Others		1,177,356	1,637,304
		104,194,430	86,876,049
Provision held against other assets	14.3	(1,233,912)	(1,244,972)
Other assets - net of provisions		102,960,518	85,631,077
Surplus / (Deficit) on revaluation of non-banking assets acquired in satisfaction of claims	21	-	-
		<u>102,960,518</u>	<u>85,631,077</u>

**14.1** The Income Tax returns of the Bank have been filed up to the tax year 2022 (accounting year ended December 31, 2021) 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 2022, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.15,358 million (2022: Rs.14,695 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 2022 (accounting year ended December 31, 2021) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2022: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the

The tax returns for Yemen, Qatar and UAE branches have been filed upto the year ended December 31, 2019, December 31, 2021 and December 31, 2022 respectively under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

**14.2** Unrealised mark-up held in suspense amounting to Rs. 34,974.713 million (December 31, 2022: Rs. 26,547.699 million) against non-performing overseas advances has been netted off.

14.3 Provision held against other assets	(Un-audited)	(Audited)
	March 31, 2023	December 31, 2022
		----- (Rupees in '000) -----
Advances and other receivables	54,108	54,834
Receivable against fraud & forgery and looted notes	543,472	632,418
Others	636,332	557,720
	<u>1,233,912</u>	<u>1,244,972</u>

**14.3.1 Movement of provision held against other assets**

Opening balance	1,244,972	1,163,055
Exchange adjustments	86,872	74,408
Charge / (reversals)		
Charge for the period / year	6,919	165,347
Reversals for the period / year	(4,730)	(154,074)
	2,189	11,273
Transfers out - net	-	(348)
Amounts written off	(100,121)	(3,416)
Closing balance	<u>1,233,912</u>	<u>1,244,972</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**15. CONTINGENT ASSETS**

There were no contingent assets as at March 31, 2023 (December 31, 2022: Nil).

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>16. BILLS PAYABLE</b>		
In Pakistan	26,371,175	30,473,754
Outside Pakistan	1,161,061	6,000,263
	<u>27,532,236</u>	<u>36,474,017</u>

**17. BORROWINGS**
**Secured**

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	38,422,791	41,707,841
Refinance facility for modernization of SME	590,167	543,586
Long term financing facility	16,613,098	17,390,998
Refinance scheme for payment of wages and salaries	-	427,410
Renewable energy scheme	831,230	767,091
Temporary economic refinance facility	17,175,790	17,072,471
Refinance facility for combating COVID-19	432,493	431,902
Repurchase agreement borrowings	399,654,742	419,211,752
Financing facility for storage of agriculture products	44,688	48,125
Refinance for women entrepreneurs	36,410	26,624
Mudarbaha base open market operations (OMO)	-	19,436,837
	<u>473,801,409</u>	<u>517,064,637</u>
Repurchase agreement borrowings from other banks / NBFI	157,100	6,792,865
	<u>473,958,509</u>	<u>523,857,502</u>

**Unsecured**

Call borrowings	-	39,830,000
Overdrawn nostro accounts	148,274	831,086
Other borrowings	-	-
	<u>148,274</u>	<u>40,661,086</u>
	<u>474,106,783</u>	<u>564,518,588</u>

**18. DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current accounts - remunerative	4,138,876	17,464,404	21,603,280	4,104,403	12,136,002	16,240,405
Current accounts - non-remunerative	739,552,879	202,785,529	942,338,408	664,860,887	168,211,589	833,072,476
Savings deposits	593,327,005	61,080,966	654,407,971	580,708,939	54,787,271	635,496,210
Term deposits	150,113,485	150,871,372	300,984,857	162,072,945	130,362,096	292,435,041
Sundry deposits	26,984,180	1,082,056	28,066,236	4,437,495	2,150,060	6,587,555
Margin deposits	11,994,102	5,788,159	17,782,261	7,191,728	3,977,673	11,169,401
	<u>1,526,110,527</u>	<u>439,072,486</u>	<u>1,965,183,013</u>	<u>1,423,376,397</u>	<u>371,624,691</u>	<u>1,795,001,088</u>
<b>Financial Institutions</b>						
Current deposits	21,043,215	7,639,620	28,682,835	18,727,195	3,289,623	22,016,818
Saving deposits	141,828,031	108,867	141,936,898	16,002,797	86,058	16,088,855
Term deposits	98,900	2,507,862	2,606,762	2,232,603	3,027,450	5,260,053
	<u>162,970,146</u>	<u>10,256,349</u>	<u>173,226,495</u>	<u>36,962,595</u>	<u>6,403,131</u>	<u>43,365,726</u>
	<u>1,689,080,673</u>	<u>449,328,835</u>	<u>2,138,409,508</u>	<u>1,460,338,992</u>	<u>378,027,822</u>	<u>1,838,366,814</u>

**18.1** Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,198,561.666 million (December 31, 2022: Rs 1,174,510.768 million).



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**19. SUBORDINATED DEBT**

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

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

<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.

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
<b>20. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		33,778,781	39,684,708
Mark-up / return / interest payable in foreign currencies		1,309,533	1,094,717
Accrued expenses		7,119,288	5,364,561
Branch adjustment account		703,819	556,451
Deferred income		949,004	1,046,001
Unearned commission and income on bills discounted		179,530	183,945
Provision against off-balance sheet obligations	20.2	1,049,803	882,445
Unrealised loss on forward foreign exchange contracts		2,958,135	608,811
Unrealised loss on derivative financial instruments		1,800	1,357
Provision for post-retirement medical benefits		2,643,283	2,628,679
Payable to staff retirement fund		37,905	37,824
Provision for compensated absences		830,742	860,544
Deferred liabilities		1,098,143	967,918
Workers' Welfare Fund payable		7,357,837	6,861,753
Liabilities against card settlement		722,123	414,697
Insurance payable against consumer assets		293,814	380,743
Dividends payable	20.1	19,243,729	8,226,111
Unclaimed dividends		321,511	321,619
Acceptances	14	24,453,909	16,502,130
Charity fund balance		11,680	6,922
Lease liability against right-of-use assets		9,426,815	9,418,000
Levies and taxes payable		2,671,587	2,622,779
Others		1,734,992	1,700,719
		<u>118,897,763</u>	<u>100,373,434</u>

**20.1** This amount represents dividend payable to foreign shareholders subject to completion of regulatory formalities.

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FOR THE THREE MONTHS ENDED MARCH 31, 2023**

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>20.2 Provision against off-balance sheet obligations</b>			
Opening balance		882,445	730,630
Exchange adjustments		206,850	187,328
Charge / (reversal)			
Charge for the period / year		3,905	5,405
Reversals for the period / year		(43,397)	(40,918)
		(39,492)	(35,513)
Transfers out - net		-	-
Closing balance		<u>1,049,803</u>	<u>882,445</u>
<b>21. SURPLUS ON REVALUATION OF ASSETS</b>			
<b>(Deficit) / surplus arising on revaluation of:</b>			
- Available for sale securities	9.1	(60,804,651)	(36,280,464)
- Fixed assets		41,447,221	41,481,000
- Non-banking assets acquired in satisfaction of claims	14	-	-
		(19,357,430)	5,200,536
<b>Deferred tax on (deficit) / surplus on revaluation of:</b>			
- Available for sale securities		(26,146,000)	(15,600,599)
- Fixed assets		1,699,277	1,715,201
- Non-banking assets acquired in satisfaction of claims		-	-
		(24,446,723)	(13,885,398)
		<u>5,089,293</u>	<u>19,085,934</u>
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	22.1	270,746,107	220,370,427
Commitments	22.2	1,267,276,314	1,111,169,863
Other contingent liabilities	22.3	14,192,937	14,822,814
		<u>1,552,215,358</u>	<u>1,346,363,104</u>
<b>22.1 Guarantees:</b>			
Financial guarantees		109,206,955	84,241,944
Performance guarantees		152,300,664	129,275,378
Other guarantees		9,238,488	6,853,105
		<u>270,746,107</u>	<u>220,370,427</u>
<b>22.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		273,880,798	212,235,272
Commitments in respect of:			
- forward foreign exchange contracts	22.2.2	772,379,727	703,834,168
- forward Government securities transactions	22.2.3	20,950,990	42,757,100
- derivatives	22.2.4	-	572,342
- forward lending	22.2.5	196,801,808	149,185,701
- operating leases	22.2.6	96,451	103,099
		990,228,976	896,452,410
Commitments for acquisition of:			
- fixed assets		2,168,733	1,544,753
- intangible assets		997,807	937,428
		3,166,540	2,482,181
		<u>1,267,276,314</u>	<u>1,111,169,863</u>
<b>22.2.1 Commitments to extend credit</b>			

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.

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
<b>22.2.2</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	404,129,986	379,231,558
	Sale	368,249,741	324,602,610
		<u>772,379,727</u>	<u>703,834,168</u>
<b>22.2.3</b>	<b>Commitments in respect of forward Government securities transactions</b>		
	Purchase	19,250,990	41,457,100
	Sale	1,700,000	1,300,000
		<u>20,950,990</u>	<u>42,757,100</u>
<b>22.2.4</b>	<b>Commitments in respect of derivatives</b>		
	<b>Cross Currency Swaps</b>	-	-
	<b>FX options</b>		
	Purchase	-	286,171
	Sale	-	286,171
		<u>-</u>	<u>572,342</u>
<b>22.2.5</b>	<b>Commitments in respect of forward lending</b>		
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.5.1 116,527,474	92,346,042
	Others	80,274,334	56,839,659
		<u>196,801,808</u>	<u>149,185,701</u>
<b>22.2.5.1</b>	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.		
<b>22.2.6</b>	<b>Commitments in respect of operating leases</b>		
	Not later than one year	96,451	103,099
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		<u>96,451</u>	<u>103,099</u>
<b>22.3</b>	<b>Other contingent liabilities</b>		
<b>22.3.1</b>	Claims against the Bank not acknowledged as debts	22.3.2 <u>10,103,634</u>	<u>10,733,511</u>
	These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security).		
	Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.		
<b>22.3.2</b>	During 2016, penalties amounting to Rs. 4.089 billion were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.		
<b>22.3.3</b>	For contingencies relating to taxation, refer note 14.1.		

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**23. Derivative Instruments**
**Product analysis**

		March 31, 2023 (Un-audited)									
		FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain
		(Rupees in '000)									
Hedging		-	-	-	-	-	-	-	-	-	-
Market making		-	-	-	-	19,250,990	13,014	1,700,000	30,023	20,950,990	43,037
		-	-	-	-	19,250,990	13,014	1,700,000	30,023	20,950,990	43,037
		December 31, 2022 (Audited)									
		FX options		Cross Currency Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain
		(Rupees in '000)									
Hedging		286,171	-	-	-	-	-	-	-	286,171	-
Market making		286,171	-	-	-	41,457,100	21,927	1,300,000	(384)	43,043,271	21,543
		572,342	-	-	-	41,457,100	21,927	1,300,000	(384)	43,329,442	21,543

		(Un-audited)	
		January - March 2023	January - March 2022
		----- (Rupees in '000) -----	
<b>24. MARK-UP / RETURN / INTEREST EARNED</b>	<b>Note</b>		
On:			
Loans and advances		29,344,187	13,161,875
Investments		55,660,525	32,648,955
Lendings to financial institutions		3,673,882	1,948,334
Balances with banks		1,158,445	197,041
		<u>89,837,039</u>	<u>47,956,205</u>
<b>25. MARK-UP / RETURN / INTEREST EXPENSED</b>			
On:			
Deposits		31,388,959	17,551,580
Borrowings		24,073,350	7,571,135
Subordinated debt		462,833	278,175
Cost of foreign currency swaps against foreign currency deposits / borrowings		372,321	833,386
Lease liability against right-of-use assets		284,515	249,007
		<u>56,581,978</u>	<u>26,483,283</u>
<b>26. FEE AND COMMISSION INCOME</b>			
Branch banking customer fee		635,887	562,208
Consumer finance related fee		298,551	273,815
Card related fee (debit and credit cards)		770,682	759,617
Investment banking fee		45,567	53,493
Financial Institution rebate / commission		145,239	124,225
Corporate service charges / facility fee		368,943	260,433
Commission on trade		572,732	207,567
Commission on guarantees		193,500	159,569
Commission on cash management		299,714	250,487
Commission on remittances including home remittances - net		653,479	598,037
Commission on bancassurance		254,873	479,123
Rent on lockers		56,279	48,983
Others		42,120	141,398
		<u>4,337,566</u>	<u>3,918,955</u>
<b>27. (LOSS) / GAIN ON SECURITIES - NET</b>			
Realised	27.1	(618,710)	319,851
Unrealised - held for trading		(21,184)	108,400
		<u>(639,894)</u>	<u>428,251</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
<b>27.1 Realised (loss) / gain on:</b>		
Federal Government securities	(86,861)	316,720
Shares	37,906	(623)
Foreign securities	(569,755)	3,754
Other securities	-	-
	<u>(618,710)</u>	<u>319,851</u>
<b>28. OTHER INCOME</b>		
Charges recovered	147,553	98,119
Rent on properties	20,402	15,012
Gain on sale of fixed assets - net	72,339	40,057
Loss on sale of Ijarah assets - net	(105)	(1,793)
Gain on trading liabilities - net	-	132,933
	<u>240,189</u>	<u>284,328</u>
<b>29. OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	5,918,971	4,632,089
<b>Property expense</b>		
Rent and taxes	301,097	256,853
Insurance	63,736	66,866
Utilities cost	523,992	343,945
Security (including guards)	370,839	311,234
Repair and maintenance (including janitorial charges)	81,754	71,108
Depreciation on owned fixed assets	283,063	332,415
Depreciation on right-of-use assets	534,627	482,336
Depreciation on non-banking assets acquired in satisfaction of claims	376	31,854
Others	42,024	28,091
	2,201,508	1,924,702
<b>Information technology expenses</b>		
Software maintenance	619,250	441,028
Hardware maintenance	168,652	100,962
Depreciation	303,845	217,992
Amortisation	220,654	192,344
Network charges	246,768	173,187
Consultancy charges	46,856	73,252
	1,606,025	1,198,765
<b>Other operating expenses</b>		
Legal and professional charges	392,624	255,667
Outsourced service costs	438,606	359,360
Commission paid to branchless banking agents	78,613	92,928
Commission paid to sales force	412,009	384,143
Travelling and conveyance	51,901	24,185
Clearing charges	70,327	52,408
Depreciation - others	376,803	357,973
Depreciation on Islamic financing against leased assets	33,910	40,752
Training and development	23,655	19,857
Postage and courier charges	84,986	125,732
Communication	68,783	87,858
Stationery and printing	266,763	209,013
Marketing, advertisement and publicity	182,128	237,492
Donations	17,387	-
Auditors' remuneration	32,313	18,694
Insurance	32,465	14,121
Deposit protection premium expense	469,804	431,462
Cash transportation and sorting charges	240,932	202,871
Entertainment	60,879	52,072
Banking service charges	908,116	645,050
Repairs and maintenance	266,018	185,040
Miscellaneous expenses	289,634	175,738
	4,798,656	3,972,416
	<u>14,525,160</u>	<u>11,727,972</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

		(Un-audited)	
		January - March 2023	January - March 2022
<b>30.</b>	<b>OTHER CHARGES</b>	----- (Rupees in '000) -----	
	Penalties imposed by the SBP	1,438	5,196
	Penalties imposed by other regulatory bodies of overseas branches	83	432
		<u>1,521</u>	<u>5,628</u>
<b>31.</b>	<b>PROVISIONS AND WRITE-OFFS - NET</b>		
	Provision for diminution in value of investments - net	4,071,351	755,642
	Reversal of provision against loans and advances - net	(1,369,560)	(147,983)
	Bad debts written off directly	11,392	11,091
	Provision / (reversal) against other assets - net	2,189	(2,136)
	Reversal of provision against off-balance sheet obligations - net	(39,492)	(54,749)
	Recovery of written-off / charged off bad debts	(93,019)	(187,459)
	Other provisions / (reversal) and write-offs	31,730	(27,117)
		<u>2,614,591</u>	<u>347,289</u>
<b>32.</b>	<b>TAXATION</b>		
	Current	10,871,659	6,549,441
	Prior years	-	-
	Deferred	(375,294)	(230,095)
		<u>10,496,365</u>	<u>6,319,346</u>
<b>33.</b>	<b>EARNINGS PER SHARE</b>		
	Profit after taxation for the period	<u>13,902,740</u>	<u>9,527,707</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	<u>1,224,179,687</u>	<u>1,224,179,687</u>
		----- (Rupees) -----	
	<b>Earnings per share - basic and diluted</b>	<u>11.36</u>	<u>7.78</u>

There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2023 and March 31, 2022.

**34. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

**34.1 The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:**

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**34.1.1 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>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.

**34.2 Fair value of financial assets**

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

Carrying value	March 31, 2023 (Un-audited)				
	Fair value			Total	
	Level 1	Level 2	Level 3		
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
- Federal Government securities	1,166,792,239	-	1,166,792,239	-	1,166,792,239
- Foreign Bonds - Market Treasury Bills	36,965,074	-	36,965,074	-	36,965,074
- Foreign bonds - sovereign	49,126,426	-	49,126,426	-	49,126,426
- Foreign bonds - others	1,246,798	-	1,246,798	-	1,246,798
- Ordinary shares of listed companies	9,084,105	9,084,105	-	-	9,084,105
- Mutual Fund units	201,117	-	201,117	-	201,117
- Non-Government debt securities	4,255,001	-	4,255,001	-	4,255,001
- Real Estate Investment Trust units	642,137	642,137	-	-	642,137
	<u>1,268,312,897</u>	<u>9,726,242</u>	<u>1,258,586,655</u>	<u>-</u>	<u>1,268,312,897</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government Securities	365,950,550	-	326,805,091	-	326,805,091
- Foreign Bonds - Market Treasury Bills	1,197,906	-	1,197,906	-	1,197,906
- Foreign Bonds - sovereign	48,165,289	-	45,155,574	-	45,155,574
- Foreign Bonds - others	1,511,861	-	1,359,357	-	1,359,357
- Non-Government debt securities	19,949,716	-	18,988,952	-	18,988,952
	<u>436,775,322</u>	<u>-</u>	<u>393,506,880</u>	<u>-</u>	<u>393,506,880</u>
	<u>1,705,088,219</u>	<u>9,726,242</u>	<u>1,652,093,535</u>	<u>-</u>	<u>1,661,819,777</u>
<b>Off-balance sheet financial instruments measured at fair value</b>					
Foreign exchange contracts - purchased and sold	772,379,727	-	1,500,569	-	1,500,569
Cross currency swaps	-	-	-	-	-
FX options - purchased and sold	-	-	-	-	-
Forward Government Securities - purchased and sold	20,950,990	-	43,037	-	43,037

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	December 31, 2022 (Audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
- Federal Government securities	918,142,448	-	918,142,448	-	
- Foreign Bonds - Market Treasury Bills	5,973,644	-	5,973,644	-	
- Foreign bonds - sovereign	43,353,708	-	43,353,708	-	
- Foreign bonds - others	996,910	-	996,910	-	
- Ordinary shares of listed companies	9,550,112	9,550,112	-	-	
- Mutual Fund units	202,530	-	202,530	-	
- Non-Government debt securities	4,276,430	-	4,276,430	-	
- Real Estate Investment Trust units	642,608	642,608	-	-	
	<u>983,138,390</u>	<u>10,192,720</u>	<u>972,945,670</u>	<u>-</u>	
				<u>983,138,390</u>	
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government Securities	362,552,249	-	333,494,230	-	
- Foreign Bonds - Market Treasury Bills	6,469,775	-	6,469,775	-	
- Foreign Bonds - sovereign	38,539,412	-	36,402,565	-	
- Foreign Bonds - others	1,207,251	-	1,086,799	-	
- Non-Government debt securities	18,167,923	-	17,357,546	-	
	<u>426,936,610</u>	<u>-</u>	<u>394,810,915</u>	<u>-</u>	
	<u>1,410,075,000</u>	<u>10,192,720</u>	<u>1,367,756,585</u>	<u>-</u>	
				<u>1,377,949,305</u>	
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts - purchased and sold	703,834,168	-	2,222,323	-	
FX options - purchased and sold	572,342	-	-	-	
Forward Government Securities - purchased and sold	42,757,100	-	21,543	-	
				<u>2,222,323</u>	

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

	March 31, 2023 (Un-audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
Fixed Assets	51,965,833	-	-	51,965,833	
Non-banking assets acquired in satisfaction of claims	40,424	-	-	40,424	
	<u>52,006,257</u>	<u>-</u>	<u>-</u>	<u>52,006,257</u>	

	December 31, 2022 (Audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
Fixed Assets	52,066,713	-	-	52,066,713	
Non-banking assets acquired in satisfaction of claims	40,800	-	-	40,800	
	<u>52,107,513</u>	<u>-</u>	<u>-</u>	<u>52,107,513</u>	

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



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**35. SEGMENT INFORMATION**
**35.1 Segment details with respect to business activities**

	For the three months ended March 31, 2023 (Un-audited)						Total
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	
	(Rupees in '000)						
<b>Profit and Loss</b>							
Net mark-up / return / profit	18,378,880	30,462,930	(23,180,977)	3,645,786	4,377,511	(429,069)	33,255,061
Inter segment (expense) / revenue - net	(17,466,932)	(38,214,280)	51,865,082	-	-	3,816,130	-
Non mark-up / return / interest income	1,724,108	3,622,841	2,595,261	97,671	268,363	473,157	8,781,401
<b>Total Income</b>	<b>2,636,056</b>	<b>(4,128,509)</b>	<b>31,279,366</b>	<b>3,743,457</b>	<b>4,645,874</b>	<b>3,860,218</b>	<b>42,036,462</b>
Segment direct expenses	435,851	127,761	8,723,759	696,324	2,067,172	2,971,899	15,022,766
Inter segment expense allocation	191,148	22,521	1,792,953	-	131,160	(2,137,782)	-
<b>Total expenses</b>	<b>626,999</b>	<b>150,282</b>	<b>10,516,712</b>	<b>696,324</b>	<b>2,198,332</b>	<b>834,117</b>	<b>15,022,766</b>
Provision (charge) / reversal - net	346,522	(393,835)	125,929	(12,917)	(2,697,150)	16,860	(2,614,591)
<b>Profit / (loss) before taxation</b>	<b>2,355,579</b>	<b>(4,672,626)</b>	<b>20,888,583</b>	<b>3,034,216</b>	<b>(249,608)</b>	<b>3,042,961</b>	<b>24,399,105</b>

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

	As at March 31, 2023 (Un-audited)						Total
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	
	(Rupees in '000)						
<b>Balance Sheet</b>							
Cash & Bank balances	11,337	89,440,910	71,145,933	16,435,674	118,357,107	-	295,390,961
Investments	12,204,384	1,399,550,118	-	125,878,617	161,152,942	11,425,004	1,710,211,065
Net inter segment lending	-	-	1,465,126,536	-	-	179,146,319	1,644,272,855
Lendings to financial institutions	-	61,287,300	-	-	-	-	61,287,300
Advances - performing	440,497,205	10,382	49,089,001	75,380,071	128,955,921	3,185,513	697,118,093
Advances - non-performing net	2,597,532	-	528,420	71,233	10,882,808	17,904	14,097,897
Others	39,713,729	57,895,318	15,540,558	12,553,170	19,875,695	60,029,912	205,608,382
<b>Total Assets</b>	<b>495,024,187</b>	<b>1,608,184,028</b>	<b>1,601,430,448</b>	<b>230,318,765</b>	<b>439,224,473</b>	<b>253,804,652</b>	<b>4,627,986,553</b>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

As at March 31, 2023 (Un-audited)						
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
(Rupees in '000)						
Borrowings	59,000,423	399,963,116	5,125,353	10,017,891	-	474,106,783
Subordinated debt	-	-	-	-	-	10,000,000
Deposits and other accounts	91,679,281	371,641	1,486,905,626	197,661,849	360,163,533	2,138,409,508
Net inter segment borrowing	304,663,135	1,233,126,140	-	-	106,483,580	1,644,272,855
Others	34,028,248	7,015,482	56,911,066	5,103,567	6,045,896	146,429,999
<b>Total Liabilities</b>	<b>489,371,087</b>	<b>1,640,476,379</b>	<b>1,548,942,045</b>	<b>212,783,307</b>	<b>472,693,009</b>	<b>4,413,219,145</b>
Equity	5,653,100	(32,292,351)	52,488,403	17,535,458	(33,468,536)	214,767,408
<b>Total Equity &amp; liabilities</b>	<b>495,024,187</b>	<b>1,608,184,028</b>	<b>1,601,430,448</b>	<b>230,318,765</b>	<b>439,224,473</b>	<b>4,627,986,553</b>
<b>Contingencies and Commitments</b>	<b>671,376,895</b>	<b>253,413,023</b>	<b>33,172,565</b>	<b>8,090,704</b>	<b>585,185,415</b>	<b>1,552,215,358</b>

  

As at December 31, 2022 (Audited)						
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
(Rupees in '000)						
<b>Balance Sheet</b>						
Cash & Bank balances	9,822	67,380,161	18,506,973	7,841,130	64,958,575	158,696,661
Investments	11,095,886	1,152,628,315	-	124,800,008	113,900,328	1,415,193,829
Net inter segment lending	-	-	1,377,293,672	-	-	1,516,684,455
Lendings to financial institutions	-	85,296,480	-	-	-	85,296,480
Advances - performing	600,765,401	14,337	51,511,037	102,195,674	152,526,997	910,281,775
Advances - non-performing net	2,615,887	10,927	496,965	37,613	8,366,249	11,555,320
Others	35,253,173	40,061,081	19,796,931	5,526,837	15,498,233	177,729,044
<b>Total Assets</b>	<b>649,740,169</b>	<b>1,345,391,301</b>	<b>1,467,605,578</b>	<b>240,401,262</b>	<b>355,250,382</b>	<b>4,275,437,564</b>
Borrowings	63,395,001	420,042,838	5,195,348	69,092,536	6,792,865	564,518,588
Subordinated debt	-	-	-	-	-	10,000,000
Deposits and other accounts	59,231,055	3,359,197	1,331,562,123	151,693,394	291,357,894	1,838,366,814
Net inter segment borrowing	492,593,529	944,787,486	-	-	79,303,440	1,516,684,455
Others	23,313,085	2,485,234	70,453,015	7,203,929	9,887,892	136,847,451
<b>Total Liabilities</b>	<b>638,532,670</b>	<b>1,370,674,755</b>	<b>1,407,210,486</b>	<b>227,989,859</b>	<b>387,342,091</b>	<b>4,066,417,308</b>
Equity	11,207,499	(25,283,454)	60,395,092	12,411,403	(32,091,709)	209,020,256
<b>Total Equity &amp; liabilities</b>	<b>649,740,169</b>	<b>1,345,391,301</b>	<b>1,467,605,578</b>	<b>240,401,262</b>	<b>355,250,382</b>	<b>4,275,437,564</b>
<b>Contingencies and Commitments</b>	<b>509,367,455</b>	<b>221,290,949</b>	<b>30,493,205</b>	<b>7,626,255</b>	<b>576,647,813</b>	<b>1,346,363,104</b>

**36. RELATED PARTY TRANSACTIONS**

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

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

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

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	As at March 31, 2023 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	----- (Rupees in '000) -----					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	-	693,536	-	-
In deposit accounts	-	-	-	-	-	-
	-	-	-	693,536	-	-
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	-
Repaid during the period	-	-	-	-	-	-
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Investments</b>						
Opening balance	-	-	-	2,955,223	2,024,126	5,300,368
Investment made during the period	-	-	-	-	-	-
Investment disposed during the period	-	-	-	-	-	(4,432)
Transfers in / (out) - net	-	-	-	-	-	314,721
Closing balance	-	-	-	2,955,223	2,024,126	5,610,657
Provision for diminution in value of investments	-	-	-	-	-	1,137,385
Provision written off	-	-	-	-	-	-
<b>Advances</b>						
Opening balance	-	480	318,625	-	-	17,808,043
Addition during the period	-	436	10,418	-	-	5,690,617
Repaid during the period	-	(897)	(51,938)	-	-	(869)
Transfers in / (out) - net	-	-	-	-	-	1,799,877
Closing balance	-	19	277,105	-	-	25,297,668
Provision held against advances	-	-	-	-	-	1,274,449
<b>Other Assets</b>						
Income / mark-up accrued	-	-	-	-	55,663	965,137
Receivable from staff retirement fund	-	-	-	-	-	2,455,628
Prepaid insurance	-	-	-	-	196,309	-
Dividend Receivable	-	-	-	-	-	237,970
Other receivable	-	-	-	5,351	-	-
Provision written off	-	-	-	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	-	-	-	157,100
Settled during the period	-	-	-	-	-	-
Closing balance	-	-	-	-	-	157,100
<b>Deposits and other accounts</b>						
Opening balance	14,327	13,924,363	68,837	70,757	1,665,575	16,000,091
Received during the period	15,322	20,046,112	183,130	5,397,622	50,260,890	83,117,861
Withdrawn during the period	(15,433)	(19,685,570)	(180,510)	(5,300,192)	(50,127,888)	(78,848,056)
Transfers in - net	-	-	-	-	-	(184,310)
Closing balance	14,216	14,284,905	71,457	168,187	1,798,577	20,085,586

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

As at March 31, 2023 (Un-audited)						
Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	
----- (Rupees in '000) -----						
<b>Other Liabilities</b>						
Interest / mark-up payable on deposits and borrowings	353	40,404	107	1,156	7,321	27,597
Dividend payable	13,898,036	393,117	-	-	-	109,449
Payable to staff retirement fund	-	-	-	-	-	37,905
Unearned income	-	-	1,109	-	-	19,065
Other payable	-	22,330	-	-	-	-
<b>Contingencies and Commitments</b>						
Letter of guarantee	-	-	-	-	-	-
As at December 31, 2022 (Audited)						
Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	
----- (Rupees in '000) -----						
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	-	762,976	-	-
In deposit accounts	-	-	-	-	-	-
	-	-	-	762,976	-	-
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	2,355,115
Addition during the year	-	-	-	-	-	3,996,304
Repaid during the year	-	-	-	-	-	(6,351,419)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Investments</b>						
Opening balance	-	-	5,376,066	1,799,125	4,654,612	
Investment made during the year	-	-	-	6,225,001	645,756	
Investment disposed / written off during the year	-	-	(2,420,843)	(6,000,000)	-	
Transfers in / (out) - net	-	-	-	-	-	
Closing balance	-	-	2,955,223	2,024,126	5,300,368	
Provision for diminution in value of investments						
	-	-	-	-	952,719	
Provision written off						
	-	-	1,580,970	-	-	
<b>Advances</b>						
Opening balance	-	645	277,816	-	-	1,768
Addition during the year	-	488	161,738	-	-	24,653,259
Repaid during the year	-	(653)	(121,333)	-	-	(6,846,111)
Transfers in / (out) - net	-	-	404	-	-	(873)
Closing balance	-	480	318,625	-	-	17,808,043
Provision held against advances						
	-	-	-	-	1,274,449	

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**As at December 31, 2022 (Audited)**

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- (Rupees in '000) -----						
<b>Other Assets</b>						
Interest mark-up accrued	-	-	-	-	42,198	711,313
Receivable from staff retirement fund	-	-	-	-	-	2,517,968
Prepaid insurance	-	-	-	-	58,739	-
Other receivable	-	-	-	6,630	-	-
Provision written off	-	-	-	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	1,769,000
Settled during the year	-	-	-	-	-	(1,769,000)
Closing balance	-	-	-	-	-	-
<b>Deposits and other accounts</b>						
Opening balance	18,601	7,769,284	66,177	227,997	2,209,154	16,151,170
Received during the year	19,125	42,580,952	920,072	13,467,062	145,487,253	264,099,764
Withdrawn during the year	(23,399)	(36,425,873)	(932,677)	(13,624,302)	(146,030,832)	(264,257,733)
Transfer in	-	-	15,265	-	-	6,890
Closing balance	14,327	13,924,363	68,837	70,757	1,665,575	16,000,091
<b>Other Liabilities</b>						
Interest / mark-up payable on deposits and borrowings	1,106	26,310	407	1,805	14,382	37,353
Dividend payable	8,212,476	222,289	-	-	-	57,128
Payable to staff retirement fund	-	-	-	-	-	37,824
Unearned income	-	-	-	444	-	29,608
Other payable	-	5,100	-	-	5,982	-
<b>Contingencies and Commitments</b>						
Letter of guarantee	-	-	-	-	-	-
Forward Government securities - sale	-	-	-	-	-	-

**For the three months ended March 31, 2023 (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	-	-	4,756	-	25,155	826,932
Commission / charges recovered	-	7	50	237	3,950	3,766
Dividend income	-	-	-	-	-	237,970
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	665	-	10,544
Gain on sale of fixed assets	-	-	64	-	360	-
Reversal of provision	-	-	-	-	-	7,034
Switch revenue	-	-	-	-	-	78,292
Management fee	-	-	-	23,003	-	-

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**For the three months ended March 31, 2023 (Un-audited)**

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- (Rupees in '000) -----						
<b>Expense</b>						
Mark-up / return / interest paid	1,106	136,468	1,803	2,311	49,734	132,250
Remuneration paid	-	-	118,070	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	28,030	-	-	-	-
Charge for defined contribution plans	-	-	5,967	-	-	109,831
Charge for defined benefit plans	-	-	-	-	-	108,890
Provision	-	-	-	-	-	70,693
Other expenses	-	-	-	-	-	9,771
Clearing charges	-	-	-	-	-	42,883
Seminar and Membership fees	-	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	19,734
<b>Other Information</b>						
Dividend paid	-	-	-	-	-	-
Insurance premium paid	-	-	-	-	283,061	-
Insurance claims settled	-	-	-	-	138,401	-

**For the three months ended March 31, 2022 (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	-	-	3,628	50	12,694	97,142
Commission / charges recovered	-	31	347	200	10,302	6,703
Dividend income	-	-	-	366,239	7,620	203,720
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	609	-	5,850
Gain on sale of fixed assets	-	-	33	-	-	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	62,616
Management fee	-	-	-	9,166	-	-
<b>Expense</b>						
Mark-up / return / interest paid	-	122,047	867	1,658	65,137	209,285
Remuneration paid	-	-	414,822	-	-	-
Post employment benefits	-	-	2,088	-	-	-
Directors' fees and allowances	-	30,150	-	-	-	-
Charge for defined contribution plans	-	-	5,752	-	-	109,669
Charge for defined benefit plans	-	-	-	-	-	136,319
Other expenses	-	-	-	-	-	60,984
Clearing charges	-	-	-	-	-	36,213
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	-	2,423
Custody charges	-	-	-	-	-	-
<b>Other Information</b>						
Dividend paid	2,526,916	70,267	2,080	-	32,595	611,138
Insurance premium paid	-	-	-	-	235,587	-
Insurance claims settled	-	-	-	-	120,922	-

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		
<b>37. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	12,241,797	12,241,797
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	128,961,841	134,274,529
Eligible Additional Tier 1 (ADT 1) Capital	9,803,806	9,803,806
Total Eligible Tier 1 Capital	138,765,647	144,078,335
Eligible Tier 2 Capital	45,045,024	47,616,511
Total Eligible Capital (Tier 1 + Tier 2)	183,810,671	191,694,846
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	765,590,627	717,763,967
Market Risk	76,172,391	81,055,011
Operational Risk	200,926,121	200,926,121
Total	1,042,689,139	999,745,099
<b>Common Equity Tier 1 Capital Adequacy Ratio</b>	12.37%	13.43%
<b>Tier 1 Capital Adequacy Ratio</b>	13.31%	14.41%
<b>Total Capital Adequacy Ratio</b>	17.63%	19.17%

The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the period ended March 31, 2023 stood at Rs.12,241.797 million (December 31, 2022: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.

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

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 March 31, 2023. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 17.63% whereas CET 1 and Tier 1 ratios stood at 12.37% and 13.31% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2019 dated April 13, 2019, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/394468/2022 dated December 20, 2022. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 0.5%, 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) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	138,765,647	144,078,335
Total Exposures	3,631,573,724	3,283,578,765
Leverage Ratio	3.82%	4.39%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	913,938,644	1,014,739,744
Total Net Cash Outflow	373,165,282	316,508,188
Liquidity Coverage Ratio	244.92%	320.60%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	2,297,523,933	2,194,772,092
Total Required Stable Funding	1,340,792,520	1,355,300,059
Net Stable Funding Ratio	171.36%	161.94%

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**38. ISLAMIC BANKING BUSINESS**

The Bank operates 150 (December 31, 2022: 150) Islamic Banking branches and 501 (December 31, 2022: 219) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		15,351,003	7,103,365
Balances with other banks		1,084,671	737,765
Due from financial institutions		-	-
Investments	38.1	125,878,617	124,800,008
Islamic financing and related assets - net	38.2	75,451,304	102,233,287
Fixed assets		1,382,825	1,431,431
Intangible assets		-	-
Due from Head Office		3,640,781	3,873,536
Other assets		7,519,197	4,095,406
		230,308,398	244,274,798
<b>LIABILITIES</b>			
Bills payable		1,821,203	2,874,226
Due to financial institutions		10,017,891	69,092,536
Deposits and other accounts	38.3	197,661,850	151,693,394
Other liabilities		3,282,365	4,329,703
		212,783,309	227,989,859
<b>NET ASSETS</b>		<u>17,525,089</u>	<u>16,284,939</u>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		(2,714,898)	(920,832)
Unappropriated profit	38.4	18,058,987	15,024,771
		<u>17,525,089</u>	<u>16,284,939</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	38.5		
<b>PROFIT AND LOSS ACCOUNT</b>			
		(Un-audited)	
		January - March 2023	January - March 2022
----- (Rupees in '000) -----			
Profit / return earned	38.6	7,638,528	3,493,508
Profit / return expensed	38.7	3,992,742	1,360,690
Net profit / return		3,645,786	2,132,818
<b>Other income</b>			
Fee and commission income		76,681	91,641
Foreign exchange income		718	1,224
Loss on securities - net		-	-
Other income		20,272	6,621
Total other income		97,671	99,486
<b>Total Income</b>		<u>3,743,457</u>	<u>2,232,304</u>
<b>Other expenses</b>			
Other operating expenses		696,324	634,499
<b>Profit before provisions</b>		<u>3,047,133</u>	<u>1,597,805</u>
Provisions / (reversal) and write-offs - net		12,917	4,559
<b>Profit before taxation</b>		<u>3,034,216</u>	<u>1,593,246</u>
Taxation		1,304,713	621,366
<b>Profit after taxation</b>		<u>1,729,503</u>	<u>971,880</u>



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**38.1 Investments by segments**

	As at March 31, 2023 (Un-audited)				As at December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision	Deficit	Carrying Value	Cost / Amortised cost	Provision	Deficit	Carrying Value
----- (Rupees in '000) -----								
<b>Federal Government Securities</b>								
- Ijarah Sukuks	111,745,275	-	(2,714,898)	109,030,377	112,516,387	-	(920,832)	111,595,555
- Islamic Naya Pakistan Certificates	7,332,935	-	-	7,332,935	4,806,162	-	-	4,806,162
	119,078,210	-	(2,714,898)	116,363,312	117,322,549	-	(920,832)	116,401,717
<b>Non Government Debt Securities</b>								
- Listed	487,500	-	-	487,500	524,554	-	-	524,554
- Unlisted	9,027,805	-	-	9,027,805	7,873,737	-	-	7,873,737
	9,515,305	-	-	9,515,305	8,398,291	-	-	8,398,291
	128,593,515	-	(2,714,898)	125,878,617	125,720,840	-	(920,832)	124,800,008

**(Un-audited) (Audited)**  
**March 31, December 31,**  
**2023 2022**  
 ----- (Rupees in '000) -----

**38.2 Islamic financing and related assets**

Ijarah	300,460	283,654
Murabaha	282,882	507,528
Musharakah	28,544,837	55,706,384
Diminishing Musharakah	26,057,902	25,940,267
Mera Pakistan Mera Ghar (MPMG)	5,261,288	5,189,100
Istisna	141,760	54,086
Islamic Export Refinance scheme - Musharakah	5,899,743	5,499,743
Islamic Export Refinance scheme - Istisna	373,847	553,570
Advances against Islamic assets		
Advances against Ijarah	20,358	40,268
Advances for Diminishing Musharakah	1,295,642	1,304,675
Advances for Murabaha	37,000	64,498
Advances against Mera Pakistan Mera Ghar	153,381	279,014
Advances for Istisna	664,252	429,444
Advances against Ameen ITERF	3,953,348	3,953,348
Inventory related to Islamic financing		
Istisna	4,900	193,698
Profit and other receivables against financings	2,653,699	2,442,188
Gross Islamic financing and related assets	75,645,299	102,441,465
Less: Provision against Islamic financings		
- Specific	(90,413)	(99,851)
- General	(103,582)	(108,327)
	(193,995)	(208,178)
Islamic financing and related assets - net of provision	<u>75,451,304</u>	<u>102,233,287</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**38.3 Deposits and other accounts**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		
<b>Customers</b>		
Current deposits	101,440,931	84,267,286
Saving deposits	34,728,618	36,040,108
Term deposits	31,522,953	30,318,011
	<u>167,692,502</u>	<u>150,625,405</u>
<b>Financial Institutions</b>		
Current deposits	193,445	160,110
Saving deposits	29,745,903	897,879
Term deposits	30,000	10,000
	<u>29,969,348</u>	<u>1,067,989</u>
	<u>197,661,850</u>	<u>151,693,394</u>

**38.3.1** Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 80,644.093 million (December 31, 2022: Rs. 76,771.045 million).

**38.4 Islamic Banking Business Unappropriated Profit**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		
Opening Balance	15,024,771	8,094,948
Profit for the period / year	3,034,216	6,929,823
	<u>18,058,987</u>	<u>15,024,771</u>
Taxation	(1,304,713)	(3,665,876)
Closing Balance	<u>16,754,274</u>	<u>11,358,895</u>

**38.5 Contingencies and commitments**

- Guarantees	22,074	22,074
- Commitments	8,068,630	7,604,181
	<u>8,090,704</u>	<u>7,626,255</u>

**38.6 Profit / Return earned**

	(Un-audited)	
	January - March 2023	January - March 2022
----- (Rupees in '000) -----		
On:		
Financing	2,969,365	1,409,377
Investments	4,531,130	1,939,100
Placements	82,304	78,894
Rental Income from Ijarah	55,729	66,137
	<u>7,638,528</u>	<u>3,493,508</u>

**38.7 Profit / Return expensed**

On:		
Deposits and other accounts	2,721,715	1,302,081
Due to Financial Institutions	1,241,145	30,159
Others	29,882	28,450
	<u>3,992,742</u>	<u>1,360,690</u>

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

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

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

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

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023****General Pool(s)**

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

**IERS Pool(s)**

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

**Treasury Pool(s)**

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

**Special Pool(s) - LCY**

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

**Special Pool(s) - FCY**

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

**Equity Pool(s)**

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

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

The Mudarib's share on Deposits for the period ended March 31, 2023 is Rs.1,565.767 million (45.04% of distributable profit of Mudarabah Pool). of this, an amount of Rs.728.280 million (46.51% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 16.18% per annum and the rate of profit paid on average deposits was 12.29% per annum.

**The risk characteristics of pools**

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

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

- The profit of each deposit pool is calculated on all the remunerative assets booked by utilising The funds from the pool.
- Profit of pool is calculated after deduction of expenses directly incurred in earning the income of such pool, the directly related costs comprise of depreciation on Ijarah assets, takaful premium, 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.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

The Bank managed following pools during the period.

For the three months ended March 31, 2023 (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	3	Mudarabah	Monthly	12.23%	35.00%	101,197	8.08%	3.05%	3,086
Special Pools	42	Mudarabah	Monthly	17.10%	20.03%	87,120	14.35%	49.73%	43,321
IERS Pools	6	Musharakah	Monthly	18.13%	80.67%	599,379	9.34%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	2.13%	50.00%	2,240	1.06%	0.00%	-
General Pools	3	Mudarabah	Monthly	16.61%	49.99%	1,377,451	12.39%	49.26%	678,502
Treasury Pools	4	Mudarabah	Monthly	14.68%	6.29%	21,135	16.25%	5.07%	1,071
Treasury Pools	64	Musharakah	Monthly	15.72%	25.47%	204,254	16.29%	0.00%	-

For the three months ended March 31, 2022 (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	3	Mudarabah	Monthly	9.68%	50.00%	45,466	7.31%	51.13%	23,249
Special Pools	33	Mudarabah	Monthly	11.53%	18.84%	117,859	10.04%	31.77%	37,449
IERS Pools	6	Musharakah	Monthly	7.63%	86.19%	136,531	2.00%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	2.06%	50.00%	858	1.07%	0.00%	-
General Pools	3	Mudarabah	Monthly	10.13%	50.00%	575,999	5.99%	18.22%	104,972
Treasury Pools	6	Musharakah	Monthly	10.61%	5.42%	355,968	10.08%	0.00%	-

(Un-audited)      (Audited)  
March 31,            December 31,  
2023                    2022

-----Rupees in '000-----

**38.9 Deployment of Mudarabah based deposits by class of business**

Chemical and pharmaceuticals	6,050,475	6,337,407
Agriculture	28,508,881	52,739,670
Textile	6,865,440	9,188,530
Financial	1,699,671	1,352,765
Food industries	97,780	106,665
Plastic	301,987	253,444
Individuals	16,616,377	16,789,978
Production and transmission of energy	18,891,559	18,177,556
Government of Pakistan Securities	116,363,311	115,615,288
Others	7,202,737	7,417,935
	<u>202,598,218</u>	<u>227,979,238</u>

**39. YEMEN OPERATIONS**

Despite risky situation and continued operational losses the Bank has been striving to honor liabilities for past eight years. 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.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023****40. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on April 28, 2023 has declared an interim cash dividend in respect of the three months period ended March 31, 2023 of Rs. 11.0 per share (March 31, 2022: Rs. 5.0 per share). These unconsolidated condensed interim financial statements for the three months ended March 31, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

**41. GENERAL**

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

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

**42. DATE OF AUTHORISATION**

These unconsolidated condensed interim financial statements were authorised for issue on April 28, 2023, by the Board of Directors of the Bank.

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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



# UNITED BANK LIMITED

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**CONSOLIDATED CONDENSED  
INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
MARCH 31, 2023  
(Un-audited)**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 238,871,450	143,034,544
Balances with other banks	7 60,333,848	16,686,747
Lendings to financial institutions	8 61,294,333	85,842,721
Investments	9 1,745,654,542	1,450,939,753
Advances	10 931,878,496	1,096,220,888
Property and equipment	11 81,655,640	79,402,671
Intangible assets	12 2,507,945	2,518,133
Deferred tax assets	13 27,158,055	16,751,121
Other assets	15 104,003,459	87,009,226
	3,253,357,768	2,978,405,804
<b>LIABILITIES</b>		
Bills payable	17 27,544,075	36,482,712
Borrowings	18 474,111,714	566,234,220
Deposits and other accounts	19 2,379,817,911	2,034,557,434
Liabilities against assets subject to finance lease	20 14,605	11,341
Subordinated debt	21 10,000,000	10,000,000
Deferred tax liabilities	13 -	-
Other liabilities	22 120,645,836	101,927,823
	3,012,134,141	2,749,213,530
<b>NET ASSETS</b>	<u>241,223,627</u>	<u>229,192,274</u>
<b>REPRESENTED BY:</b>		
Share capital	12,241,797	12,241,797
Reserves	113,151,676	91,888,710
Surplus on revaluation of assets	23 5,763,290	19,654,297
Unappropriated profit	98,107,954	96,282,169
Total equity attributable to the equity holders of the Bank	229,264,717	220,066,973
Non-controlling interest	11,958,910	9,125,301
	<u>241,223,627</u>	<u>229,192,274</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	24	

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
Mark-up / return / interest earned	26 92,568,156	49,331,822
Mark-up / return / interest expensed	27 <u>57,620,727</u>	<u>26,968,429</u>
<b>Net mark-up / interest income</b>	34,947,429	22,363,393
<b>Non mark-up / interest income</b>		
Fee and commission income	28 <span style="border: 1px solid black;">4,781,571</span>	<span style="border: 1px solid black;">4,217,459</span>
Dividend income	475,449	529,805
Foreign exchange income	4,438,640	1,343,333
Loss from derivatives	(37,606)	(37,777)
(Loss) / gain on securities - net	29 (637,132)	446,406
Other income	30 <span style="border: 1px solid black;">234,196</span>	<span style="border: 1px solid black;">276,502</span>
Total non mark-up / interest income	<u>9,255,118</u>	<u>6,775,728</u>
<b>Total income</b>	44,202,547	29,139,121
<b>Non mark-up / interest expenses</b>		
Operating expenses	31 <span style="border: 1px solid black;">15,719,975</span>	<span style="border: 1px solid black;">12,687,006</span>
Workers' Welfare Fund	500,158	328,032
Other charges	32 <span style="border: 1px solid black;">1,521</span>	<span style="border: 1px solid black;">5,628</span>
Total non mark-up / interest expenses	16,221,654	13,020,666
Share of loss of associates	(158,245)	(47,166)
<b>Profit before provisions</b>	<u>27,822,648</u>	<u>16,071,289</u>
Provisions and write-offs - net	33 2,714,605	334,109
<b>Profit before taxation from continuing operations</b>	<u>25,108,043</u>	<u>15,737,180</u>
Taxation	34 10,637,315	6,364,518
<b>Profit after taxation from continuing operations</b>	<u>14,470,728</u>	<u>9,372,662</u>
<b>Discontinued operations</b>		
Profit from discontinued operations - net of tax	14 -	22,172
<b>Profit after taxation</b>	<u>14,470,728</u>	<u>9,394,834</u>
<b>Attributable to:</b>		
Equity holders of the Bank		
from continuing operations	14,226,896	9,281,926
from discontinued operations	-	22,172
	<u>14,226,896</u>	<u>9,304,098</u>
Non-controlling interest	243,832	90,736
	<u>14,470,728</u>	<u>9,394,834</u>
	----- (Rupees) -----	
<b>Earnings per share for profit from continuing operations attributable to the equity holders of the Bank</b>		
Basic and diluted	<u>11.62</u>	<u>7.58</u>
<b>Earnings per share for profit attributable to the equity holders of the Bank</b>		
Basic and diluted	35 <u>11.62</u>	<u>7.60</u>

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	January - March 2023	January - March 2022
----- (Rupees in '000) -----		
<b>Profit after taxation for the period attributable to:</b>		
Equity holders of the Bank		
from continuing operations	14,226,896	9,281,926
from discontinued operations	-	22,172
	<u>14,226,896</u>	<u>9,304,098</u>
Non-controlling interest	243,832	90,736
	<u>14,470,728</u>	<u>9,394,834</u>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods</b>		
Effect of translation of net investment in overseas branches and subsidiaries - net of tax		
Equity holders of the Bank	19,872,692	1,994,996
Non-controlling interest	2,506,605	82,929
	<u>22,379,297</u>	<u>2,077,925</u>
Movement in deficit on revaluation of investments - net of tax		
Equity holders of the Bank	(14,643,049)	(5,426,948)
Non-controlling interest	(526,839)	(549,531)
	<u>(15,169,888)</u>	<u>(5,976,479)</u>
	7,209,409	(3,898,554)
<b>Items that will not be reclassified to profit and loss account in subsequent periods</b>		
Movement in surplus / (deficit) on revaluation of fixed assets - net of tax		
Equity holders of the Bank	783,152	39,250
Non-controlling interest	629,917	31,275
	<u>1,413,069</u>	<u>70,525</u>
Remeasurement loss on defined benefit obligations - net of tax		
Equity holders of the Bank	(24,330)	-
Non-controlling interest	(19,906)	-
	<u>(44,236)</u>	<u>-</u>
Movement in surplus on revaluation of non-banking assets - net of tax	-	15,882
	<u>1,368,833</u>	<u>86,407</u>
<b>Total comprehensive income for the period</b>	<u><u>23,048,970</u></u>	<u><u>5,582,687</u></u>
<b>Attributable to:</b>		
Equity holders of the Bank		
from continuing operations	20,215,361	5,905,106
from discontinued operation	-	22,172
	<u>20,215,361</u>	<u>5,927,278</u>
Non-controlling interest	2,833,609	(344,591)
	<u>23,048,970</u>	<u>5,582,687</u>

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

	Attributable to equity holders of the Bank								Non-controlling Interest	Total
	Share capital	Statutory reserve	Capital reserve - exchange translation	Surplus / (Deficit) on revaluation			Unappropriated profit	Sub total		
				Investments	Fixed assets	Non banking assets				
	(Rupees in '000)									
<b>Balance as at January 01, 2022 (Audited)</b>	12,241,797	38,495,676	39,105,114	(2,561,551)	42,570,415	10,189	89,840,102	219,701,742	8,612,234	228,313,976
<b>Total comprehensive income for the three months ended March 31, 2022</b>										
Profit after taxation for the three months ended March 31, 2022	-	-	-	-	-	-	9,304,098	9,304,098	90,736	9,394,834
Other comprehensive income - net of tax	-	-	1,994,996	(5,426,948)	39,250	15,882	-	(3,376,820)	(435,327)	(3,812,147)
<b>Total comprehensive income for the three months ended March 31, 2022</b>	-	-	1,994,996	(5,426,948)	39,250	15,882	9,304,098	5,927,278	(344,591)	5,582,687
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	(4,186)	(4,186)
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(32,489)	-	32,489	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(23,266)	-	23,266	-	-	-
Transfer to statutory reserve	-	952,771	-	-	-	-	(952,771)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>										
Final cash dividend - December 31, 2021 declared subsequent to the year end at Rs. 6.0 per share	-	-	-	-	-	-	(7,345,078)	(7,345,078)	-	(7,345,078)
<b>Balance as at March 31, 2022 (Un-audited)</b>	12,241,797	39,448,447	41,100,110	(7,988,499)	42,553,910	26,071	90,902,106	218,283,942	8,263,457	226,547,399
<b>Total comprehensive income for the nine months ended December 31, 2022</b>										
Profit after taxation for the nine months ended December 31, 2022	-	-	-	-	-	-	22,231,396	22,231,396	455,468	22,686,864
Other comprehensive income - net of tax	-	-	9,228,519	(14,799,941)	195,239	(668)	984,683	(4,392,168)	521,477	(3,870,691)
<b>Total comprehensive income for the nine months ended December 31, 2022</b>	-	-	9,228,519	(14,799,941)	195,239	(668)	23,216,079	17,839,228	976,945	18,816,173
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	(115,101)	(115,101)
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(240,042)	(25,403)	265,445	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(66,370)	-	66,370	-	-	-
Transfer to statutory reserve	-	2,253,494	-	-	-	-	(2,253,494)	-	-	-
Transfer from statutory reserve on liquidation of subsidiary	-	(141,860)	-	-	-	-	-	(141,860)	-	(141,860)
<b>Transactions with owners, recorded directly in equity</b>										
Interim cash dividend - March 31, 2022 declared at Rs. 5.0 per share	-	-	-	-	-	-	(6,120,899)	(6,120,899)	-	(6,120,899)
Interim cash dividend - June 30, 2022 declared at Rs. 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
Interim cash dividend - September 30, 2022 declared at Rs. 4.0 per share	-	-	-	-	-	-	(4,896,719)	(4,896,719)	-	(4,896,719)
<b>Balance as at December 31, 2022 (Audited)</b>	12,241,797	41,560,081	50,328,629	(22,788,440)	42,442,737	-	96,282,169	220,066,973	9,125,301	229,192,274
<b>Total comprehensive income for the three months ended March 31, 2023</b>										
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	14,226,896	14,226,896	243,832	14,470,728
Other comprehensive income - net of tax	-	-	19,872,692	(14,643,049)	783,152	-	(24,330)	5,988,465	2,589,777	8,578,242
<b>Total comprehensive income for the three months ended March 31, 2023</b>	-	-	19,872,692	(14,643,049)	783,152	-	14,202,566	20,215,361	2,833,609	23,048,970
Ordinary dividend relating to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	(31,110)	-	31,110	-	-	-
Transfer to statutory reserve	-	1,390,274	-	-	-	-	(1,390,274)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>										
Interim cash dividend - December 31, 2022 declared at Rs. 9.0 per share	-	-	-	-	-	-	(11,017,617)	(11,017,617)	-	(11,017,617)
<b>Balance as at March 31, 2023 (Un-audited)</b>	12,241,797	42,950,355	70,201,321	(37,431,489)	43,194,779	-	98,107,954	229,264,717	11,958,910	241,223,627

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	January - March 2023	January - March 2022
----- (Rupees in '000) -----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation including discontinued operations	25,108,043	15,759,352
Less: Dividend income	475,449	529,805
Less: Share of loss of associates	(158,245)	(47,166)
	<u>24,790,839</u>	<u>15,276,713</u>
<b>Adjustments:</b>		
Depreciation on fixed assets	996,575	939,084
Depreciation on Islamic financing against leased assets (Ijarah)	33,910	40,752
Depreciation on right-of-use assets	534,627	482,336
Depreciation on non-banking assets acquired in satisfaction of claims	376	31,854
Amortisation	246,937	214,970
Workers' Welfare Fund - charge	500,158	328,032
Provision for retirement benefits	307,420	140,955
Provision for compensated absences	64,982	41,007
(Reversal) / provision against loans and advances - net	(1,375,281)	755,642
Reversal of provision against off balance sheet items - net	(39,492)	(54,749)
Provision / (reversal) for diminution in value of investments - net	4,071,351	(141,754)
Interest expense on lease liability against right-of-use assets	286,239	250,302
Loss on sale of Ijarah assets - net	105	1,793
Gain on sale of fixed assets - net	(72,344)	(39,889)
Bad debts written off directly	42,662	11,091
Unrealised loss / (gain) on revaluation of investments classified as held for trading	21,184	(108,400)
Provision / (reversals) against other assets	2,189	(2,136)
Other provisions / (reversals) and write-offs	106,195	(27,117)
	<u>5,727,793</u>	<u>2,863,773</u>
	30,518,632	18,140,486
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	24,548,388	(24,900,422)
Held for trading securities	8,716,231	(6,146,877)
Advances	165,640,996	(17,831,483)
Other assets (excluding advance taxation)	(18,790,146)	(10,449,984)
	<u>180,115,469</u>	<u>(59,328,766)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(8,938,637)	12,490,247
Borrowings	(92,122,506)	(352,529,385)
Deposits and other accounts	345,260,477	32,204,208
Other liabilities	6,084,530	7,299,265
	<u>250,283,864</u>	<u>(300,535,665)</u>
	460,917,965	(341,723,945)
Receipts / (payments) on account of staff retirement benefits	132,311	1,757,251
Income taxes paid	(8,815,092)	(4,782,597)
<b>Net cash flows generated from operating activities</b>	<u>452,235,184</u>	<u>(344,749,291)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	(321,669,827)	269,226,532
Net investments in held to maturity securities	(9,838,836)	19,962,378
Net investments in associates	(1,660,142)	(3,232,881)
Dividend income received	475,449	336,054
Investment in fixed assets and intangible assets	(1,750,062)	(1,251,487)
Sale proceeds from disposal of fixed assets	80,114	154,761
Sale proceeds from disposal of Ijarah assets	5,302	14,073
Exchange differences on translation of net investment in overseas branches and subsidiaries	22,379,297	2,077,925
<b>Net cash flows used in investing activities</b>	<u>(311,978,705)</u>	<u>287,287,355</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease obligations	(3,264)	(3,877)
Payment of lease liability against right-of-use assets	(769,101)	(679,026)
Dividends paid	(107)	(5,616,140)
<b>Net cash flows used in financing activities</b>	<u>(772,472)</u>	<u>(6,299,043)</u>
<b>Decrease in cash and cash equivalents</b>	<u>139,484,007</u>	<u>(63,760,979)</u>
Cash and cash equivalents at the beginning of the period	140,522,207	280,670,589
Effect of exchange rate changes on cash and cash equivalents	19,199,084	23,254,495
	<u>159,721,291</u>	<u>303,925,084</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>299,205,298</u>	<u>240,164,105</u>

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

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**1. STATUS AND NATURE OF BUSINESS**

The Group consists of:

**Holding Company**

- United Bank Limited (the Bank)

**Subsidiary Companies**

- United National Bank Limited, United Kingdom (UBL UK) - 55% holding
- UBL Fund Managers Limited, Pakistan (UBL FM) - 98.87% holding
- Al Ameen Financial Services (Private) Limited (AFSL) - 98.87% effective holding

The Group is engaged in commercial banking, asset management, investment advisory and investments business. United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,335 (December 31, 2022: 1,335) branches inside Pakistan including 150 (December 31, 2022: 150) Islamic Banking branches and 2 (December 31, 2022: 2) branches in Export Processing Zones. The Bank also operates 8 (December 31, 2022: 8) branches outside Pakistan. The Bank is a wholly owned subsidiary of Bestway International Holdings Limited (BIHL) and BIHL a wholly owned subsidiary of Bestway Group Limited (BGL) which is incorporated in the Guernsey.

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

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

**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 Letter No. 5 dated March 22, 2019.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic 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 40 to these consolidated condensed interim financial statements.

**2.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 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.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

The SBP vide BSD Circular Letter No. 10, dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015, has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

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

The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular 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, 2022.

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2023. These are either considered not to be relevant or do not have any significant impact and accordingly, have not been detailed in these consolidated condensed interim financial statements.

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

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

As per the SBP's BPRD Circular no. 7 dated April 13, 2023, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2024 (for banks having asset size of Rs. 500 billion or above). The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed. Further, preparation of the interim financial statements on the revised formats by banks has also been extended to the first quarter of year 2024.

These consolidated financial statements have been prepared in accordance with the existing prudential regime to the extent of the Bank's domestic operations, whereas the requirements of this standard have been incorporated for the overseas jurisdictions where IFRS 9 has already been adopted.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2022.

**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 Group for the year ended December 31, 2022.

**5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	25,350,452	27,392,567
Foreign currencies	10,480,614	8,082,259
	35,831,066	35,474,826
With State Bank of Pakistan in		
Local currency current accounts	76,842,662	55,264,401
Foreign currency current accounts	628,427	912,557
Foreign currency deposit accounts	4,992,215	204,472
	82,463,304	56,381,430
With other central banks in		
Foreign currency current accounts	60,386,382	44,342,604
Foreign currency deposit accounts	16,832,549	6,298,682
	77,218,931	50,641,286
With National Bank of Pakistan in local currency current accounts	43,113,695	377,456
Prize bonds	244,454	159,546
	<u>238,871,450</u>	<u>143,034,544</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In current accounts	12,344	9,848
In deposit accounts	1,861	13,989
	14,205	23,837
Outside Pakistan		
In current accounts	35,670,241	11,006,069
In deposit accounts	24,649,402	5,656,841
	60,319,643	16,662,910
	<u>60,333,848</u>	<u>16,686,747</u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call / clean money lendings	7,033	546,241
Repurchase agreement lendings (reverse repo)	61,287,300	85,296,480
Placements with State Bank of Pakistan	-	-
	<u>61,294,333</u>	<u>85,842,721</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**9. INVESTMENTS**

9.1 Investments by type	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Note ----- (Rupees in '000) -----								
<b>Held for trading securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	18,830,098	-	(21,184)	18,808,914	27,546,990	-	(661)	27,546,329
<b>Available for sale securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	384,293,218	-	(714,292)	383,578,926	111,414,256	-	(349,118)	111,065,138
- Pakistan Investment Bonds - fixed	228,112,714	-	(22,223,281)	205,889,433	228,274,771	-	(14,385,381)	213,889,390
- Pakistan Investment Bonds - floaters	451,697,124	-	(15,583,378)	436,113,746	451,294,888	-	(5,349,435)	445,945,453
- Government of Pakistan Sukuks	103,175,114	(420,520)	(3,059,584)	99,695,010	102,872,728	(302,150)	(1,138,560)	101,432,018
- Islamic Naya Pakistan Certificates	7,332,935	-	-	7,332,935	4,806,162	-	-	4,806,162
- Government of Pakistan Eurobonds	47,207,909	(12,200,645)	(17,252,724)	17,754,540	37,613,094	(8,768,691)	(13,320,385)	15,524,018
<b>Ordinary shares</b>								
- Listed companies	15,328,321	(6,425,405)	181,454	9,084,370	15,334,822	(6,017,934)	233,489	9,550,377
- Unlisted companies	787,928	(60,046)	-	727,882	791,144	(67,155)	-	723,989
<b>Non-Government debt securities</b>								
- Corporate Sukuks	1,910,000	-	-	1,910,000	1,931,429	-	-	1,931,429
- Term Finance Certificates	2,507,335	(162,334)	-	2,345,001	2,507,335	(162,334)	-	2,345,001
- Corporate Bond	1,583,753	-	(1,011,226)	572,527	1,233,017	-	(839,419)	393,598
<b>Foreign securities</b>								
- Market Treasury Bills	36,971,097	-	(6,023)	36,965,074	5,973,330	-	314	5,973,644
- Foreign bonds - sovereign	84,513,816	(6,205,667)	(5,914,052)	72,394,097	82,960,517	(5,103,211)	(4,833,841)	73,023,465
- Foreign bonds - others	10,253,134	(495)	(249,564)	10,003,075	2,487,738	(1,167)	(157,276)	2,329,295
<b>Mutual Fund units</b>								
- Mutual Fund units	258,179	-	(57,062)	201,117	258,179	-	(55,649)	202,530
<b>Real Estate Investment Trust units</b>								
- Real Estate Investment Trust units	533,453	-	108,684	642,137	533,453	-	109,155	642,608
	1,376,466,030	(25,475,112)	(65,781,048)	1,285,209,870	1,050,286,863	(20,422,642)	(40,086,106)	989,778,115
<b>Held to maturity securities</b>								
<b>Federal Government Securities</b>								
- Pakistan Investment Bonds - fixed	296,489,575	-	-	296,489,575	295,069,033	-	-	295,069,033
- Pakistan Investment Bonds - floaters	47,817,949	-	-	47,817,949	47,788,071	-	-	47,788,071
- Government of Pakistan Sukuks	10,002,177	-	-	10,002,177	10,002,327	-	-	10,002,327
- Government of Pakistan Eurobonds	16,543,415	(4,902,566)	-	11,640,849	13,221,686	(3,528,868)	-	9,692,818
- Bai Muajjal with Government of Pakistan	-	-	-	-	-	-	-	-
<b>Non-Government debt securities</b>								
- Corporate Sukuks	8,946,699	(46,394)	-	8,900,305	8,599,224	(50,934)	-	8,548,290
- Term Finance Certificates	9,179,054	(69,951)	-	9,109,103	8,076,150	(69,951)	-	8,006,199
- Debentures	2,267	(2,267)	-	-	2,267	(2,267)	-	-
- Participation Term Certificates	437	(437)	-	-	437	(437)	-	-
- Corporate Bond	2,758,033	(817,725)	-	1,940,308	2,200,838	(587,404)	-	1,613,434
<b>Foreign securities</b>								
- Market Treasury Bills	1,197,906	-	-	1,197,906	6,469,775	-	-	6,469,775
- Foreign bonds - sovereign	52,681,118	(4,515,829)	-	48,165,289	42,086,214	(3,546,802)	-	38,539,412
- Foreign bonds - others	1,512,396	(535)	-	1,511,861	1,208,667	(1,416)	-	1,207,251
- CDC SAARC Fund	616	-	-	616	492	-	-	492
	447,131,642	(10,355,704)	-	436,775,938	434,725,181	(7,788,079)	-	426,937,102
<b>Associates</b>								
- UBL Liquidity Plus Fund	955,231	-	-	955,231	3,136,843	-	-	3,136,843
- UBL Financial Sector Fund	306,884	-	-	306,884	302,178	-	-	302,178
- UBL Special Savings Plan VIII	103,587	-	-	103,587	103,212	-	-	103,212
- UBL Special Savings Plan X	6,000	-	-	6,000	-	-	-	-
- UBL Pakistan Enterprise Exchange Traded Fund	21,521	-	-	21,521	20,310	-	-	20,310
- UBL Dedicated Equity Fund	99,187	-	-	99,187	94,262	-	-	94,262
- UBL Government Securities Fund	530	-	-	530	514	-	-	514
- UBL Fixed Return Plan I B	-	-	-	-	1,040	-	-	1,040
- UBL Fixed Return Plan I D	10,326	-	-	10,326	10,047	-	-	10,047
- UBL Fixed Return Plan - II A	32,235	-	-	32,235	-	-	-	-
- UBL Fixed Return Plan - III C	302,979	-	-	302,979	-	-	-	-
- UBL Fixed Return Plan - III D	37,881	-	-	37,881	-	-	-	-
- UBL Money Market Fund	1,078	-	-	1,078	-	-	-	-
- Al Ameen Islamic Energy Fund	262,053	-	-	262,053	157,746	-	-	157,746
- Al Ameen Islamic Dedicated Equity Fund	53,043	-	-	53,043	52,163	-	-	52,163
- Al-Ameen Islamic Cash Plan I	167,301	-	-	167,301	35,167	-	-	35,167
- UBL Insurers Limited	586,534	-	-	586,534	585,248	-	-	585,248
- Khushhali Bank Limited	2,307,251	(393,801)	-	1,913,450	2,573,278	(393,801)	-	2,179,477
	5,253,621	(393,801)	-	4,859,820	7,072,008	(393,801)	-	6,678,207
<b>Total Investments</b>	<b>1,847,681,391</b>	<b>(36,224,617)</b>	<b>(65,802,232)</b>	<b>1,745,654,542</b>	<b>1,519,631,042</b>	<b>(28,604,522)</b>	<b>(40,086,767)</b>	<b>1,450,939,753</b>

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
<b>9.1.1</b>	<b>Investments given as collateral</b>		
	<i>Federal Government securities</i>		
	Pakistan Investment Bonds - floaters	393,965,776	368,801,131
	Pakistan Investment Bonds - fixed	5,956,976	56,225,155
	Government of Pakistan Sukuks	-	20,000,000
	<i>Foreign securities</i>		
	Foreign bonds - sovereign	-	9,199,941
	<i>Associates</i>		
	UBL Liquidity Plus Fund units	-	1,898,804
		<u>399,922,752</u>	<u>456,125,031</u>

The market value of securities given as collateral is Rs. 385,412 million (December 31, 2022: Rs. 444,672 million).

**9.2 Provision for diminution in value of investments**

<b>9.2.1</b>	Opening balance	28,604,522	6,457,317
	Exchange adjustments	3,548,743	1,303,537
	Charge / (reversals)		
	Charge for the period / year	5,044,837	21,031,410
	Reversals for the period / year	(713,431)	(99,806)
	Reversal on disposals	(260,055)	(87,936)
		4,071,351	20,843,668
	Amount written off	-	-
	Closing balance	<u>36,224,616</u>	<u>28,604,522</u>

**9.2.2 Particulars of provision against debt securities**

Category of classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Loss	281,382	281,382	285,923	285,923
<b>Overseas</b>				
Defaulted exposure	14,555,982	9,489,773	11,613,838	7,533,530
<b>Total</b>	<u>14,837,364</u>	<u>9,771,155</u>	<u>11,899,761</u>	<u>7,819,453</u>

**9.3** The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 393,506.880 million (December 31, 2022: Rs. 394,810.915 million).

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

**9.5** Provision against investments includes Expected Credit Losses (ECL) / impairment under IFRS 9 amounting to Rs. 27,276.994 million (December 31, 2022: Rs. 20,452.132 million) on overseas branches.

**10. ADVANCES**

	Note	Performing		Non-performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		827,113,496	939,171,325	108,348,341	92,462,842	935,461,837	1,031,634,167
Islamic financing and related assets	40.2	75,483,653	102,281,886	161,646	159,579	75,645,299	102,441,465
Bills discounted and purchased		26,067,365	51,511,597	3,007,556	2,908,653	29,074,921	54,420,250
<b>Advances - gross</b>		<u>928,664,514</u>	<u>1,092,964,808</u>	<u>111,517,543</u>	<u>95,531,074</u>	<u>1,040,182,057</u>	<u>1,188,495,882</u>
Provision against advances	10.3						
- Specific		-	-	(96,098,318)	(82,038,458)	(96,098,318)	(82,038,458)
- General		(12,205,243)	(10,236,536)	-	-	(12,205,243)	(10,236,536)
		(12,205,243)	(10,236,536)	(96,098,318)	(82,038,458)	(108,303,561)	(92,274,994)
<b>Advances - net of provision</b>		<u>916,459,271</u>	<u>1,082,728,272</u>	<u>15,419,225</u>	<u>13,492,616</u>	<u>931,878,496</u>	<u>1,096,220,888</u>



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	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>10.1 Particulars of advances - gross</b>		
10.1.1 In local currency	574,957,281	765,445,157
In foreign currencies	465,224,776	423,050,725
	<u>1,040,182,057</u>	<u>1,188,495,882</u>

**10.2** Advances include Rs. 111,517.543 million (December 31, 2022: Rs. 95,531.074 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned*	185,677	2,854	135,948	1,948
Substandard	2,336,545	572,480	2,307,269	569,848
Doubtful	408,122	197,926	732,137	365,716
Loss	<u>22,894,251</u>	<u>21,948,746</u>	<u>23,018,816</u>	<u>22,067,588</u>
	25,824,595	22,722,006	26,194,170	23,005,100
<b>Overseas</b>				
Not past due but impaired**	6,648,655	2,255,371	5,192,817	1,806,054
Overdue by:				
Upto 90 days	423,689	75,633	1,194,694	403,030
91 to 180 days	874,062	440,690	82,114	31,978
181 to 365 days	3,296,107	1,917,444	3,476,459	1,539,163
> 365 days	<u>74,450,435</u>	<u>68,687,174</u>	<u>59,390,820</u>	<u>55,253,133</u>
	85,692,948	73,376,312	69,336,904	59,033,358
<b>Total</b>	<u>111,517,543</u>	<u>96,098,318</u>	<u>95,531,074</u>	<u>82,038,458</u>

\* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

\*\* Not past due but impaired category mainly represents restructured exposure.

**10.3 Particulars of provision against advances**

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	82,038,458	10,236,536	92,274,994	74,961,336	7,470,576	82,431,912
Exchange adjustments	15,095,500	2,360,462	17,455,962	14,659,246	1,398,030	16,057,276
(Reversals) / charge						
Charge for the period / year	222,161	30,178	252,339	2,460,068	388,833	2,848,901
Reversals for the period / year	(1,205,687)	(421,933)	(1,627,620)	(3,714,668)	(2,110,253)	(5,824,921)
	(983,526)	(391,755)	(1,375,281)	(1,254,600)	(1,721,420)	(2,976,020)
Amounts charged off - agriculture financing	(11,017)	-	(11,017)	(66,894)	-	(66,894)
Amounts written off	(41,097)	-	(41,097)	(3,171,280)	-	(3,171,280)
Transfers (out) / in - net	-	-	-	(3,089,350)	3,089,350	-
<b>Closing balance</b>	<u>96,098,318</u>	<u>12,205,243</u>	<u>108,303,561</u>	<u>82,038,458</u>	<u>10,236,536</u>	<u>92,274,994</u>

**10.3.1** General provision represents provision amounting to Rs. 468.194 million (December 31, 2022: Rs. 469.158 million) against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs. 11,437.049 million (December 31, 2022: Rs. 9,467.378 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches and subsidiaries operate. In addition, bank has created a general charge on agriculture finance portfolio of Rs. 300.000 million (December 31, 2022: Rs. 300.000 million).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**10.3.2** The Bank has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 01 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 10.132 million (December 31, 2022: Rs. 5.359 million).

The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 6,435.505 million (December 31, 2022: Rs. 5,329.058 million) for the overseas branches.

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

11. FIXED ASSETS	Note	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
		----- (Rupees in '000) -----	
Capital work-in-progress	11.1	1,192,177	1,054,194
Property and equipment		72,531,760	70,370,878
Right-of-use assets		7,931,703	7,977,599
		<u>81,655,640</u>	<u>79,402,671</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		1,048,870	856,514
Equipment		143,307	197,680
		<u>1,192,177</u>	<u>1,054,194</u>
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress - net additions		137,983	239,777
<b>Property and equipments</b>			
Leasehold improvements		125,684	84,055
Furniture and fixtures		50,878	50,476
Electrical, office and computer equipment		464,915	385,672
Vehicles		29,337	9,457
		670,814	529,660
Right-of-use assets		503,504	638,822
Total		<u>1,312,301</u>	<u>1,408,259</u>

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	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
<b>11.3 Disposals of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Building on leasehold land	-	32,500
Leasehold Improvement	20	-
Furniture and fixtures	614	220
Electrical, office and computer equipment	1,314	1,353
Vehicles	5,822	-
	7,770	34,073
Derecognition of right-of-use assets	26,083	94,872
<b>Total</b>	<b>33,853</b>	<b>128,945</b>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>12. INTANGIBLE ASSETS</b>		
Capital work-in-progress - Computer software	506,746	384,706
Intangible assets - Computer software	2,001,199	2,133,427
	<b>2,507,945</b>	<b>2,518,133</b>

	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
<b>12.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Capital work-in-progress - net additions	122,040	238,489
Directly purchased - intangible assets	54,217	66,219
	<b>176,257</b>	<b>304,708</b>

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>13. DEFERRED TAX ASSETS</b>		
<b>Deductible temporary differences on</b>		
Provision against advances, off-balance sheet obligations	2,628,666	2,628,666
Deficit on revaluation of investments	26,146,000	15,600,599
Post-retirement employee benefits	58,684	58,867
Workers' Welfare Fund	3,249,870	3,036,553
Others	31,951	(40,822)
	<b>32,115,171</b>	<b>21,283,863</b>
<b>Taxable temporary differences on</b>		
Surplus on revaluation of fixed assets / non-banking assets	(3,352,517)	(2,998,994)
Accelerated tax depreciation	(517,996)	(869,279)
Share of profit from associates	(757,471)	(664,231)
Others	(329,132)	(238)
	<b>(4,957,116)</b>	<b>(4,532,742)</b>
	<b>27,158,055</b>	<b>16,751,121</b>

**14. DISCONTINUED OPERATION**

UBL Bank (Tanzania) Limited (UBTL), a wholly owned subsidiary of United Bank Limited has been wound up in August 2022. The Banking operations of the subsidiary ceased on November 01, 2019 as UBTL sold materially all of its assets and liabilities held as at October 31, 2019 to EXIM Bank Tanzania Limited (Exim), in line with the Asset and Liabilities Purchase Agreement signed on May 22, 2019. The official liquidator was appointed by Board of Directors of UBTL on December 15, 2021 and after compliance of all local laws and regulations, net proceeds has been realized. The liquidator had filed deregistration with the Registrar of the Companies on August 12, 2022 and the UBTL name has been strike off from the companies register on January 23, 2023.

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UBL Switzerland AG, a wholly owned subsidiary of United Bank Limited has been wound up in December 2022. Final shareholder meeting, held on December 22, 2022, unanimously approved liquidator financial statements and accordingly liquidation proceeds has been realized.

**14.1 Discontinued operation**

	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
Mark-up / return / interest earned	-	-
Mark-up / return / interest expensed	-	-
Net mark-up / interest income	-	-
<b>Non mark-up / interest income</b>		
Fee, commission and brokerage income	-	-
Foreign exchange income	-	154
Income from derivatives	-	-
Other income	-	-
Total non mark-up / interest income	-	154
<b>Total income</b>	-	154
<b>Non mark-up / interest expenses</b>		
Operating expenses	-	(22,018)
Total non mark-up / interest expenses	-	(22,018)
Provisions and write-offs - net	-	-
<b>Profit / (loss) before taxation</b>	-	22,172
Taxation	-	-
<b>Profit / (loss) after taxation</b>	-	22,172

**15. OTHER ASSETS**

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
Income / mark-up accrued in local currency		59,556,208	48,134,779
Income / mark-up accrued in foreign currencies	15.1	4,628,852	3,464,280
Advance taxation - net of provision for taxation	15.2	349,706	2,313,341
Receivable from staff retirement fund		2,455,628	2,517,968
Receivable from other banks against telegraphic transfers and demand drafts		33,610	2,960,752
Unrealised gain on forward foreign exchange contracts		5,097,570	3,437,641
Rebate receivable - net		1,989,033	2,030,996
Unrealised gain on derivative financial instruments		44,837	273,060
Suspense accounts		-	84,755
Stationery and stamps on hand		357,194	418,454
Non-banking assets acquired in satisfaction of claims		40,424	40,800
Advances, deposits, advance rent and other prepayments		3,386,254	2,990,369
Dividend receivable		425,318	-
Commission receivable - Branchless Banking		564,577	561,390
Commission receivable - Bancassurance		80,626	208,047
Receivable against fraud & forgery and looted notes		543,472	632,418
Acceptances		24,453,909	16,502,130
Others		1,230,153	1,683,018
		105,237,371	88,254,198
Provision held against other assets	15.3	(1,233,912)	(1,244,972)
Other assets - net of provision		104,003,459	87,009,226
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		-	-
<b>Other assets - total</b>		104,003,459	87,009,226

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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- 15.1** Unrealised mark-up held in suspense amounting to Rs. 34,974.713 million (December 31, 2022: Rs. 26,547.699 million) against non-performing overseas advances has been netted off.
- 15.2** The Income Tax returns of the Bank have been filed upto the tax year 2022 (accounting year ended December 31, 2021) 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 2022, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.15,358 million (2022: Rs.14,695 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 2022 (accounting year ended December 31, 2021) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2022: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

The tax returns for Yemen, UAE and Qatar branches have been filed upto the year ended December 31, 2019, December 31, 2021 and December 31, 2022 respectively 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 UK have been filed upto the accounting year ended December 31, 2021, under the provisions of the laws prevailing in UK and are deemed as assessed unless opened for reassessment by the tax authorities. Additionally, tax clearance has been issued for UBL UK till the accounting year 2019.

The tax returns of UBL FM have been filed upto the tax year 2022 (accounting year ended December 31, 2021) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

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

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>15.3 Provision held against other assets</b>		
Advances, deposits, advance rent and other prepayments	54,108	54,834
Fraud & forgery and looted notes	543,472	632,418
Others	636,332	557,720
	<u>1,233,912</u>	<u>1,244,972</u>
<b>15.2.1 Movement of provision held against other assets</b>		
Opening balance	1,244,972	1,163,055
Exchange adjustments	86,872	74,408
Charge / (reversals)		
Charge for the period / year	6,919	165,347
Reversals for the period / year	(4,730)	(154,074)
	2,189	11,273
Transfers out - net	-	(348)
Amounts written off	(100,121)	(3,416)
Closing balance	<u>1,233,912</u>	<u>1,244,972</u>
<b>16. CONTINGENT ASSETS</b>		
There were no contingent assets as at March 31, 2023 (December 31, 2022: Nil).		
<b>17. BILLS PAYABLE</b>		
In Pakistan	26,371,175	30,473,754
Outside Pakistan	1,172,900	6,008,958
	<u>27,544,075</u>	<u>36,482,712</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**18. BORROWINGS**
**Secured**

Borrowings from the State Bank of Pakistan under:

Export refinance scheme
Refinance facility for modernisation of SME
Long term financing facility
Refinance scheme for payment of wages and salaries
Renewable energy scheme
Temporary economic refinance facility
Refinance facility for combating COVID-19
Repurchase agreement borrowings
Financing facility for storage of agriculture products
Refinance for women entrepreneurs
Mudarbaha base open market operations (OMO)

(Un-audited)	(Audited)
March 31,	December 31,
2023	2022
----- (Rupees in '000) -----	

38,422,791	41,707,841
590,167	543,586
16,613,098	17,390,998
-	427,410
831,230	767,091
17,175,790	17,072,471
432,493	431,902
399,654,742	419,211,752
44,688	48,125
36,410	26,624
-	19,436,837
473,801,409	517,064,637

Repurchase agreement borrowings from other banks / NBFIs

Borrowing from commercial banks by subsidiary

157,100	6,792,865
-	1,705,598
473,958,509	525,563,100

**Unsecured**

Call borrowings
Overdrawn nostro accounts
Other borrowings

-	39,830,000
153,205	841,120
-	-
153,205	40,671,120
474,111,714	566,234,220

**19. DEPOSITS AND OTHER ACCOUNTS**

March 31, 2023 (Un-audited)

December 31, 2022 (Audited)

In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
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----- (Rupees in '000) -----

**Customers**

Current accounts - remunerative
Current accounts - non-remunerative
Saving deposits
Term deposits
Sundry deposits
Margin deposits

4,138,876	18,001,744	22,140,620	4,104,403	15,066,606	19,171,009
739,552,879	219,707,788	959,260,667	664,860,887	183,804,667	848,665,554
593,327,005	81,680,114	675,007,119	580,708,939	83,552,037	664,260,976
150,113,485	345,864,487	495,977,972	162,072,945	274,074,375	436,147,320
26,984,180	1,364,948	28,349,128	4,437,495	2,291,409	6,728,904
11,994,102	5,842,134	17,836,236	7,191,728	4,020,699	11,212,427
1,526,110,527	672,461,215	2,198,571,742	1,423,376,397	562,809,793	1,986,186,190

**Financial Institutions**

Current deposits
Saving deposits
Term deposits

21,043,215	8,095,923	29,139,138	18,360,396	8,307,423	26,667,819
141,828,031	108,867	141,936,898	16,002,797	86,058	16,088,855
98,900	10,071,233	10,170,133	1,765,668	3,848,902	5,614,570
162,970,146	18,276,023	181,246,169	36,128,861	12,242,383	48,371,244
1,689,080,673	690,737,238	2,379,817,911	1,459,505,258	575,052,176	2,034,557,434

19.1 Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 1,198,561.666 million (December 31, 2022: Rs 1,174,510.768 million).

**20. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

March 31, 2023 (Un-audited)

December 31, 2022 (Audited)

Minimum lease payments	Finance charges for future periods	Principal Outstanding	Minimum lease payments	Finance charges for future periods	Principal Outstanding
------------------------	------------------------------------	-----------------------	------------------------	------------------------------------	-----------------------

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

Not later than one year
Later than one year and not later than five years

7,507	372	7,135	5,900	289	5,611
7,597	127	7,470	5,829	99	5,730
15,104	499	14,605	11,729	388	11,341

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**21. SUBORDINATED DEBT**

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

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

<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.

	Note	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
		----- (Rupees in '000) -----	
<b>22. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		33,778,496	39,687,924
Mark-up / return / interest payable in foreign currencies		1,309,796	1,095,809
Accrued expenses		7,770,785	5,865,502
Branch adjustment account		703,819	556,451
Deferred income		949,004	1,046,001
Unearned commission and income on bills discounted		673,095	810,809
Provision against off-balance sheet obligations	22.1	1,067,989	896,567
Unrealised loss on forward foreign exchange contracts		3,065,471	667,154
Unrealised loss on derivative financial instruments		1,800	1,357
Suspense accounts		9,015	-
Provision for post-retirement medical benefits		2,689,603	2,628,679
Payable to staff retirement fund		50,581	45,473
Provision for compensated absences		881,291	899,797
Deferred liabilities		1,098,143	967,918
Workers' Welfare Fund payable		7,439,256	6,939,099
Liabilities against ATM settlements		722,123	414,697
Insurance payable against consumer assets		293,814	380,743
Dividend payable	22.2	19,243,732	8,226,114
Unclaimed dividends		321,511	321,619
Acceptances	15	24,453,909	16,502,130
Charity fund balance		11,680	6,922
Lease liability against right-of-use assets		9,596,141	9,603,581
Levies and taxes payable		2,703,610	2,659,824
Others		1,811,172	1,703,653
		<u>120,645,836</u>	<u>101,927,823</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>22.1 Provision against off-balance sheet obligations</b>		
Opening balance	896,567	742,953
Exchange adjustments	210,914	189,127
Charge / (reversals)		
Charge for the period / year	3,905	5,405
Reversals for the period / year	(43,397)	(40,918)
	(39,492)	(35,513)
Transfer out - net	-	-
Closing balance	<u>1,067,989</u>	<u>896,567</u>

**22.2** This amount represents dividend payable to foreign shareholders subject to completion of regulatory formalities.

**23. SURPLUS ON REVALUATION OF ASSETS**

	March 31, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Attributable to			Attributable to		
	Equity Holders	Non- Controlling interest	Total	Equity Holders	Non- Controlling interest	Total
<b>Note</b>	----- (Rupees in '000) -----					

**Surplus / (deficit) arising on  
revaluation of:**

- Available for sale securities	9.1	(63,541,668)	(2,239,378)	(65,781,046)	(38,373,567)	(1,712,539)	(40,086,106)
- Fixed assets		45,803,338	3,564,096	49,367,434	44,864,024	2,767,928	47,631,952
		(17,738,330)	1,324,718	(16,413,612)	6,490,457	1,055,389	7,545,846

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

- Available for sale securities	(26,146,000)	-	(26,146,000)	(15,600,599)	-	(15,600,599)
- Fixed assets	2,608,559	743,958	3,352,517	2,421,287	577,707	2,998,994
	(23,537,441)	743,958	(22,793,483)	(13,179,312)	577,707	(12,601,605)
- Assets of associates	(35,821)	-	(35,821)	(15,472)	-	(15,472)
	<u>(41,311,592)</u>	<u>2,068,676</u>	<u>(39,242,916)</u>	<u>(6,704,327)</u>	<u>1,633,096</u>	<u>(5,071,231)</u>



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	Note	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022 ----- (Rupees in '000) -----
<b>24. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	24.1	271,062,612	220,622,007
Commitments	24.2	1,341,490,199	1,155,417,950
Other contingent liabilities	24.3	14,192,937	14,822,814
		<u>1,626,745,748</u>	<u>1,390,862,771</u>
<b>24.1 Guarantees</b>			
Financial guarantees		109,206,955	84,241,944
Performance guarantees		152,300,664	129,275,378
Other guarantees		9,554,993	7,104,685
		<u>271,062,612</u>	<u>220,622,007</u>
<b>24.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		273,880,798	212,235,272
Commitments in respect of:			
- forward foreign exchange contracts	24.2.2	833,908,240	743,037,351
- forward Government securities transactions	24.2.3	20,950,990	42,757,100
- derivatives	24.2.4	3,543,596	3,514,247
- forward lending	24.2.5	205,929,518	151,277,777
- operating leases	24.2.6	110,517	114,022
		1,064,442,861	940,700,497
Commitments for acquisition of:			
- fixed assets		2,168,733	1,544,753
- intangible assets		997,807	937,428
		3,166,540	2,482,181
Others commitments		-	-
		<u>1,341,490,199</u>	<u>1,155,417,950</u>
<b>24.2.1 Commitments to extend credit</b>			
The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
		(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2021 ----- (Rupees in '000) -----
<b>24.2.2 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		434,616,483	399,105,905
Sale		399,291,757	343,931,446
		<u>833,908,240</u>	<u>743,037,351</u>
<b>24.2.3 Commitments in respect of forward Government securities transactions</b>			
Purchase		19,250,990	41,457,100
Sale		1,700,000	1,300,000
		<u>20,950,990</u>	<u>42,757,100</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2021
		----- (Rupees in '000) -----	
<b>24.2.4</b>	<b>Commitments in respect of derivatives</b>		
	<b>Cross Currency Swaps</b>	-	-
	<b>Interest Rate Swaps</b>		
	Purchase	1,771,798	1,466,108
	Sale	1,771,798	1,475,797
		<u>3,543,596</u>	<u>2,941,905</u>
	<b>FX options</b>		
	Purchase	-	286,171
	Sale	-	286,171
		<u>-</u>	<u>572,342</u>
<b>24.2.5</b>	<b>Commitments in respect of forward lending</b>		
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.5.1 125,655,184	94,438,118
	Others	80,274,334	56,839,659
		<u>205,929,518</u>	<u>151,277,777</u>
<b>24.2.5.1</b>	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.		
		(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
<b>24.2.6</b>	<b>Commitments in respect of operating leases</b>		
	Not later than one year	100,143	105,966
	Later than one year and not later than five years	7,912	6,144
	Later than five years	2,462	1,912
		<u>110,517</u>	<u>114,022</u>
<b>24.3</b>	<b>Other contingent liabilities</b>		
<b>24.3.1</b>	Claims against the Group not acknowledged as debts	<u>10,103,634</u>	<u>10,733,511</u>
	These mainly represent counter claims filed by the borrowers for restricting the Group from disposal of assets (such as mortgaged / pledged assets kept as security).		
	Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.		
<b>24.3.2</b>	During 2016, penalties amounting to Rs. 4.089 billion were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.		
<b>24.3.3</b>	Punjab Revenue Authority issued show cause notice to UBL Fund Managers Limited requiring them to pay sales tax under Punjab sales tax on Service Act 2012 on management fee earned in Punjab from May 22, 2013. The Company has filed a petition on July 8, 2015 in the High Court of Sindh. A favorable outcome of this petition is expected.		
<b>24.4</b>	For contingencies relating to taxation, refer note 15.2.		

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**25. DERIVATIVE INSTRUMENTS**
**25.1 Product analysis**

		March 31, 2023 (Un-audited)								
FX options		Interest Rate Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total		
Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	
----- (Rupees in 000) -----										
Hedging	-	-	3,543,596	-	-	-	-	3,543,596	-	
Market making	-	-	-	-	19,250,990	13,014	1,700,000	30,023	20,950,990	43,037
	-	-	3,543,596	-	19,250,990	13,014	1,700,000	30,023	24,494,586	43,037

		December 31, 2022 (Audited)								
FX options		Interest Rate Swaps		Forward purchase contracts of Government securities		Forward sale contracts of Government securities		Total		
Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Gain	Notional principal	Mark to Market Loss	Notional principal	Mark to Market Gain	
----- (Rupees in 000) -----										
Hedging	286,171	-	2,941,905	250,160	-	-	-	-	3,228,076	250,160
Market making	286,171	-	-	-	41,457,100	21,927	1,300,000	(384)	43,043,271	21,543
	572,342	-	2,941,905	250,160	41,457,100	21,927	1,300,000	(384)	46,271,347	271,703

**26. MARK-UP / RETURN / INTEREST EARNED**

	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
On:		
Loans and advances	31,523,835	14,340,555
Investments	56,210,179	32,842,907
Lendings to financial institutions	3,673,882	1,948,334
Balances with banks	1,160,260	200,026
	<u>92,568,156</u>	<u>49,331,822</u>

**27. MARK-UP / RETURN / INTEREST EXPENSED**

On:		
Deposits	32,420,099	17,995,634
Borrowings	24,075,235	7,582,223
Subordinated debt	462,833	278,175
Cost of foreign currency swaps against foreign currency deposits / borrowings	376,321	862,095
Lease liability against right-of-use assets	286,239	250,302
	<u>57,620,727</u>	<u>26,968,429</u>

**28. FEE AND COMMISSION INCOME**

Branch banking customer fee	662,082	576,337
Consumer finance related fee	368,319	320,301
Card related fees (debit and credit cards)	771,164	760,425
Investment banking fees	45,567	53,493
Financial Institution rebate / commission	145,239	124,225
Corporate service charges / facility fee	368,943	260,433
Commission on trade	574,789	208,110
Commission on guarantees	193,500	159,569
Commission on cash management	299,714	250,487
Commission on remittances including home remittances - net	664,793	610,921
Commission on bancassurance	254,873	479,123
Management fee	329,027	215,155
Rent on lockers	56,279	48,983
Others	47,282	149,897
	<u>4,781,571</u>	<u>4,217,459</u>

**29. (LOSS) / GAIN ON SECURITIES - NET**

Realised	29.1	(615,948)	338,006
Unrealised - held for trading		(21,184)	108,400
		<u>(637,132)</u>	<u>446,406</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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	(Un-audited)	
	January - March 2023	January - March 2022
	----- (Rupees in '000) -----	
<b>29.1 Realised (loss) / gain on:</b>		
Federal Government securities	(86,791)	318,205
Shares	37,906	(623)
Foreign securities	(567,063)	20,424
	<u>(615,948)</u>	<u>338,006</u>
<b>30. OTHER INCOME</b>		
Charges recovered	124,550	88,953
Rent on properties	37,407	16,520
Gain on sale of fixed assets - net	72,344	39,889
Loss on sale of ljarah assets - net	(105)	(1,793)
Gain on trading liabilities - net	-	132,933
	<u>234,196</u>	<u>276,502</u>
<b>31. OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	6,509,765	5,200,761
<b>Property expense</b>		
Rent and taxes	395,697	265,047
Insurance	67,513	70,175
Utilities cost	529,089	347,406
Security (including guards)	370,839	311,234
Repair and maintenance (including janitorial charges)	84,446	76,157
Depreciation on owned fixed assets	291,752	347,262
Depreciation on right-of-use assets	534,627	482,336
Depreciation on non-banking assets acquired in satisfaction of claims	376	31,854
Others	42,024	28,091
	2,316,363	1,959,562
<b>Information technology expenses</b>		
Software maintenance	632,507	442,342
Hardware maintenance	305,263	189,358
Depreciation	323,456	236,797
Amortisation	246,937	214,970
Network charges	252,832	180,704
Consultancy charges	46,856	73,252
	1,807,851	1,337,423
<b>Other operating expenses</b>		
Legal and professional charges	416,803	274,983
Outsourced service costs	479,222	384,300
Commission paid to branchless banking agents	78,613	92,928
Commission paid to sales force	412,009	384,143
Travelling and conveyance	58,054	30,026
Clearing charges	70,327	52,408
Depreciation others	381,367	355,025
Depreciation on Islamic financing against leased assets	33,910	40,752
Training and development	31,419	24,304
Postage and courier charges	84,986	125,775
Communication	88,562	101,545
Stationery and printing	269,041	210,352
Marketing, advertisement and publicity	211,107	263,379
Donations	17,387	-
Auditors' remuneration	53,297	29,871
Insurance	38,075	18,025
Deposit protection premium expense	469,804	431,462
Cash transportation and sorting charges	242,937	202,871
Entertainment	65,079	56,000
Banking service charges	926,068	660,272
Repairs and maintenance	282,739	199,105
Miscellaneous expenses	375,190	251,734
	5,085,996	4,189,260
	<u>15,719,975</u>	<u>12,687,006</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	Note	(Un-audited)	
		January - March 2023	January - March 2022
		----- (Rupees in '000) -----	
<b>32. OTHER CHARGES</b>			
Penalties imposed by the SBP		1,438	5,196
Penalties imposed by other regulatory bodies of overseas branches		83	432
		<u>1,521</u>	<u>5,628</u>
<b>33. PROVISIONS AND WRITE-OFFS - NET</b>			
Provision / (reversals) for diminution in value of investments - net	9.2	4,071,351	(141,754)
(Reversals) / provision against loans and advances - net	10.3	(1,375,281)	755,642
Bad debts written-off directly		42,662	11,091
Provision / (reversals) against other assets - net	15.2.1	2,189	(2,136)
Reversal of provision against off-balance sheet obligations - net	22.1	(39,492)	(54,749)
Recovery of written-off / charged-off bad debts		(93,019)	(206,868)
Other provisions / (reversals) and write-offs		106,195	(27,117)
		<u>2,714,605</u>	<u>334,109</u>
<b>34. TAXATION</b>			
Current		11,128,432	6,622,632
Prior years		-	-
Deferred		(491,117)	(258,114)
		<u>10,637,315</u>	<u>6,364,518</u>
<b>35. EARNINGS PER SHARE</b>			
Profit after tax attributable to equity shareholders of the Bank		<u>14,226,896</u>	<u>9,304,098</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>1,224,179,687</u>	<u>1,224,179,687</u>
		----- (Rupees) -----	
<b>Earnings per share - basic and diluted</b>		<u>11.62</u>	<u>7.60</u>

There were no convertible dilutive potential ordinary shares outstanding as at March 31, 2023 and March 31, 2022.

**36. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

**36.1** The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**36.1.1 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>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.

**36.2 Fair value of financial assets**

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

	March 31, 2023 (Un-audited)				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
- Federal Government Securities	1,169,173,504	-	1,169,173,504	-	1,169,173,504
- Foreign Bonds - Market Treasury Bills	36,965,074	-	36,965,074	-	36,965,074
- Foreign Bonds - sovereign	72,394,097	-	72,394,097	-	72,394,097
- Foreign Bonds - others	10,003,075	-	10,003,075	-	10,003,075
- Ordinary shares of listed companies	9,084,370	9,084,370	-	-	9,084,370
- Mutual Fund units	201,117	-	201,117	-	201,117
- Non-Government debt securities	4,827,528	-	4,827,528	-	4,827,528
- Real Estate Investment Trust units	642,137	642,137	-	-	642,137
	<b>1,303,290,902</b>	<b>9,726,507</b>	<b>1,293,564,395</b>	<b>-</b>	<b>1,303,290,902</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government Securities	365,950,550	-	326,805,091	-	326,805,091
- Foreign Bonds - Market Treasury Bills	1,197,906	-	1,197,906	-	1,197,906
- Foreign Bonds - sovereign	48,165,289	-	45,155,574	-	45,155,574
- Foreign Bonds - others	1,511,861	-	1,359,357	-	1,359,357
- Non-Government debt securities	19,949,716	-	18,988,952	-	18,988,952
	<b>436,775,322</b>	<b>-</b>	<b>393,506,880</b>	<b>-</b>	<b>393,506,880</b>
	<b>1,740,066,224</b>	<b>9,726,507</b>	<b>1,687,071,275</b>	<b>-</b>	<b>1,696,797,782</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts - purchased and sold	833,908,240	-	2,032,099	-	2,032,099
FX options - purchased and sold	-	-	-	-	-
Cross currency swaps	-	-	-	-	-
Interest rate swaps	3,543,596	-	-	-	-
Forward Government Securities - purchased and sold	20,950,990	-	43,037	-	43,037
	<b>837,402,826</b>	<b>-</b>	<b>2,075,136</b>	<b>-</b>	<b>2,075,136</b>
	<b>1,740,066,224</b>	<b>9,726,507</b>	<b>1,687,071,275</b>	<b>-</b>	<b>1,696,797,782</b>
----- (Rupees in '000) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
- Federal Government Securities	920,208,508	-	920,208,508	-	920,208,508
- Foreign Bonds - Market treasury Bond	5,973,644	-	5,973,644	-	5,973,644
- Foreign Bonds - sovereign	73,023,465	-	73,023,465	-	73,023,465
- Foreign Bonds - others	2,329,295	-	2,329,295	-	2,329,295
- Ordinary shares of listed companies	9,550,377	9,550,377	-	-	9,550,377
- Mutual Fund units	202,530	-	202,530	-	202,530
- Non-Government debt securities	4,670,028	-	4,670,028	-	4,670,028
- Real Estate Investment Trust units	642,608	642,608	-	-	642,608
	<b>1,016,600,455</b>	<b>10,192,985</b>	<b>1,006,407,470</b>	<b>-</b>	<b>1,016,600,455</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government Securities	362,552,249	-	333,494,230	-	333,494,230
- Foreign Bonds - Market Treasury Bills	6,469,775	-	6,469,775	-	6,469,775
- Foreign Bonds - sovereign	38,539,412	-	36,402,565	-	36,402,565
- Foreign Bonds - others	1,207,251	-	1,086,799	-	1,086,799
- Non-Government debt securities	18,167,923	-	17,357,546	-	17,357,546
	<b>426,936,610</b>	<b>-</b>	<b>394,810,915</b>	<b>-</b>	<b>394,810,915</b>
	<b>1,443,537,065</b>	<b>10,192,985</b>	<b>1,401,218,385</b>	<b>-</b>	<b>1,411,411,370</b>



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

As at March 31, 2023 (Un-audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
<b>Balance Sheet</b>							
Cash and bank balances	11,337	89,221,738	71,145,933	16,435,674	117,882,742	4,507,874	299,205,298
Investments	12,204,384	1,400,571,327	-	125,878,617	161,152,944	37,030,958	1,745,654,543
<i>Net inter segment lending</i>	-	-	1,465,126,536	-	-	-	1,644,272,855
Lendings to financial institutions	-	61,287,300	-	-	7,033	-	61,294,333
Advances - performing	440,497,205	10,382	49,089,001	75,380,071	128,955,921	219,341,178	916,459,271
Advances - non-performing net	2,485,032	-	528,420	71,233	10,995,308	1,321,328	15,419,225
Others	39,713,729	57,895,318	15,540,558	12,553,170	19,870,344	10,003,861	215,325,099
<b>Total assets</b>	<b>494,911,687</b>	<b>1,608,986,065</b>	<b>1,601,430,448</b>	<b>230,318,765</b>	<b>438,857,259</b>	<b>272,212,232</b>	<b>4,897,630,624</b>
Borrowings	59,000,423	399,963,116	5,125,353	10,017,891	-	4,931	474,111,714
Subordinated debt	-	-	-	-	-	-	10,000,000
Deposits and other accounts	91,679,281	264,124	1,486,852,025	197,661,850	360,156,464	241,576,589	2,379,817,911
<i>Net inter segment borrowing</i>	304,663,135	1,233,126,140	-	-	106,483,580	-	1,644,272,855
Others	34,028,248	7,015,482	56,908,801	5,103,567	6,045,896	1,498,463	148,204,516
<b>Total liabilities</b>	<b>489,371,087</b>	<b>1,640,368,862</b>	<b>1,548,886,179</b>	<b>212,783,308</b>	<b>472,685,940</b>	<b>243,079,983</b>	<b>4,656,406,996</b>
Equity	5,540,600	(31,382,797)	52,544,269	17,535,457	(33,828,681)	29,132,249	241,223,628
<b>Total equity and liabilities</b>	<b>494,911,687</b>	<b>1,608,986,065</b>	<b>1,601,430,448</b>	<b>230,318,765</b>	<b>438,857,259</b>	<b>272,212,232</b>	<b>4,897,630,624</b>
<b>Contingencies and Commitments</b>	<b>671,376,895</b>	<b>253,413,023</b>	<b>33,172,565</b>	<b>8,090,704</b>	<b>585,185,415</b>	<b>74,530,390</b>	<b>1,626,745,748</b>
As at December 31, 2022 (Audited)							
Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)							
<b>Balance Sheet</b>							
Cash and bank balances	9,822	67,084,130	18,506,973	7,841,130	64,491,640	1,787,596	159,721,291
Investments	11,095,886	1,152,692,777	-	124,800,008	113,900,331	37,073,369	1,450,939,753
<i>Net inter segment lending</i>	-	-	1,377,293,672	-	-	-	1,516,684,455
Lendings to financial institutions	-	85,296,480	-	-	546,241	-	85,842,721
Advances - performing	600,765,401	14,337	51,511,037	102,195,674	152,526,997	172,446,497	1,082,728,272
Advances - non-performing net	2,615,887	10,927	496,965	37,613	8,366,249	1,937,296	13,492,616
Others	35,253,171	40,059,276	19,796,931	5,526,837	15,493,963	9,031,238	185,681,151
<b>Total assets</b>	<b>649,740,167</b>	<b>1,345,157,927</b>	<b>1,467,605,578</b>	<b>240,401,262</b>	<b>354,779,180</b>	<b>222,822,237</b>	<b>4,495,090,259</b>
Borrowings	63,395,001	420,042,838	5,195,348	69,092,536	6,792,865	1,715,632	566,234,220
Subordinated debt	-	-	-	-	-	-	10,000,000
Deposits and other accounts	59,231,055	3,359,197	1,331,491,355	151,693,394	291,357,894	196,261,388	2,034,557,434
<i>Net inter segment borrowing</i>	492,593,529	944,787,486	-	-	79,303,440	-	1,516,684,455
Others	23,313,085	2,485,234	70,453,015	7,203,929	9,887,892	1,775,399	138,421,876
<b>Total liabilities</b>	<b>638,532,670</b>	<b>1,370,674,755</b>	<b>1,407,139,718</b>	<b>227,989,859</b>	<b>387,342,091</b>	<b>199,752,419</b>	<b>4,265,897,985</b>
Equity	11,207,497	(25,516,828)	60,465,860	12,411,403	(32,562,911)	23,069,818	229,192,274
<b>Total equity and liabilities</b>	<b>649,740,167</b>	<b>1,345,157,927</b>	<b>1,467,605,578</b>	<b>240,401,262</b>	<b>354,779,180</b>	<b>222,822,237</b>	<b>4,495,090,259</b>
<b>Contingencies and Commitments</b>	<b>509,367,455</b>	<b>221,290,949</b>	<b>30,493,205</b>	<b>7,626,255</b>	<b>576,647,813</b>	<b>44,499,667</b>	<b>1,390,862,771</b>



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**38. RELATED PARTY TRANSACTIONS**

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

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

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

	As at March 31, 2023 (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	-	-	-	-	-
Repaid during the period	-	-	-	-	-
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
<b>Investments</b>					
Opening balance	-	-	-	7,657,008	5,300,368
Investment made during the period	-	-	-	4,852,925	-
Investment disposed off during the period	-	-	-	(6,835,858)	(4,432)
Transfers in	-	-	-	-	314,721
Equity method adjustments	-	-	-	(229,255)	-
Closing balance	-	-	-	5,444,820	5,610,657
Provision for diminution in value of investments	-	-	-	-	1,137,385
Provision written off	-	-	-	-	-
<b>Advances</b>					
Opening balance	-	480	372,952	-	17,808,043
Addition during the period	-	436	36,344	-	5,690,617
Repaid during the period	-	(897)	(53,339)	-	(869)
Transfers in / (out) - net	-	-	-	-	1,799,877
Closing balance	-	19	355,958	-	25,297,668
Provision held against advances	-	-	-	-	1,274,449
<b>Other Assets</b>					
Income / mark-up accrued	-	-	-	55,663	965,137
Receivable from staff retirement funds	-	-	-	-	2,455,628
Prepaid insurance	-	-	-	196,309	-
Dividend receivable	-	-	-	-	237,970
Remuneration receivable from management of funds	-	-	-	135,768	-
Sales load receivable	-	-	-	11,527	-
Formation cost receivable	-	-	-	9,282	-
Other receivable	-	-	-	132,425	-
Provision written off	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	-	-
Borrowings during the period	-	-	-	-	157,100
Settled during the period	-	-	-	-	-
Closing balance	-	-	-	-	157,100
<b>Deposits and other accounts</b>					
Opening balance	14,327	13,924,363	142,761	1,665,575	16,000,091
Received during the period	15,322	20,046,112	203,365	50,260,890	83,117,861
Withdrawn during the period	(15,433)	(19,685,570)	(263,895)	(50,127,888)	(78,848,056)
Transfers in - net	-	-	-	-	(184,310)
Closing balance	14,216	14,284,905	82,231	1,798,577	20,085,586
<b>Other Liabilities</b>					
Interest / mark-up payable on deposits and borrowings	353	40,404	107	7,321	27,597
Dividend payable	13,898,036	393,117	-	-	109,449
Payable to staff retirement fund	-	-	-	-	50,581
Unearned income	-	-	-	-	19,065
Other payable	-	22,330	-	-	-
<b>Contingencies and Commitments</b>					
Letter of guarantee	-	-	-	-	-

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	As at December 31, 2022 (Audited)				
	Parent	Directors	Key	Associates	Other related parties
			management personnel		
(Rupees in '000)					
<b>Lendings to financial institutions</b>					
Opening balance	-	-	-	-	2,355,115
Addition during the year	-	-	-	-	3,996,304
Repaid during the year	-	-	-	-	(6,351,419)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
<b>Investments</b>					
Opening balance	-	-	-	8,436,634	4,654,612
Investment made during the year	-	-	-	44,929,925	645,756
Investment redeemed / disposed off during the year	-	-	-	(44,906,407)	-
Transfers out	-	-	-	-	-
Equity method adjustments	-	-	-	(803,144)	-
Closing balance	-	-	-	7,657,008	5,300,368
Provision for diminution in value of investments	-	-	-	-	952,719
Provision written off	-	-	-	-	-
<b>Advances</b>					
Opening balance	-	645	332,006	-	1,768
Addition during the year	-	488	163,108	-	24,653,259
Repaid during the year	-	(653)	(122,566)	-	(6,846,111)
Transfer in / (out)	-	-	404	-	(873)
Closing balance	-	480	372,952	-	17,808,043
Provision held against advances	-	-	-	-	1,274,449
<b>Other Assets</b>					
Income / mark-up accrued	-	-	-	42,198	711,313
Receivable from staff retirement funds	-	-	-	-	2,517,968
Prepaid insurance	-	-	-	58,739	-
Remuneration receivable from management of funds	-	-	-	112,912	-
Sales load receivable	-	-	-	13,780	-
Formation cost receivable	-	-	-	9,282	-
Receivable against redemption of units of mutual funds	-	-	-	249,057	-
Provision written off	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	-	-
Borrowings during the year	-	-	-	-	1,769,000
Settled during the year	-	-	-	-	(1,769,000)
Closing balance	-	-	-	-	-
<b>Deposits and other accounts</b>					
Opening balance	18,601	7,769,284	72,204	2,209,154	16,151,170
Received during the year	19,125	42,580,952	924,965	145,487,253	264,099,764
Withdrawn during the year	(23,399)	(36,425,873)	(869,673)	(146,030,832)	(264,257,733)
Transfers in - net	-	-	15,265	-	6,890
Closing balance	14,327	13,924,363	142,761	1,665,575	16,000,091
<b>Other Liabilities</b>					
Interest / mark-up payable on deposits and borrowings	1,106	26,310	407	14,382	37,353
Dividend Payable	8,212,476	222,289	-	-	57,128
Payable to staff retirement fund	-	-	-	-	37,824
Unearned income	-	-	-	-	29,608
Other payable	-	5,100	-	5,982	-
<b>Contingencies and Commitments</b>					
Forward Government securities sale	-	-	-	-	-

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	For the three months ended March 31, 2023 (Un-audited)				
	Parent	Directors	Key	Associates	Other related parties
			management personnel		
(Rupees in '000)					
<b>Profit and Loss Account</b>					
<b>Income</b>					
Mark-up / return / interest earned	-	-	5,720	25,155	826,932
Commission / charges recovered	-	7	50	3,950	3,766
Dividend income	-	-	-	50,660	237,970
Net gain on sale of securities	-	-	-	12,064	-
Other income	-	-	-	-	10,544
Gain on sale of fixed assets	-	-	64	360	-
Remuneration from management of fund	-	-	-	325,243	-
Sales load	-	-	-	5,162	-
Reversal of provision	-	-	-	-	7,034
Switch revenue	-	-	-	-	78,292
<b>Expenses</b>					
Mark-up / return / interest paid	1,106	136,468	1,813	49,734	132,250
Remuneration paid	-	-	200,666	-	-
Post employment benefits	-	-	-	-	-
Directors' fees and allowances	-	28,030	-	-	-
Net charge for defined contribution plans	-	-	12,703	-	109,831
Net charge for defined benefit plans	-	-	-	-	108,890
Provision - net	-	-	-	-	70,693
Other expenses	-	-	10,458	-	9,771
Clearing charges	-	-	-	-	42,883
Membership, subscription, sponsorship and maintenance charges	-	-	-	-	19,734
<b>Other information</b>					
Dividend paid	-	-	-	-	-
Insurance premium paid	-	-	821	283,061	-
Insurance claims settled	-	-	-	138,401	-

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	12,241,797	12,241,797
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	149,179,868	150,929,551
Eligible Additional Tier 1 (ADT 1) Capital	10,228,619	10,095,479
Total Eligible Tier 1 Capital	159,408,487	161,025,030
Eligible Tier 2 Capital	51,032,947	52,663,742
Total Eligible Capital (Tier 1 + Tier 2)	210,441,434	213,688,772
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,019,538,765	913,752,463
Market Risk	106,230,001	103,805,093
Operational Risk	209,271,004	209,271,004
Total	1,335,039,770	1,226,828,560
<b>Common Equity Tier 1 Capital Adequacy Ratio</b>	11.17%	12.30%
<b>Tier 1 Capital Adequacy Ratio</b>	11.94%	13.13%
<b>Total Capital Adequacy Ratio</b>	15.76%	17.42%

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 B1 capital of the Bank for the three months ended March 31, 2023 stood at Rs.12,241.797 million (December 31, 2022: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted assets of the Bank.

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

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 March 31, 2023. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 15.76% whereas CET 1 and Tier 1 ratios stood at 11.17% and 11.94% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2019 dated April 13, 2019, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/394468/2022 dated December 20, 2022. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 0.5%, 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) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	159,408,487	161,025,030
Total Exposures	4,333,214,204	3,937,237,802
Leverage Ratio	3.68%	4.09%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	913,938,644	1,014,739,744
Total Net Cash Outflow	373,165,282	316,508,188
Liquidity Coverage Ratio	244.92%	320.60%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	2,297,523,933	2,194,772,092
Total Required Stable Funding	1,340,792,520	1,355,300,059
Net Stable Funding Ratio	171.36%	161.94%

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**40. ISLAMIC BANKING BUSINESS**

The Bank operates 150 (December 31, 2022: 150) Islamic Banking branches and 501 (December 31, 2022: 219) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		15,351,003	7,103,365
Balances with other banks		1,084,671	737,765
Due from financial institutions		-	-
Investments	40.1	125,878,617	124,800,008
Islamic financing and related assets - net	40.2	75,451,304	102,233,287
Fixed assets		1,382,825	1,431,431
Intangible assets		-	-
Due from Head Office		3,640,781	3,873,536
Other assets		7,519,197	4,095,406
		<u>230,308,398</u>	<u>244,274,798</u>
<b>LIABILITIES</b>			
Bills payable		1,821,203	2,874,226
Due to financial institutions		10,017,891	69,092,536
Deposits and other accounts	40.3	197,661,850	151,693,394
Other liabilities		3,282,365	4,329,703
		<u>212,783,309</u>	<u>227,989,859</u>
<b>NET ASSETS</b>			
		<u>17,525,089</u>	<u>16,284,939</u>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Deficit on revaluation of assets		(2,714,898)	(920,832)
Unappropriated profit	40.4	18,058,987	15,024,771
		<u>17,525,089</u>	<u>16,284,939</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	40.5		
<b>PROFIT AND LOSS ACCOUNT</b>			
		(Un-audited)	
		January -	January -
		March 2023	March 2022
----- (Rupees in '000) -----			
Profit / return earned	40.6	7,638,528	3,493,508
Profit / return expensed	40.7	3,992,742	1,360,690
Net profit / return		<u>3,645,786</u>	<u>2,132,818</u>
<b>Other income</b>			
Fee and commission income		76,681	91,641
Foreign exchange income		718	1,224
Loss on securities - net		-	-
Other Income		20,272	6,621
Total other income		<u>97,671</u>	<u>99,486</u>
<b>Total income</b>		<u>3,743,457</u>	<u>2,232,304</u>
Other operating expenses		696,324	634,499
<b>Profit before provisions</b>		<u>3,047,133</u>	<u>1,597,805</u>
Provisions / (reversals) and write-offs - net		12,917	4,559
<b>Profit before taxation</b>		<u>3,034,216</u>	<u>1,593,246</u>
Taxation		1,304,713	621,366
<b>Profit after taxation</b>		<u>1,729,503</u>	<u>971,880</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**40.1 Investments by segments**

	As at March 31, 2023 (Un-audited)				As at December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value	Cost / Amortised cost	Provision for diminution	Deficit	Carrying Value
----- (Rupees in '000) -----								
<b>Federal Government Securities</b>								
- Ijarah Sukuks	111,745,274	-	(2,714,898)	109,030,376	112,516,387	-	(920,832)	111,595,555
- Islamic Naya Pakistan Certificate	7,332,935	-	-	7,332,935	4,806,162	-	-	4,806,162
	119,078,209	-	(2,714,898)	116,363,311	117,322,549	-	(920,832)	116,401,717
<b>Non Government Debt Securities</b>								
-Listed	487,500	-	-	487,500	524,554	-	-	524,554
-Unlisted	9,027,806	-	-	9,027,806	7,873,737	-	-	7,873,737
	9,515,306	-	-	9,515,306	8,398,291	-	-	8,398,291
<b>Total Investments</b>	<b>128,593,515</b>	<b>-</b>	<b>(2,714,898)</b>	<b>125,878,617</b>	<b>125,720,840</b>	<b>-</b>	<b>(920,832)</b>	<b>124,800,008</b>

**(Un-audited) (Audited)**  
**March 31, December 31,**  
**2023 2022**  
 ----- (Rupees in '000) -----

**40.2 Islamic financing and related assets**

Ijarah	300,460	283,654
Murabaha	282,882	507,528
Musharakah	28,544,837	55,706,384
Diminishing Musharakah	26,057,902	25,940,267
Mera Pakistan Mera Ghar (MPMG)	5,261,288	5,189,100
Istisna	141,760	54,086
Islamic Export Refinance scheme - Musharakah	5,899,743	5,499,743
Islamic Export Refinance scheme - Istisna	373,847	553,570
Advances against Islamic assets		
Advances against Ijarah	20,358	40,268
Advances for Diminishing Musharakah	1,295,642	1,304,675
Advances for Murabaha	37,000	64,498
Advances against Mera Pakistan Mera Ghar	153,381	279,014
Advances for Istisna	664,252	429,444
Advances against Ameen ITERF	3,953,348	3,953,348
Inventory related to Islamic financing		
Istisna	4,900	193,698
Profit and other receivables against financings	2,653,699	2,442,188
Gross Islamic financing and related assets	75,645,299	102,441,465
Less: Provision against Islamic financing		
- Specific	(90,413)	(99,851)
- General	(103,582)	(108,327)
	(193,995)	(208,178)
Islamic financing and related assets - net of provision	75,451,304	102,233,287

**40.3 Deposits and other accounts**

<b>Customers</b>		
Current deposits	101,440,931	84,267,286
Saving deposits	34,728,618	36,040,108
Term deposits	31,522,953	30,318,011
	167,692,502	150,625,405
<b>Financial Institutions</b>		
Current deposits	193,445	160,110
Saving deposits	29,745,903	897,879
Term deposits	30,000	10,000
	29,969,348	1,067,989
	197,661,850	151,693,394

**40.3.1** Deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018 amounting to Rs. 80,644.093 million (December 31, 2022: Rs. 76,771.045 million).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	(Un-audited) March 31, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
<b>40.4 Islamic Banking Business Unappropriated Profit</b>		
Opening balance	15,024,771	8,094,948
Profit for the period / year	3,034,216	6,929,823
	<u>18,058,987</u>	<u>15,024,771</u>
Taxation	(1,304,713)	(3,665,876)
Closing balance	<u>16,754,274</u>	<u>11,358,895</u>
<b>40.5 Contingencies and commitments</b>		
- Guarantees	22,074	22,074
- Commitments	8,068,630	7,604,181
	<u>8,090,704</u>	<u>7,626,255</u>
	(Un-audited)	
	January - March 2023	January - March 2022
<b>40.6 Profit / Return earned</b>	----- (Rupees in '000) -----	
On:		
Financing	2,969,365	1,409,377
Investments	4,531,130	1,939,100
Placements	82,304	78,894
Rental Income from Ijarah	55,729	66,137
	<u>7,638,528</u>	<u>3,493,508</u>
<b>40.7 Profit / Return expensed</b>		
On:		
Deposits and other accounts	2,721,715	1,302,081
Due to Financial Institutions	1,241,145	30,159
Others	29,882	28,450
	<u>3,992,742</u>	<u>1,360,690</u>
<b>40.8 Disclosures for profit and loss distribution and pool management</b>		

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

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

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

**General Pool(s)**

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

**IERS Pool(s)**

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

**Treasury Pool(s)**

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

**Special Pool(s) - LCY**

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
**Special Pool(s) - FCY**

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

**Equity Pool(s)**

All other assets including fixed assets, advance against financing, bai-salam financing and subsidized financing to Bank's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are done through equity pool. The 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.

The Mudarib's share on Deposits for the period ended March 31, 2023 is Rs. 1,565.767 million (45.04% of distributable profit of Mudarabah Pool). of this, an amount of Rs. 728.280 million (46.51% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 16.18% per annum and the rate of profit paid on average deposits was 12.29% per annum.

**The risk characteristics of pools**

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

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

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

The Bank managed following pools during the period.

For the three months ended March 31, 2023 (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	3	Mudarabah	Monthly	12.23%	35.00%	101,197	8.08%	3.05%	3,086
Special Pools	42	Mudarabah	Monthly	17.10%	20.03%	87,120	14.35%	49.73%	43,321
IERS Pools	6	Musharakah	Monthly	18.13%	80.67%	599,379	9.34%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	2.13%	50.00%	2,240	1.06%	0.00%	-
General Pools	3	Mudarabah	Monthly	16.61%	49.99%	1,377,451	12.39%	49.26%	678,502
Treasury Pools	4	Mudarabah	Monthly	14.68%	6.29%	21,135	16.25%	5.07%	1,071
Treasury Pools	64	Musharakah	Monthly	15.72%	25.47%	204,254	16.29%	0.00%	-



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**For the three months ended March 31, 2022 (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	3	Mudarabah	Monthly	9.68%	50.00%	45,466	7.31%	51.13%	23,249
Special Pools	33	Mudarabah	Monthly	11.53%	18.84%	117,859	10.04%	31.77%	37,449
IERS Pools	6	Musharakah	Monthly	7.63%	0.00%	136,531	2.00%	0.00%	-
FCY Pools	6	Mudarabah	Monthly	2.06%	50.00%	858	1.07%	0.00%	-
General Pools	3	Mudarabah	Monthly	10.13%	50.00%	575,999	5.99%	18.22%	104,972
Treasury Pools	6	Musharakah	Monthly	10.61%	0.00%	355,968	10.08%	0.00%	-
							<b>(Un-audited)</b>	<b>(Audited)</b>	
							<b>March 31,</b>	<b>December 31,</b>	
							<b>2023</b>	<b>2022</b>	
							<b>-----Rupees in '000-----</b>		

**40.9 Deployment of Mudarabah based deposits by class of business**

Chemical and pharmaceuticals	6,050,475	6,337,407
Agriculture	28,508,881	52,739,670
Textile	6,865,440	9,188,530
Financial	1,699,671	1,352,765
Food industries	97,780	106,665
Plastic	301,987	253,444
Individuals	16,616,377	16,789,978
Production and transmission of energy	18,891,559	18,177,556
Government of Pakistan Securities	116,363,311	115,615,288
Others	7,202,737	7,417,935
	<u>202,598,218</u>	<u>227,979,238</u>

**41. YEMEN OPERATIONS**

Despite risky situation and continued operational losses the Bank has been striving to honor liabilities for past eight years. 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.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023****42. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors in its meeting held on April 28, 2023 has declared an interim cash dividend in respect of quarter ended March 31, 2023 of Rs. 11.0 per share (March 31, 2022: Rs. 5.0 per share). These consolidated condensed interim financial statements for the three months ended March 31, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

**43. GENERAL**

**43.1** Comparative information has been reclassified, rearranged or additionally incorporated in these consolidated condensed interim financial statements for the purposes of better presentation. However, there is no material reclassification to report.

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

**44. DATE OF AUTHORISATION**

These consolidated condensed interim financial statements were authorised for issue on April 28, 2023, by the Board of Directors of the Bank.

**Arif Akmal Saifie**  
Chief Financial Officer

**Shazad G. Dada**  
President &  
Chief Executive Officer

**Shazia Syed**  
Director

**Muhammad Jawaid Iqbal**  
Director

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

## مستقبل کی توقعات (Future Outlook)

ٹومیسٹک بینکنگ سیکٹر میں بڑے مالیاتی اداروں میں سے ایک ہونے کے ناطے یو بی ایل 2023 میں بھی اپنے منافع کو توسیع دینے کا سلسلہ جاری رکھے گا۔ یہ کامیابی یو بی ایل فیملی کے ہر ایک ممبر کی لگن، طاقت اور جدوجہد سے ہی ممکن ہے۔ ملک کی معاشی صورتحال میں غیر یقینی ہونے کے باوجود ہم پاکستان کے سب سے جدت پسند اور تیزی سے ترقی کرتے ڈیجیٹل بینک کی پوزیشن برقرار رکھنے کے لیے پُر عزم ہیں۔ ہم سب سے زیادہ ڈیپازٹ گروتھ رکھنے والے بینکوں میں سے ہیں اور آئندہ بھی یہ ہماری آمدن کے بڑے ذرائع میں سے ہو گا۔ افراط زر کے دباؤ کے باوجود یو بی ایل نے لاگت اور آمدن کے تناسب کو بہتر کیا ہے۔ بینک ہر سطح پر کسٹمر ایکسپیرینس کو مزید بہتر بنانے کے لیے فزیکل اور ڈیجیٹل انفراسٹرکچر میں سرمایہ کاری جاری رکھے گا۔

اپنے وسیع فزیکل نیٹ ورک اور ملک بھر میں آؤٹ ریچ کے ذریعے برانچ بینکنگ گروپ یو بی ایل فرنچائز کی اساس ہے۔ بینک اپنی پراڈکٹس، پراسیس اور سروسز کو پہلے سے بھی بہتر بنانے کے لیے سرمایہ کاری کرے گا تاکہ اپنی کسٹمر بیس کو بڑھایا جائے۔ مزید برآں، یو بی ایل نئے اور منفرد بینکنگ سلوشن بھی متعارف کرواتا رہے گا۔

بینک کام کرنے کے طریقے اور کلچر کو مزید بہتر بنانے کا عمل جاری رکھے گا۔ کمپلائنس اور کنٹرول سٹینڈرڈز کو بین الاقوامی سطح کے مطابق لانا ہماری ترجیح ہے۔ یو بی ایل پاکستانی کارپوریٹ سپیس میں ماحولیات، سوشل اور گورننس (ESG) سٹینڈرڈز میں نئے بنچ مارک طے کرنے کے لیے پُر عزم ہے۔ بینک اپنے عملے کو سب سے قیمتی اثاثہ گردانتا ہے اور یو بی ایل کی ترجیح بہترین سے بہترین ٹیلنٹ کو حاصل کرنا ہے جو مستقبل میں بھی بینک کی گروتھ کا عمل آگے بڑھائیں۔

## اظہار تشکر (Acknowledgment)

آخر میں ہم بورڈ آف ڈائریکٹرز کی جانب سے مسلسل اعتماد اور تعاون پر یو بی ایل کے شیئر ہولڈرز اور کسٹمرز سے پُر خلوص اظہار تشکر کرنا چاہیں گے۔ ہم اپنے فرض شناس ملازمین کی کوششوں کو قدر کی نگاہ سے دیکھتے ہیں جو اس مشکل وقت میں اپنی خدمات انجام دے رہا ہے بلکہ تمام ٹچ پوائنٹس پر پہلے سے بھی بہتر سروسز یقینی بنا رہا ہے۔ ہم مسلسل رہنمائی اور معاونت پر حکومت پاکستان اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن اور دیگر ریگولیٹری اداروں کا بھی تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔

برائے واز طرف بورڈ

محمد جاوید اقبال  
ڈائریکٹر

شہزاد جی دادا  
پریزیڈنٹ اور سی ای او  
اسلام آباد،

28 اپریل 2023

## معیشت کا جائزہ (Economy Review)

پاکستان کی معیشت زرمبادلہ کے کم ذخائر اور افراط زر میں اضافے سے دباؤ کا شکار ہے۔ پالیسی میں سختی، امپورٹ پر کنٹرولز، زیادہ قرضوں اور ایندھن کی قیمتوں میں مہنگائی کے باعث ملک میں معاشی سرگرمیاں بری طرح متاثر ہوئی ہیں۔

مالی سال 23 میں جولائی سے مارچ میں کرنٹ اکاؤنٹ خسارہ 3.4 ارب ڈالر رہنے کی توقع ہے جو کہ پچھلے سال کی اسی مدت سے 74 فیصد کم ہے۔ مالی سال 2023 جولائی - مارچ کے لیے تجارتی توازن کا خسارہ 35.6 فیصد کم ہو کر 22.9 ارب ڈالر رہا جو پچھلے سال کی اسی مدت میں 35.5 ارب ڈالر تھا۔ مالی سال 2023 جولائی - مارچ میں ایکسپورٹس 10 فیصد کم ہو کر 21.1 ارب ڈالر ریکارڈ کی گئیں اور امپورٹس سال بہ سال 25.4 فیصد کم ہو کر 43.9 ارب ڈالر رہیں۔ مالی سال 2023 جولائی - مارچ میں بیرونی ترسیلات زر 20.5 ارب ڈالر رہیں جو کہ سال بہ سال میں 10.8 فیصد کم ہیں۔ ڈومیسٹک فارن کرنسی مارکیٹ دباؤ کا شکار رہی کیونکہ دسمبر 2022 سے پاکستانی روپے کی قدر 25 فیصد کم ہوئی اور 31 مارچ 2023 کو یہ 283.8 روپے کی سطح پر تھی۔ پاکستان کے زرمبادلہ کے ذخائر مارچ 2023 کو دسمبر 2022 کے مقابلے میں 10 فیصد کم ہو کر 9.8 ارب ڈالر تھے، جبکہ سٹیٹ بینک آف پاکستان کے پاس زرمبادلہ کے ذخائر مارچ 2023 کو 4.2 ارب ڈالر تھے جو کہ دسمبر 2022 کے مقابلے میں 25 فیصد کم ہیں۔

ملک میں افراط زر کی شرح تاریخ کی بلند ترین سطح پر رہی اور مارچ 2023 میں 35.4 فیصد ریکارڈ کی گئی جو کہ مارچ 2022 میں 12.7 فیصد تھی۔ مستقبل قریب میں انرجی کی قیمتوں میں اضافہ اور غذائی افراط زر معاشی سرگرمیوں اور جی ڈی پی پر اثر انداز ہوتی رہے گی۔ اسٹیٹ بینک آف پاکستان نے 4 اپریل 2023 کو اپنی مانیٹری پالیسی میٹنگ میں پالیسی ریٹ کو 100 بیس پوائنٹ کو بڑھا کر 21.0 فیصد کر دیا۔

موجودہ معاشی ماحول کے اثرات کے ایس سی 100 انڈیکس پر موجود رہے اور مارچ 2023 و یہ 40,001 پوائنٹس پر بند ہوئی جو کہ دسمبر 2022 کے مقابلے میں یہ 1 فیصد کمی تھی۔ بینکنگ سیکٹر کے لیے ڈپازٹ مارچ 2023 تک 23.6 کھرب روپے رہے جو دسمبر 2022 کے مقابلے میں 5 فیصد زیادہ ہے جبکہ بینکنگ سیکٹر میں ایڈوانسز مارچ 2023 کو 11.8 کھرب روپے پر بند ہوئے جو کہ دسمبر 2022 کے مقابلے میں 1 فیصد کم ہے۔ بینکنگ انڈسٹری کے لیے نان پرفارمنگ لون دسمبر 2022 تک 924 ارب روپے رہے جو کہ دسمبر 2021 کے مقابلے میں 7 فیصد زیادہ ہے جبکہ ایسٹ کوالٹی دسمبر 2021 میں 7.9 فیصد سے دسمبر 22 میں 7.3 فیصد رہی۔

## ڈائریکٹرز کا انتخاب (Election of Directors)

کمپنیز ایکٹ 2017 کے سیکشن (5) 159 کے مطابق 29 مارچ 2023 کو منعقد ہونے والے بینک کے 64 ویں سالانہ اجلاس میں بورڈ آف ڈائریکٹرز کا انتخاب کیا گیا۔ مندرجہ ذیل ڈائریکٹرز کو بلا مقابلہ منتخب کر لیا گیا:

1. سر محمد انور پرویز ، OBE, HPk
2. لارڈ ضمیر ایم چوہدری، CBE, SI Pk
3. دی اونر ایبل حیدر ضمیر چوہدری
4. جناب رضوان پرویز
5. جناب طارق راشد
6. محترمہ شازیہ سید
7. جناب محمد جاوید اقبال
8. جناب ڈینئل مائیکل ہاولٹ

## کریڈٹ ریٹنگ (Credit Rating)

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے 30 جون 2022 کو یونائیٹڈ بینک لمیٹڈ (UBL) کی AAA/A-1+ (ٹرپل اے/اے ون پلس) اینٹیٹی ریٹنگز کی دوبارہ توثیق کی ہے۔ مزید برآں، یو بی ایل کی ایڈیشنل ٹائیر-1 TFC (ADT-1) کی بھی بطور AA+ دوبارہ توثیق کی جا چکی ہے۔ تفویض کردہ ریٹنگز پر توقعات 'مستحکم' ہیں۔

## قرض اور ممکنہ نادہندگی اور خسارے (Provision and Loan Losses)

یو بی ایل نے پچھلے سال کی اسی مدت میں 347 ملین روپے کے قرض پر ممکنہ نادہندگی اور خسارے کے لیے مختص اخراجات کے مقابلے میں Q1'23 میں 2.6 ارب روپے کے نیٹ پروویژن چارج ریکارڈ کرائے۔

بینک کی سطح کے نان پرفارمنگ لونز (NPLs) مارچ 2023 کو 109.9 ارب روپے تھے (دسمبر 2022: 93.3 ارب روپے)، اس اضافے کی بڑی وجہ یو بی ایل انٹرنیشنل NPL کے پورٹ فولیو میں 17 ارب روپے کرنسی کی قدر میں کمی رہی۔ مارچ 2023 میں نیٹ NPL کی مقدار 14.1 ارب روپے رہی (دسمبر 2022: 11.6 ارب روپے)۔ مارچ 2023 تک بینک کی سطح کی ایسٹ کوالٹی دسمبر 2022 میں 9.2 فیصد کے مقابلے میں 13.4 فیصد رہی جبکہ مخصوص کوریج مارچ 2023 میں 87.2 فیصد رہی (دسمبر 2022: 87.6 فیصد)۔

ڈومیسٹک بینک سے مجموعی ایڈوانسز مارچ 2023 میں 595 ارب روپے رہے (دسمبر 2022: 785 ارب روپے)، یہ مجموعی پورٹ فولیو کے 76 فیصد تھے۔ ڈومیسٹک NPLs دسمبر 2022 کے 26.2 ارب روپے سے 370 ملین روپے کم ہو کر مارچ 2023 میں 25.8 ارب روپے رہیں۔ ڈومیسٹک بینک کی ایسٹ کوالٹی مارچ 2023 میں 4.3 فیصد رہی (دسمبر 2022: 3.3 فیصد)۔

## اخراجات کا نظم و نسق (Cost Management)

بینک اپنے اخراجات کی بیس کو مزید بہتر کرنے کے لیے اپنے اسٹاف اور فزیکل اور آئی ٹی/ڈیجیٹل انفراسٹرکچرز میں سرمایہ کاری جاری رکھے ہوئے ہے تاکہ مزید وسیع پیمانے کے نیٹ ورک اور کسٹمرز کو بہتر سروسز کی فراہمی کو سپورٹ کیا جا سکے۔

Q1'23 میں بینک کے آپریٹنگ اخراجات 24 فیصد اضافے کے ساتھ 14.5 ارب روپے رہے۔ Q1'23 کے لیے ملازمین کی تنخواہوں کی مد میں 5.9 ارب روپے ریکارڈ کیے گئے جس میں افراط زر کے حوالے سے تنخواہوں میں ایڈجسٹمنٹ اور میرٹ میں اضافے کے باعث 28 فیصد اضافہ ہوا۔ املاک کے اخراجات 14 فیصد اضافے کے ساتھ 2.2 ارب روپے ریکارڈ کیے گئے۔ آئی ٹی لاگتوں میں بھی امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں تیزی سے کمی کے باعث 34 فیصد اضافہ ہوا، کیونکہ لائسنس فیس فارن کرنسی میں ادا کی جاتی ہیں۔ Q1'23 میں دیگر آپریٹنگ اخراجات 4.8 ارب روپے ریکارڈ کیے گئے جن میں 21 فیصد کا اضافہ بنیادی طور پر پچھلے سال کے مقابلے میں کاروبار میں اضافے کے باعث زیادہ سیلز کمیشن اور دیگر اخراجات بڑھنے کے باعث ہوا۔

## سرمائے کا تناسب (Capital Ratio)

بینک ایک مضبوط سرمائے کی بنیاد کو برقرار رکھنے کی کوشش کرتا ہے جو مستقبل کی ترقی کے لیے ایک ٹھوس بنیاد فراہم کرنے کے ساتھ ساتھ ریگولیٹری تقاضوں پر مناسب بفرز کو برقرار رکھتا ہے۔

دسمبر 2022 میں اسٹیٹ بینک آف پاکستان کی جانب سے منعقد کیے گئے جائزے میں یو بی ایل کو Designated Domestic Higher Loss Absorbency (D-SIB) Systemically Important Bank قرار دیا گیا ہے۔ بینک کو ہائپر لاس ایبزوربینسی (HLA) کے معیار پر پورا اترنا ہو گا اور اس کے لیے مجتمع اور غیر مجتمع بنیادوں پر 0.5 فیصد کا ایڈیشنل کامن ایکویٹی ٹیئر 1 (CET - 1) سرمایہ مختص کرنا ہو گا۔ تازہ ترین جائزے کے نتیجے میں، یو بی ایل کے لیے کم از کم سرمائے کی شرط 12.0 فیصد تک بڑھ چکی ہے۔

بینک کا مجموعی CAR مارچ 2023 میں 17.6 فیصد رہا (دسمبر 2022: 19.2 فیصد)، اس میں 12 فیصد کی کم از کم ریگولیٹری شرط کے اوپر 5.6 فیصد کا بفر بھی شامل ہے۔ کامن ایکویٹی ٹیئر 1 (CET-1) کا تناسب مارچ 2023 تک 12.4 فیصد رہا (دسمبر 2022: 13.4 فیصد)۔ مارچ 2023 کو ٹیئر 1 کیپٹل کا تناسب 13.3 فیصد ریکارڈ کیا گیا (دسمبر 2022: 14.4 فیصد)۔ بورڈ آف ڈائریکٹرز نے 28 اپریل 2023 کو اسلام آباد میں ہونے والی میٹنگ میں 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے نتائج کے ساتھ 11.0 روپے فی شیئر ڈیونڈ کا اعلان بھی کیا۔

Q1'23 کے لیے ڈومیسٹک ڈپازٹ کی اوسط 1.6 کھرب روپے رہی جس میں سال بہ سال کی بنیاد پر 7 فیصد اضافہ ہو کر بینک کے پورٹ فولیو میں 105 ارب روپے مزید جمع ہوئے۔ ڈومیسٹک CASA ڈپازٹ کی اوسط Q1'23 کے لیے 1.44 کھرب روپے رہی جس میں سال بہ سال کی بنیاد پر 9 فیصد نمو دیکھی گئی۔ اوسط CASA کا مجموعی ڈپازٹ سے تناسب مضبوط رہا اور Q1'23 میں 89.6 فیصد رہا (Q1'22: 87.8 فیصد) بینک نے Q1'23 میں تقریباً 233,000 نئے کرنٹ اکاؤنٹ ریلیشن شپ حاصل کیے جو پچھلے سال اسی مدت میں 162,000 تھے۔ اس کے باعث بینک کے اوسط کرنٹ ڈپازٹ سال بہ سال بنیادوں پر 12 فیصد اضافہ ہو کر Q1'23 میں 757 ارب روپے تک پہنچ گئے۔ اس کے نتیجے میں Q1'23 میں مجموعی ڈپازٹ کے مقابلے میں کرنٹ ڈپازٹ کی اوسط Q1'22 میں 44.9 فیصد سے بڑھ کر 47.1 فیصد ہو گئی۔ سیونگز اکاؤنٹس کا ڈومیسٹک پورٹ فولیو Q1'23 میں 682 ارب روپے رہا (Q1'22: 644 ارب روپے)۔ ڈپازٹس کی ڈومیسٹک لاگتیں پچھلے سال کی اسی مدت میں 4.5 فیصد کے مقابلے میں 7.5 فیصد رہیں اور پچھلے سال انٹرسٹ ریٹ میں اضافے کے باوجود اچھی طرح قابو میں رہیں۔

بینک لیول کے پرفارمنگ ایڈوانسز کی اوسط سال بہ سال کی 31 فیصد نمو کے ساتھ Q1'23 میں 826 ارب روپے رہی۔ ڈومیسٹک پرفارمنگ ایڈوانسز کارپوریٹ کے پورٹ فولیو میں اضافہ کے وجہ سے Q1'23 میں 36 فیصد نمو کے ساتھ 675 ارب روپے رہے۔ بینک نے اپنے اسلامک کاروبار میں توسیع کا عمل جاری رکھا جس کی لون بُک کی اوسط سال بہ سال 36 فیصد نمو کے ساتھ Q1'23 میں 84 ارب روپے رہی۔

بینک کی مارک اپ آمدنی کی سرمایہ کاری کی اوسط 17 فیصد اضافے کے ساتھ Q1'23 میں 1.64 کھرب روپے رہی۔ مارچ 2023 تک فلوٹنگ ریٹ ڈومیسٹک گورنمنٹ سکیورٹیز پورٹ فولیو میں بینک 18 فیصد پر رہا اور آئندہ سہ ماہیوں میں بھی یہ سلسلہ جاری رہے گا۔ یو بی ایل انٹرنیشنل نے بھی بینک کی مجموعی نیٹ مارک اپ آمدنی میں انوسٹمنٹ پورٹ فولیو پر 5.5 فیصد منافع کے ساتھ بھاری حصہ ڈالا جو کہ زیادہ تر فارن ساورن ڈیٹ انسٹرومنٹس پر مشتمل تھا۔

#### نان مارک اپ آمدنی (Non Markup Income)

بینک نے Q1'23 میں 30 فیصد اضافے کے ساتھ 8.8 ارب روپے کی نان مارک اپ آمدنی حاصل کی۔ نان مارک اپ آمدنی بینک کی مجموعی آمدنی کا 21 فیصد رہی (Q1'22: 24 فیصد)۔

Q1'23 میں بینک نے فیس اور کمیشن کی مد میں 4.3 ارب روپے آمدنی حاصل کی جو کہ پچھلے سال کے مقابلے میں 11 فیصد زیادہ تھی۔ Q1'23 میں برانچ بینکنگ اپریشنز سے حاصل ہونے والی کسٹمر فیس 13 فیصد اضافے کے ساتھ 636 ملین روپے رہی جس میں زیادہ تر حصہ تمام ریجنز میں بزنس کا حصول رہا۔ ڈومیسٹک ہوم ریمی ٹینس میں بھی بینک نے اپنی لیڈر شپ پوزیشن برقرار رکھی جس میں بینک کا مارکیٹ شیئر 22 فیصد تھا۔ اس سے بینک کو Q1'23 میں 12 فیصد کی نمو کے ساتھ 503 ملین روپے کا کمیشن حاصل ہوا۔

ڈیٹ اور کریڈٹ کارڈ فیس سے Q1'23 میں 771 ملین روپے کمانے گئے جس میں سال کے دوران ایکٹیو کسٹمرز بڑھنے کے باعث مسلسل اضافہ ہو رہا ہے۔ Q1'23 کے لیے کیش مینجمنٹ سے کمیشن کی آمدنی 300 ملین روپے ریکارڈ کی گئی جس میں کارپوریٹ اور ایس ایم ای صارفین میں زیادہ تھرو پٹ والیومز کے ساتھ سال بہ سال 20 فیصد اضافہ ہو رہا ہے۔ ٹریڈ اور گارنٹی بزنس سے 766 ملین روپے ریکارڈ کی گئی جس نے مضبوط نمو اور طویل عرصے سے قائم صارفین کے تعلقات میں مستحکم حجم دیکھا۔

بینک نے Q1'23 میں 4.3 ارب روپے کی فارن ایکسچینج آمدن حاصل کی جو پچھلے سال 1.3 ارب روپے تھی اور اس کی بڑی وجہ ایکٹیو ٹریڈنگ اور بہتر بیلنس شیٹ پوزیشننگ تھی۔ Q1'23 میں بینک کے شیئر پورٹ فولیو پر 475 ملین روپے ڈیوڈنڈ آمدن حاصل کی۔

# یونائیٹڈ بینک لمیٹڈ

## ارکان کو ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے یونائیٹڈ بینک لمیٹڈ کی رپورٹ پیش کرنا ہمارے لیے باعث مسرت ہے۔

### کارکردگی کا جائزہ (Performance Overview)

غیر مجتمع بنیادوں پر، 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے 24.4 ارب روپے کا قبل از ٹیکس منافع (PBT) ریکارڈ کیا اور 54 فیصد کی زبردست نمو کا اندراج کیا۔

2023 Q1 کے لیے 42 ارب روپے کی مجموعی آمدنی ریکارڈ کی گئی جس میں پچھلے سال کی مدت کے مقابلے میں 49 فیصد اضافہ ہوا۔ بینک نے Q1'23 کے لیے 33.3 ارب روپے کی مارک اپ آمدنی ریکارڈ کی جس میں پچھلے سال کے مقابلے میں 55 فیصد اضافہ ہوا۔ Q1'23 میں غیر مارک اپ آمدنی 8.8 ارب روپے رہی جو کہ پچھلے سال کے مقابلے میں 30 فیصد زیادہ ہے جس کی بنیادی وجہ فی پر مبنی ریونیو اور غیر ملکی کرنسی کے تبادلے سے حاصل ہونے والی آمدن ہے۔

Q1'23 کے لیے بینک کے آپریٹنگ اخراجات 14.5 ارب روپے ریکارڈ کیے گئے جو پچھلے سال کے مقابلے میں 24 فیصد اضافی ہیں، اس کی بنیادی وجہ افراط زر میں اضافہ، پاکستانی روپے کی قدر میں کمی اور پورے نیٹ ورک میں اوور ہیڈز میں اضافہ رہا۔ لاگتوں میں اضافے کے باوجود لاگت کے مقابلے میں آمدنی کے تناسب میں بہتری آئی جو کہ Q1'23 میں 34.6 فیصد اور پچھلے سال 41.5 فیصد رہا۔

Q1'23 میں بینک نے فارن کرنسی میں رکھی گئی انوسٹمنٹس کی کوریج کے لیے 2.6 ارب روپے کے نیٹ پروویژن چارج ریکارڈ کیا (Q1'22: 347 ملین روپے کا نیٹ پروویژن چارج)۔

### مالیاتی نتائج (Financial Highlights)

یو بی ایل نے غیر مجتمع بنیاد پر Q1'23 میں سال بہ سال 46 فیصد اضافے کے ساتھ 13.9 ارب روپے کا بعد از ٹیکس منافع (PAT) منافع ریکارڈ کیا جو کہ Q1'22 میں 9.5 ارب روپے کا بعد از ٹیکس منافع تھا۔ Q1'23 میں فی شیئر آمدنی (EPS) 11.36 روپے رہی (Q1'22: 7.78 روپے)۔

مجموع بنیاد پر یو بی ایل نے 14.5 ارب روپے کا بعد از ٹیکس منافع (PAT) ریکارڈ کیا (Q1'22: 9.4 ارب روپے)۔ مجتمع بنیاد پر فی شیئر آمدنی (EPS) Q1'23 میں 11.62 روپے رہی (Q1'22: 7.60 روپے)۔

### نیٹ مارک اپ آمدنی (Net Markup Income)

بینک نے Q1'23 میں 55 فیصد اضافے کے ساتھ 33.3 ارب روپے کی نیٹ مارک اپ آمدن ریکارڈ کی۔ Q1'23 میں بینک کے مارک اپ ارننگ ایسٹ اوسط شرح 23 فیصد اضافے کے ساتھ 2.6 کھرب روپے رہی۔ Q1'23 میں بینک کے لیول نیٹ انٹرسٹ مارجن (NIMS) 5.2 فیصد بڑھے جو کہ Q1'22 میں 4.3 فیصد تھے۔ بنچ مارک انٹرسٹ ریٹ کی اوسط Q1'22 میں 10.8 فیصد کے مقابلے میں Q1'23 میں 18.7 فیصد رہے جس کی وجہ مانیٹری پالیسی سخت کرنا تھی۔

انوسٹمنٹ بُک کی بروقت ری پوزیشننگ سے انٹرسٹ سے ہونے والی آمدنی کو تقویت دی جسے فکسڈ اور فلوٹنگ ریٹ سرمایہ کاریوں کے پورٹ فولیو نے مضبوط کیا۔



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