



where you come first



DEFINED BY SERVICE DRIVEN BY EXCELLENCE

ANNUAL REPORT 2024



DEFINED BY SERVICE DRIVEN BY EXCELLENCE

Transformation is not just a phase, it's a continuous journey. For 65 years, UBL has remained at the forefront of banking evolution, embracing change, innovation, and progress to redefine financial services in Pakistan and beyond. As we move forward, we remain committed to pushing boundaries, setting new standards, and shaping a dynamic future where banking is seamless, digital, and customer-focused.

This report is an invitation to join us on a journey of enduring transformation. A journey filled with inspired action, impactful projects, and a glimpse into a future of growth, empowerment and innovation, making aspirations a reality.

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VISION

To be a world class bank dedicated to excellence, and to surpass the highest expectations of our customers and all other stakeholders.

MISSION

- Be the undisputed leader in financial services for our customers
- Most innovative and fastest growing bank in targeted businesses
- Continue to diversify across chosen geographies
- Achieve operational excellence with the highest level of compliance
- Consistently create leaders through inspired human capital
- Contribute positively to the communities we operate in

VALUES

- Customer first
- Honesty of purpose
- Teamwork
- Excellence
- Meritocracy



REDEFINING BANKING

THE DIGITAL FUTURE OF UBL

UBL is transforming banking by putting technology and customer experience at the forefront. Through automation, contactless transactions, and state-of-the-art security, the bank is creating a future where banking is effortless, secure, and tailored to individual needs. No longer just about transactions, modern banking is now about seamless experiences, personalized solutions, and smarter financial management—and UBL is leading this change.



COMPANY INFORMATION

Board of Directors

Sir Mohammed Anwar Pervez, OBE, H PK
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. Tariq Rashid
Independent Director
Ms. Shazia Syed
Independent Director
Mr. Daniel Michael Howlett
Independent Director
Mr. Muhammad Irfan A. Sheikh
Non-Executive Director
Mr. Muhammad Jawaaid Iqbal
President & CEO

Committees of the Board

Board Audit Committee (BAC)

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

Board Human Resource & Compensation Committee (HRCC)

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

Board Risk & Compliance Committee (BRCC)

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

Board IT Committee (BITC)

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

Board Nomination Committee (BNC)

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

Board International Committee (BIC):

Lord Zameer M. Choudrey CBE, SI Pk
Chairman
Sir Mohammed Anwar Pervez, OBE, HPk
Member
The Honourable Haider Zameer Choudrey
Member
Mr. Rizwan Pervez
Member
Mr. Tariq Rashid
Member
Ms. Shazia Syed
Member
Mr. Daniel Michael Howlett
Member
Mr. Muhammad Irfan A. Sheikh
Member
Mr. Muhammad Jawaaid Iqbal
Member
Mr. Mahboob Avais Saeed
Secretary

Chief Financial Officer

Syed Manzoor Hussain Zaidi

Company Secretary & Chief Legal Counsel

Mr. Aqeel Ahmed Nasir

Registered Office

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

UBL Head Office

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

Share Registrar

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

Auditors

M/s. EY Ford Rhodes
Chartered Accountants

Legal Advisors

M/s. Mehmood Abdul Ghani & Co,
Advocates

Contacts

UAN: 111-825-111
Contact Centre: 111-825-888
Website: www.ulbdigital.com
Email: customer.services@ubl.com.pk



CHAIRMAN'S PROFILE

Sir Mohammed Anwar Pervez, OBE H Pk

Sir Mohammed Anwar Pervez, OBE H Pk is the Chairman of the Board of Directors of United Bank Limited since December 2013. He is also Member of Human Resources & Compensation Committee (HRCC) and Board International Committee (BIC) as well as Chairman of the Board Nomination Committee (BNC).

Moreover, he is the Chairman Emeritus of Bestway Group & its subsidiaries, which include Bestway Group Investment Limited. He is also the Chairman of Bestway Cement Limited.

Sir Anwar began his career in food business in 1963 when he opened a convenience store in London. He ventured into the wholesale business in 1976 and has been responsible for growing Bestway Group into the 7th largest family business in the UK.

Today, it is the largest independent food wholesaler in the UK, the 2nd largest retail pharmacy in the UK, the largest cement producer in Pakistan and the 2nd largest private bank in Pakistan. The Group provides employment to over 41,000 people globally.

Sir Anwar was awarded the *Order of the British Empire (OBE)* in 1992 and was conferred the title of *Knight's Bachelor* in 1999 by Her Majesty the Queen for his services to the food industry and various charitable causes in the UK. In 2000, he was awarded '*Hilal-e-Pakistan*'.

In 2005, Sir Anwar Pervez was voted winner of the prestigious '*Grocer Cup for Outstanding Business Achievement*' by the Institute of Grocery Distribution, UK.

In 2006, he received '*Sitara-e-Essar*' by the President of Pakistan. The same year he was chosen as the '*Master Entrepreneur – UK*' at the Ernst & Young Entrepreneur of the Year 2006 Awards.

In 2011, Sir Anwar was awarded with an honorary Doctor of Laws degree by FC College Lahore.

In 2012, in recognition of his philanthropic services to the community, the University of Bradford conferred on Sir Anwar Pervez an honorary Doctor of Laws degree.

He is also the Chairman of Bestway Foundation UK and Patron-in-Chief of Bestway Foundation Pakistan.

BOARD OF DIRECTORS



Lord Zameer Mohammed Choudrey, CBE, SI Pk, FCA

Director

Lord Zameer Mohammed Choudrey CBE, SI Pk has been a Member of the Board of Directors of United Bank Limited since October 2002. He is also Member of the Board Risk & Compliance Committee (BRCC), the Human Resources & Compensation Committee (HRCC) and the Board Nomination Committee (BNC) as well as Chairman of the Board International Committee (BIC).

He is the Chairman of Bestway Group, which is the 7th largest family-owned business in UK with annual turnover of £4.9 billion. The Group is the largest independent food wholesaler in the UK, the 2nd largest retail pharmacy in the UK, the largest cement producer in Pakistan and the 2nd largest private bank in Pakistan. The Group provides employment to over 41,000 people globally.

Lord Choudrey is a Chartered Accountant by profession. He joined Bestway Group as a Financial Controller in 1984. In 1990, he was promoted as the Group Finance Director. In 1995, he was given additional responsibilities of business diversification both in UK and Pakistan and was promoted as Chief Executive of Bestway Cement Limited. He was appointed as the Group CEO in 2004. In July 2024 he was appointed Chairman of the Board of Directors of Bestway Group. He is a fellow of the Institute of Chartered Accountants of England & Wales. He is the Chairman of Conservative Friends of Pakistan. He is also a trustee of Bestway Foundation UK and Chairman of Bestway Foundation Pakistan as well as a trustee of Crimestoppers.

In 2011 he was part of the International Leadership Team of High Royal Highness Prince of Wales Prince Charles Pakistan Recovery Fund. In April 2013; he was invited to join The British Asian Trust's UK Advisory Council and in January 2018 he was appointed its Chair. In November 2014, he was awarded an honorary degree by University of Kent in recognition of his philanthropic services to the community.

In December 2015, he was appointed *Commander of the Order of the British Empire (CBE)* by Her Majesty the Queen Elizabeth II for his services to the UK wholesale industry and various charitable causes in the UK and abroad. In March 2018, the President of Pakistan awarded the Sitara-e-Imtiaz (Star of Excellence) to him in recognition of his contributions to advancing Pakistan through his services and the wide array of philanthropic work.

In June 2019, he joined the Commonwealth Enterprise & Investment Council's Advisory Council. In September 2019, he was appointed to the House of Lords, UK. This appointment was in recognition of his considerable contributions to Britain's domestic and foreign trade as a leading businessman and entrepreneur, his wide array of philanthropic work both in the UK and abroad, and his role as Chairman of the Conservative Friends of Pakistan.



Haider Zameer Choudrey, ACA

Director

The Honourable Haider Zameer Choudrey has been a Director of United Bank Limited since March 2014 and is Chair of UBL's Board IT Committee as well as a Member of its Board Audit Committee and Board Nomination Committee. He also joined the Board of Directors of UBL Insurers Limited in October 2024.

He is the Chief Executive Officer of Bestway Group. Bestway Group is the 7th largest family-owned business in UK with annual turnover of £4.7 billion. The Group is the 2nd largest wholesaler in the UK, the 2nd largest retail pharmacy in the UK, the largest cement producer in Pakistan and the 2nd largest private bank in Pakistan. The Group provides employment to over 41,000 people globally.

Haider Choudrey is a Chartered Accountant by profession, joining Bestway Group in 2012 and elevated to its board in 2018. He has held a number of roles, including Group Finance Director, Chief Financial Officer and now Chief Executive Officer.

Haider is a member of the Board of Directors of Well Pharmacy and Bestway Wholesale in UK and of Bestway Cement Limited in Pakistan. He was appointed a Trustee of the Bestway Foundation in June 2021.

After having distinguished himself at the world-renowned Eton College, Haider read economics at Gonville & Caius College, University of Cambridge. He also received his Master's in Economics from University of Cambridge. He is a member of the Vice Chancellor's Circle at the University of Cambridge.

Haider is also a Fellow of the Institute of Chartered Accountants in England and Wales and previously trained with KPMG UK LLP.

Haider is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

Rizwan Pervez

Director

Mr. Rizwan Pervez has been a Director of United Bank Limited since March 2014. He is a Member of the Board Audit Committee (BAC), the Board IT Committee (BITC) and the Board International Committee (BIC). He is also Director of UBL Insurers Limited.

Rizwan graduated from the University of Pittsburgh, USA in 1990 with a BSc in Business Management.

He was trained with a leading UK firm of Chartered Accountants and qualified in August 1995. Rizwan is a member of the Institute of Chartered Accountants in England & Wales.

He joined Bestway as a Financial Accountant in 1995 and was elected to the Board of Directors in January 2000 as Group Business Development Director. He was responsible for developing the Group's fascia and delivered business. Rizwan was instrumental in creating the "Best-One" symbol group and Bestway Direct, the Group's delivered wholesale operation.

In 2006, Rizwan was appointed Operations Director where he led and managed the integration of Bestway and Batleys wholesale operations which created the UK's largest independent wholesale group.

In 2012, Rizwan was appointed the Group Marketing & Director.

In 2019, Rizwan was appointed as Managing Director of MAP Trading Limited.

Rizwan has served as Governor of John Kelly Schools in North West London playing a leading role in the school's attainment of academy' status and establishing the school as a centre of excellence under its new name of The Crest Academy.

Rizwan is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).



Shazia Syed

Director

Ms. Shazia Syed has been a Member of the Board of Directors of United Bank Limited since November 10, 2020. She is the Chairperson of Board Audit Committee (BAC). She is also Member of Board Human Resource Compensation Committee (HRCC) and Board International Committee (BIC).

Ms. Shazia Syed is currently the General Manager-Personal Care Business Unit for Pakistan, Turkey, Bangladesh and Arabia (PTAB). Prior to becoming General Manager-PTAB, she was responsible for Unilever's North Africa cluster, based out of Cairo, which includes 12 emerging countries including Egypt and Morocco.

Earlier she was the global head of tea business and was on the board of Pukka Tea and Pepsi Lipton. She had been on the Board of Unilever Pakistan Limited as Chairperson & CEO as well as on the Board of Unilever Pakistan Foods Limited as CEO. She has a career spanning across 30 years in the FMCG sector and has worked in leadership roles in South East Asia, South Asia and Europe.

She was the erstwhile President of the Overseas Investor's Chamber of Commerce & Industry and has also served as a Director for the Pakistan Business Council. In addition, Shazia also contributed her time on the Advisory Council at the British Asian Trust, Advisory Board of Change-Pakistan and as a Trustee at the Duke of Edinburgh's Award Foundation.

Shazia is an active advocate for Diversity & Inclusion at workplace, with a vision to enable and facilitate working women from all backgrounds across all sectors.

She is Certified Director from the Pakistan Institute of Corporate Governance (PICG).





Tariq Rashid

Director

Mr. Tariq Rashid has been a Member of the Board of Directors of United Bank Limited since May 2017. He is the Chairman of Board Human Resource Compensation Committee (HRCC). He is also Member of Board Audit Committee (BAC) and Board International Committee (BIC). He is also a Director of Bestway Cement Limited.

Mr. Tariq Rashid has more than 30 years' experience in Management & Information Technology at senior levels. He spearheaded the setup of the IT infrastructure of mobile operator Mobilink (now Jazz) since inception. He led the IT organisation of Mobilink through different phases of Telecom industry's life cycle i.e. infancy, growth and consolidation and served as VP & Chief Strategy Officer for more than 5 years. He also served as a Director of Information Technology at HQ of Telecommunication company in Egypt. He successfully led few large business/technology transformation initiatives during his career.

He served as a Director on the Board of Mobilink Microfinance Bank and headed the Risk Committee. He served as Director on the Board of Mobile Number Portability Database (Guarantee) Limited. He also served as President on the Board of International School of Islamabad (ISOI) for more than 4 years.

He holds an engineering degree from the University of Engineering & Technology, Lahore and post graduate certificate in Computers from National Academy of Higher Education. He attended different management programs abroad and locally from institutes like IMD, INSEAD, MIT and LUMS.

He is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).



Muhammad Irfan A. Sheikh

Director

Mr. Muhammad Irfan A. Sheikh is a Member of the Board of Directors of United Bank Limited since July 2023. He is also a Member of the Board IT Committee (BITC), the Board Risk & Compliance Committee (BRCC) and the Board International Committee (BIC).

Mr. Sheikh is the Managing Director for Bestway Cement Limited, a company listed on PSX and Pakistan's largest cement producer, and a number of other Bestway Group companies in Pakistan. Prior to assuming the role of the Managing Director, he headed the Finance, Information Technology, Legal, Marketing and Communication functions at Bestway Cement Limited.

After graduating from the prestigious Hailey College of Commerce, University of the Punjab, Lahore; he proceeded to the U.K. where he studied accountancy from Thames Valley University and the Chartered Association of Certified Accountants.

Mr. Sheikh trained with a Top-10 Accountancy and Business Advisory firm in the U.K. before he joined the Bestway Group in 1996. He has been instrumental in Bestway Cement Limited's rise to the top and continues to play a vital role in Bestway Group's various Pakistani companies' growth and in maintaining the highest standards of discipline in all aspects of their business.

Mr. Sheikh is an ardent supporter of many social causes relating to education, health, women empowerment and arts & culture in Pakistan. He is a Trustee of Bestway Foundation, Pakistan and is also on the Board of Governors of the Foundation's various projects.

He is a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

Daniel M. Howlett

Director

Mr. Daniel M. Howlett has been a Member of the Board of Director of United Bank Limited since April 2023. He is a Member of the Board IT Committee (BITC) and Board International Committee (BIC). He is also Chairman Board Risk & Compliance Committee (BRCC).

Mr. Daniel M. Howlett is a highly experienced and dynamic senior front-line international banker. He has extensive experience of dealing with Board level responsibilities across international commercial and corporate banking, including transaction banking, structured lending and capital financing, private equity, and real estate. He has extensive c-suite access, both in the UK and internationally.

He has a proven track record of growth in both financial and market share terms and as an innovator and change agent in sectoral, coverage and product capabilities.

He is an Independent Governor of the University of Plymouth, a Non-Executive Director of Falcon Group, the Boparan Private Office, United Bank Limited UK, and Vice Chair of the UK's leading independent investment bank, Panmure Liberum.

Prior to this, he had a 32 years' executive career with HSBC, culminating in his role as Head of Commercial Banking for the Middle East, North Africa and Turkey and, immediately before that had been the Head of HSBC's Corporate Bank in the UK.

Daniel is a graduate from the University of Exeter.



Muhammad Jawaid Iqbal

CFA

President & CEO

Mr. Muhammad Jawaid Iqbal is the President & CEO of United Bank Limited since May 02, 2023.

Mr. Iqbal has over two decades of banking & capital market experience and has worked with large local banks at senior managerial positions.



PUTTING YOU FIRST

UBL'S COMMITMENT TO CUSTOMERS

At UBL, customers are at the heart of everything we do. We understand that banking isn't just about transactions—it's about people, their goals, and their financial well-being. That's why we are always evolving to offer better, faster, and more convenient services. Whether it's through digital banking, personalized financial solutions, or dedicated customer support, we are committed to making banking easier and more rewarding for you.



CHAIRMAN'S REVIEW REPORT TO THE MEMBERS

It gives me immense pleasure to share the financial performance and shareholder returns that UBL has delivered in 2024. I would like to express my utmost appreciation to our valued customer base, who have continued to place their faith in our organization and to our dedicated employees for their unwavering commitment which has helped us to deliver these strong results.

Growth in low-cost deposits, a strong investment portfolio and significant contribution from fee and commission income streams helped the bank to grow its revenues. UBL continues to lead the market in home remittances, unwavering trust of the Pakistani diaspora in the UBL brand.

UBL has maintained its competitive edge through our continued investment in technology and digital products. We are committed to our transformation journey, which includes implementing digital frontend platforms and bringing industry first features on the UBL digital app. These digitization and technology initiatives have resulted in enhancing our customer service offerings and leading the charge towards greater financial inclusion.



Sir Mohammed Anwar Pervaiz, OBE, HPk
February 19, 2025

DIRECTORS' REPORT TO THE MEMBERS 2024

On behalf of the Board of Directors, we are pleased to present the financial statements of United Bank Limited (UBL) for the year ended December 31, 2024.

Performance Overview

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 150.2 billion for the year ended December 31, 2024, with a strong growth of 39% year on year. Profit After Tax (PAT) stood at Rs. 80.5 billion for 2024 as compared to Rs. 53.2 billion for 2023 with Earnings per share (EPS) of Rs. 65.78 compared to Rs. 43.44 for last year. On a consolidated basis, UBL reported PAT of Rs. 75.8 billion (2023: Rs. 56.5 billion) with consolidated EPS of Rs. 61.39 (2023: Rs. 45.05). The growth in the overall bank in 2024 was supported by strong performance in both domestic and international operations.

The Board of Directors declared a final cash dividend of Rs.11.0 per share in their meeting held in Islamabad on February 19, 2025 bringing the total cash dividend to Rs.44.0 per share for the full year 2024.

Economy Review

2024 was a pivotal year of recovery and stabilization in Pakistan's economy. Post general elections in February 2024, a new coalition government took charge in March 2024. Subsequently, the country successfully reached a Staff-Level Agreement for a USD 7 billion, 37-month EFF IMF program in September 2024, ensuring vital financial support on the external front.

The country's external account position improved remarkably in 2024, with the current account posting a surplus of USD 912 million. This is the first annual current account surplus achieved since 2004. A major driver of the external account stability was worker remittances, which grew by 32% YoY to total USD 34.7bn in 2024. Although the trade deficit did increase to USD 23.4 billion this year from USD 19.5 billion in the previous year, a healthy 11% growth was witnessed in exports. IT exports grew by 34% to USD 3.6bn in 2024, a very promising trend. SBP's FX reserves climbed to USD 11.7 billion by Dec 2024, a notable increase of USD 3.5 billion from a year earlier.

The marked improvement in the external account provided the foundation for currency stability, with the FX rate holding steady in a narrow range of PKR 277-279/USD throughout 2024, providing a much-needed respite following the sharp devaluation of the previous two years.

A stable currency environment, high base effect, and sharp deceleration in food inflation helped overall inflation to trend downwards throughout the year. By December 2024, CPI inflation had fallen to 4.1% from 29.7% in December 2023. Food inflation decelerated even more dramatically to 1.4% in Dec 2024 from 29% in December 2023. The sharp decline in inflationary pressures provided the SBP with significant room to reduce interest rates. The benchmark policy rate fell by 9% in the year, from a high of 22% till June 2024 to 13% by Dec 2024. Subsequently, in January 2025, the SBP has further reduced the policy rate by 100 basis points to 12%.

The KSE-100 index welcomed the improvement in macro-economic conditions and closed at 115,126 points as of Dec'24, posting a remarkable 84% gain in the year. The Pakistan stock market was amongst one of the best performers globally in CY24.

Financial Performance

The Bank's gross revenues were Rs. 260.9 billion in 2024, a year on year growth of 48%. Net mark-up income was recorded at Rs. 173.4 billion, a 21% increase over the previous year. This was led by the expansion in UBL's current account and a strong portfolio of treasury bills and long-term bonds. Bank CASA deposits grew by 19% to Rs. 2.5 trillion in 2024, resulting in CASA to total deposits increasing from 88% in 2023 to 94% this year.

The Bank earned non-markup income of Rs. 87.5 billion in 2024 with a solid build up in core revenues.

Fees and commission income of Rs. 18.9 billion was earned in 2024, an overall growth of 8%. This was led by growth in trade income, debit and credit card fees and UBL's continued leadership position in the domestic home remittances. UBL recorded a gain of Rs. 7.1 billion on the sale of its shareholding in United National Bank Limited (UNBL UK).

The Bank's operating expenses recorded a 47% increase over 2023 and stood at Rs. 94.8 billion in 2024. This was mainly due to staff costs increasing by 58% to Rs. 37.8 billion. Property related expenses were up 22% at Rs. 11.9 billion, while IT expenses stood at Rs 8.8 billion with an increase of 21% as the Bank invests in its core systems infrastructure, digital offering and strengthening of its cyber security posture.

UBL recorded a net provision charge of Rs. 12.8 billion for 2024 against net provision charge of Rs. 1.3 billion in 2023 resulting from the implementation of IFRS 9 methodology as well as increased credit loss allowance charge taken on the domestic and international portfolios. Bank level Non-Performing Loans (NPLs) stood at Rs. 116.0 billion at Dec'24, (Dec'23: Rs. 105.5 billion).

The bank seeks to maintain an efficient capital base that provides a foundation for future growth as well as maintaining adequate buffers over regulatory requirements. 2024 saw a marked improvement in capital adequacy; consolidated CAR stood at 20.6% as of Dec'24 (Dec'23: 14.6%), with a buffer of 8.1% over the minimum regulatory requirement of 12.5%. The Common Equity Tier 1 (CET-1) ratio stood at 14.8% as of Dec'24 (Dec'23: 10.5%). The Total Tier 1 Capital ratio was measured at 15.5% at Dec'24 (Dec'23: 11.1%).

Technology & Digital

In 2024, UBL made significant strides in its technology transformation journey, focusing on enhancing customer and employee experiences, advancing cloud adoption, leveraging AI-driven insights, improving operational efficiency, and strengthening cybersecurity posture.

One of the key milestones include the successful implementation of the Digital Front-End Platform, which has enabled straight-through and paperless Customer Onboarding Journey. UBL has continued to enhance the quality of our technology eco-systems, through implementation of various automated solutions, enabling operational and cost efficiencies. Significant improvements were made to enhance system performance and service reliability. The Bank continued to make significant investments to enhance and strengthen the cyber security posture in line with our key priority of upholding the trust of our customers.

The UBL Digital App has continued to deliver a secure and seamless digital banking experience, supported by comprehensive security measures such as AI-backed mobile phone and biometric verification. UBL was successful in introducing the industry's first fully digital "Smart Account" which enables customers to open a bank account without any paper documentation, utilizing a user-friendly, straight-through process. In 2024, the Digital app saw a significant surge in both the volume and value of digital transactions with state-of-the-art offerings such as digital cheque, Tap n' Pay, and an Outward Remittance feature that allows account holders to send remittances within 48 hours.

To further enhance convenience and security, UBL introduced QR Code payments for both Person to Person and Person to Merchant transactions. We also launched a digital personal loan solution, utilizing customers' transaction history and financial profiles to determine eligibility.

In parallel with these customer-centric digital initiatives, UBL harnessed the power of Artificial Intelligence to optimize internal operations. In 2024, we launched UBL Digital Buddy, an AI-powered Chat Bot designed to support our staff with queries related to product information, schedule of charges, and internal policies and procedures.

Human Resources

2024 was a year of capacity building for UBL where staff strength was increased. To take care of staff, various measures including inflation allowance, fuel allowance and car benefit schemes were introduced. In view of the prevailing economic conditions in the country and the rising levels of unemployment, UBL pioneered a groundbreaking initiative of creating employment opportunities for non - graduate young Pakistanis who have not been able to complete their education on account of financial limitations. We have successfully onboarded over 2000 bright young minds and are also helping them to complete their undergraduate degrees alongside their work.

Credit Rating

VIS Credit Rating Company Limited (VIS) re-affirmed the entity ratings of UBL at "AAA / A-1+" (Triple A / A-One Plus) in June 2024. Furthermore, UBL's Additional Tier-1 (ADT-1) TFC has also been re-affirmed at 'AA+' (Double A plus). Outlook on the assigned ratings are 'Stable'.

Awards and Recognition

In 2024, UBL continued to set industry benchmarks, earning numerous prestigious accolades across financial services, digital innovation, marketing, and social impact. The State Bank of Pakistan named UBL the Top Bank in Pakistan Remittance Market, while J.P. Morgan Chase recognized its operational excellence with the STP Excellence Award 2024. UBL's digital leadership was underscored by the Best Mobile Bank App Award at the Pakistan Digital Awards 2024 and four wins at the Asia Banking and Finance Awards 2024, including Digital Transformation of the Year.

The bank's marketing and social initiatives also earned top honors, including a Silver Effie in Finance, the Social Impact Award at the IPR Awards in London, and seven wins at the GDEIB Awards. Further solidifying its standing in Islamic finance, UBL was globally recognized for Ameen Esaar, winning Best New Islamic Product Launch of the Year at the Global Islamic Finance Awards 2024. These achievements highlight UBL's continued commitment to innovation, excellence, and leadership.

Future Outlook

Looking ahead, UBL will continue to invest in its branch network. The Bank will continue to target low-cost deposits to maximize the earnings potential of its balance sheet. Our

transformation strategy has been pivotal to our success in 2024 with technology, processes and data analytics driving business decisions and which will remain a key priority going forward. With increased focus on speed, stability, security and sustainability, our technology platforms will enable us to position UBL for continued growth and resilience in an ever-evolving financial landscape.

Corporate Governance

The Board of Directors is committed to ensuring that the requirements of corporate governance set by the Securities and Exchange Commission of Pakistan are fully met. The Bank has adopted good corporate governance practices and the Directors are pleased to report that:

- The financial statements, prepared by the management of the Bank, present fairly the state of affairs of the Bank, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable to banks in Pakistan, have been followed in preparation of financial statements without any departure therefrom.
- The system of internal control in the Bank is sound in design and is effectively implemented and monitored.
- There are no significant doubts regarding the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Performance highlights for the last six years are attached to these unconsolidated financial statements.
- Profit amounting to Rs.8.1 billion has been transferred to Statutory Reserve for the year 2024.
- The Board of Directors consists of eight* (8) male, including President & CEO and one (1) female member. The detailed composition of the Board is given in paragraphs 1 and 2 of the Statement of Compliance with the Code of Corporate Governance.
- An evaluation of the performance of the board and its sub-committees was conducted in line with the applicable regulatory framework and best practices.
- Details of Directors' training programs are given in the Statement of Compliance with the Code of Corporate Governance. The Statement of Compliance with the Code of Corporate Governance.
- The Non-Executive Directors, including Independent Directors, are eligible for fees and travelling related expenses for attending meetings of the Board and its Committees, as approved by the Shareholders.

The Board has constituted the following six Committees with defined Terms of Reference (ToRs):

Board Audit Committee (BAC):-

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

BOARD HUMAN RESOURCE COMPENSATION COMMITTEE (HRCC): &

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

BOARD RISK & COMPLIANCE COMMITTEE (BRCC):

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

BOARD IT COMMITTEE (BITC):

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

BOARD 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

BOARD INTERNATIONAL COMMITTEE (BIC):

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

A brief description of the core functions under the ToRs of each sub-committee are as follows:-

Board Audit Committee (BAC):

The primary activity of the board audit committee is to provide oversight of the financial reporting process, the audit process as well as the system of internal controls and compliance with laws and regulations. The committee reviews the results of audits with the Bank's management as well as the external auditors. The committee also reviews the scope and extent of internal audit, audit plan, reporting framework and procedures and ensures that the internal audit function has adequate resources and is appropriately placed within the Bank. The committee also provides oversight and review of the internal control over financial reporting (ICFR) system for effective implementation and its upgrade.

Board Human Resource & Compensation Committee (HRCC):

The committee is responsible for recommending to the Board the overall remuneration mechanism and policy across the Bank and ensuring that the policies are aligned with regulatory requirements. The purview of the committee includes the review of the overall compensation and benefit structure, including material risk takers (MRTs) and material risk controllers (MRCs), headcount levels, as well as recommending human resource management policies to the Board. The committee is also responsible for recommending to the Board a

policy framework for determining remuneration of directors, executive and non-executive directors, and members of senior management in accordance with relevant prevailing regulatory guidelines.

Board Risk and Compliance Committee (BRCC): - The The committee is responsible for setting the overall risk management framework and ensuring the evolution and effectiveness of all risk management policies in line with the changing economic climate for risk mitigation. The committee oversees the overall risk management function across the Bank and ensures compliance with various risk management policies through operational risk and Basel, treasury and market risk, credit risk and credit policy functions. Furthermore, the committee also monitors the effectiveness of the risk management function to ensure compliance with regulatory risk requirements including effective safeguards against financial crimes.

Board IT Committee (BITC): - The Committee is responsible for providing an effective governance framework to ensure that the Bank's technology function enables the achievement of corporate strategies and objectives. The Committee communicates to the Board the progress of the technology activities and digital initiative being undertaken across the Bank. Furthermore, the Committee is also responsible for ensuring that risk management strategies are designed and implemented to effectively respond to wide-scale disruptions, as well as managing Information Technology (IT) and Cyber Security Risks.

Board Nomination Committee (BNC): - The primary responsibility of the Committee is to review the nomination of directors, including their profile, academic background, skills, knowledge and experience. The Committee is responsible for reviewing the overall structure, size and composition of the Board and its committees and to make recommendations to the Board in this regard. The Committee also makes recommendations for filling casual vacancies on the board and board subcommittees and monitor the annual board evaluation process as per regulatory requirements.

Board International Committee (BIC): - The Committee has been constituted primarily to review the overall strategy of the Bank with special reference to its International Operations and global positioning.

Directors appointment and nomination

The directors of the Bank are elected by the shareholders while casual vacancies are filled by the directors in accordance with the articles of association and the applicable laws and regulations. Furthermore, every new director has to pass through the assessment criteria of 'Fit and Proper Test' as set and advised by the State Bank of Pakistan.

While appointing a director, it is ensured that the Board is well structured comprising of members who have diversified experience, suitable knowledge, appropriate skill set, expertise and competency related to the Bank's operations, creating an effective decision making body. It is also ensured that the Board contains appropriate mix of non-executive, independent and female members that meet all the requirements of the applicable laws and regulations regarding diversity, size of the board and have no material conflicts of interest.

Active role of Independent Directors is ensured to enhance the overall effectiveness of the Board. While selecting and appointing independent directors, the applicable provisions of the laws, rules and regulations are meticulously complied with. Independent Directors are selected to demonstrate the transparency and fairness in their role and also to provide an objective and independent judgment in the best interest of the Bank.

The profiles of each director, including their qualification, expertise, past work experience along with their status as well as their membership on board(s) / Shariah Board(s) of other companies is included in the directors' profile in the Annual Report.

Board Performance Evaluation

To comply with the requirement of BPRD Circular No. 05 of 2021 dated November 22, 2021 - The Corporate Governance Regulatory Framework, a formal process of evaluation of performance of the Board as a whole and its committees has been framed and implemented according to the prevailing regulatory instructions.

Compensation of Directors

Considering the requirements of Corporate Governance Regulatory Framework guidelines issued by State Bank of Pakistan through the circular # BPRD Circular No. 05 dated Nov 22, 2021, the Board approved the revisions in the Directors' Remuneration Policy in its meeting held on February 23, 2022 and recommended the same to the General Meeting for its final approval. The latest revision of the policy was approved by the Directors in their meeting held on March 29, 2023 and has been recommended to the General Meeting for its post facto approval, as per the requirements of the applicable regulatory instructions. Under this policy, non-executive directors, including the Chairman will be eligible to receive an amount of Rs.800,000/- for attending each meeting of the Board and/or its committees. In addition to the meeting fees, the Chairman of the Board / Committees will be entitled to an amount equal to 20% of the Board / committee meeting fee for holding the office of the Chairman. The policy also covers traveling, logistics and accommodation expenses as well as daily allowance entitlements.

The details of compensation of directors in 2024 are disclosed in Note 41.2 to the unconsolidated financial statements.

Meetings of the Board

During the year under review, the Board of Directors met six (6 times). The number of meetings attended by each Director during the year is shown below:

Name of the Director	Designation	Meetings Attended
Sir Mohammed Anwar Pervez, OBE, HPk	Chairman	5
Lord Zameer M. Choudrey, CBE, SI Pk	Director	6
The Honourable Haider Zameer Choudrey	Director	6
Mr. Rizwan Pervez	Director	6
Mr. Daniel Michael Howlett	Director	6
Mr. Tariq Rashid	Director	6
Ms. Shazia Syed	Director	6
Mr. Muhammad Irfan A. Sheikh	Director	6
Mr. Muhammad Jawaid Iqbal	President & CEO	6

Meetings of Board Committees

The number of Board Committees' meetings held during the year and the number of meetings attended by the directors is shown below:

	BAC	BRCC	HRCC	BITC	BIC*	BNC
Number of meetings held	4	4	4	4	4	1
Number of meetings attended:	-	-	3	-	3	1
Sir Mohammed Anwar Pervez, OBE, HPk	-	4	4	-	4	1
Lord Zameer M. Choudrey, CBE, SI Pk	-	4	4	-	4	1
The Honourable Haider Zameer Choudrey	4	-	-	4	4	1
Mr. Rizwan Pervez	4	-	-	4	4	-
Mr. Muhammad Irfan A. Sheikh	-	4	-	4	4	-
Mr. Daniel Michael Howlett	-	4	-	4	4	-
Mr. Tariq Rashid	4	-	4	-	4	-
Ms. Shazia Syed	4	-	4	-	4	-
Mr. Muhammad Jawaid Iqbal	-	4	-	4	4	-

No Director or Committee member absents himself/herself from any meeting except under the leave of absence in line with the applicable regulatory instructions.

The Bank operates five funded retirement schemes which are the Provident Fund, Gratuity Fund, Pension Fund, Benevolent Fund and General Provident Fund.

The values of the investments of these funds, based on their latest audited financial statements as at December 31, 2023, are as follows:

Fund Name	Rupees in '000
Employees' Provident Fund	7,476,434
Employees' Gratuity Fund	1,602,840
Staff Pension Fund	12,008,354
Staff General Provident Fund	690,725
Officers / Non-Officers' Benevolent Fund	302,844

Pattern of Shareholding

The pattern of shareholding as at December 31, 2024 is given below:

Shareholders	No. of Shares	% of Ordinary Shares
Bestway Group (BG)	784,022,042	64.04%
General Public & Others	352,325,359	28.78%
Banks, DFIs & NBFIs	17,678,799	1.44%
Insurance Companies	53,651,802	4.38%
Mutual Funds	15,530,860	1.27%
International GDRs (non-voting shares)	969,111	0.08%
Finance Division, Ministry of Finance, Govt. of Pakistan	1,714	0.00%
Total Outstanding Shares	1,224,179,687	100.00%

The aggregate shares held by the following are:

	No. of Shares
a) Associated Companies, undertakings & related parties	
- Bestway International Holdings Limited *	631,728,895
- Bestway Cement Limited	118,693,799
- Providus Capital (Pvt) Limited	43,055,000
- Other related parties	51,709,259
b) Mutual Funds **	15,530,860
c) Directors & CEO ***	
- Sir Mohammed Anwar Pervez, OBE, HPk	13,215,368
- Lord Zameer M. Choudrey, CBE, SI Pk	8,104,041
- The Honourable Haider Zameer Choudrey	3,176,500
- Mr. Rizwan Pervez	546,545
- Mr. Muhammad Irfan A. Sheikh	650,000
- Mr. Daniel Michael Howlett	2,500
- Mr. Tariq Rashid	2,500
- Ms. Shazia Syed	2,500
- Mr. Muhammad Jawaid Iqbal	533,330
d) Executives	533,330
e) Public sector companies, corporations and others	265,362,989
f) Banks, DFIs, NBFIs, Insurance Companies	71,330,601

* The Bank is a subsidiary of Bestway International Holdings Limited which is incorporated in the Guernsey.

** Name wise detail of Modarabas & Mutual Funds is annexed with Categories of Shareholders.

Shareholders holding 5% or more voting rights	No. of Shares	%
Bestway International Holdings Limited	631,728,895	51.60
Bestway Cement Limited	118,693,799	9.70

Trades in the shares of UBL carried out by Directors, Executives and their spouses and minor children are annexed along with the Pattern of Shareholding.

Shariah Board

The details relating to Shariah board and its members required to be disclosed in the Director's Report are covered in the Report of Shariah Board as part of the Annual Report

Remuneration Framework

In compliance with regulatory guidelines, UBL has a comprehensive remuneration policy to ensure that the Bank's remuneration practices attract, retain and reward the best talent, are in compliance with regulatory guidelines and are aligned with the Bank's overall strategic objectives.

UBL's Board of Directors has the overall responsibility for reviewing, approving and monitoring the implementation of the remuneration framework, based on the recommendations of the Board Human Resource and Compensation Committee (HRCC).

The Bank offers a remuneration structure comprising of both fixed and variable elements. Some of the key features of the remuneration structure are as follows:

Fixed remuneration: This comprises of the base salary, including any annual increments, and role-based fixed allowances, if applicable. Fixed remuneration does not vary with performance and is payable in cash.

Variable performance-based remuneration: These are determined based on the Bank's overall performance, profitability of the respective business unit and the employee's individual performance. Such remuneration takes the form of annual or periodic bonuses and sales incentives.

Other Benefits: These are awarded based on individual employment contracts and local market practices. These may include staff loans, expense allowances / reimbursements, life insurance, medical care and relocation allowances amongst others.

Sign-on / Joining Bonus: This is considered as part of variable pay and is granted only in exceptional cases in accordance with HR policies.

Severance pay: These are part of an employee's variable pay and includes any payment made to employees at the time of their retirement, separation or termination of contract over and above their normal retirement, separation or termination benefits.

Material Risk Takers (MRTs) and Material Risk Controllers (MRCs)

The criteria for an employee to be designated as an MRT / MRC has been developed in accordance with regulatory guidelines and best practices. MRTs and MRCs are identified as functions and designations having appropriate level of authority and control within the Bank. MRCs have appropriate level of authority and control and are duly governed by approved organograms having clearly defined independent reporting lines.

MRTs and MRCs include employees and designations entailing; President and CEO, members of management teams reporting directly to the President and CEO, members of critical management committees, heads of critical functions responsible for managing businesses, risks and controls, country heads of overseas branches. MRTs and MRCs also include employees taking decisions, which may affect the Bank's exposure to credit risk, market risk, operational risk and liquidity risk based on appropriate materiality levels.

MRT and MRC performance is measured using risk-adjusted balanced scorecards, ensuring correlation and alignment of risks and rewards, incorporating various financial and non-financial, qualitative as well as 'risk-adjusting' factors. Each category within the scorecard includes multiple factors and KPIs which is assessed based on appropriate benchmarks and

targets. Ratings are assigned to MRTs and MRCs based on this risk-adjusted performance assessment. These scorecards are reviewed every year, with interim reviews carried out in case of any significant changes in underlying circumstances

Remuneration of MRTs and MRCs

The compensation structures for MRTs and MRCs is determined and proposed by the Human Resources department which ensures an appropriate balance between fixed and variable pay, considering the employees position, roles and responsibilities, as well as performance against financial and non-financial objectives and KPIs. The compensation for MRTs and MRCs includes fixed and variable elements similar in structure to the Banks' remuneration policy for all employees.

Fixed remuneration comprises of base salary, increments and role-based fixed allowances if applicable. The Human Resources department drives an appropriate benchmark using external market data, in order to ensure the appropriateness of the fixed remuneration to attract and retain employees.

Variable remuneration is performance based, similar to the Bank's other employees.

The employee score can be adjusted downwards for elements of underachievement in financial performance, undue risk exposure, customer related issues, audit / internal controls and compliance ineffectiveness.

Deferral Mechanism

A certain portion of the MRTs and MRCs variable compensation will be withheld for a defined period whereas remaining portion of the variable compensation shall be paid up-front. This is aimed at aligning the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance. The deferral percentage is 20% for all MRTs and MRCs, while the deferral period for all MRTs and MRCs will be three years, and will be paid on vesting, proportionally through yearly installments, during the deferred period.

Risk Management Framework

UBL's Risk and Credit Policy Group has the following verticals:

- Credit Risk Department
 - Corporate Risk
 - SME Risk
 - Financial Institution Risk
 - International Risk
- Credit Policy and Research Department
- Market & Treasury Risk and Basel Department
- Operational Risk
- Consumer Risk
- Credit Administration Department
- Information Security
- Environmental, Social & Governance

The Bank's risk governance is exercised through the following committees:

1. Management Risk Committee
2. Information Technology Steering Committee

Management Risk Committee (MRC) is chaired by the President/CEO and comprises Heads of Risk, Business, Finance, Treasury and Operations. Other stakeholders may be invited to attend if deemed necessary. The MRC functions as a management-level committee responsible for the oversight and review of the bank's risk management framework.

The Information Technology Steering Committee is chaired by the Deputy CEO and comprises Heads of all Groups. The Committee is responsible for reviewing and undertaking strategic information and cyber security related reviews.

The Credit Risk Division is responsible for managing and overseeing risk across corporate, SME, financial institutions, and international portfolios. It plays a pivotal role in reviewing and approving credit proposals, ensuring that the bank maintains a high standard of credit quality through effective portfolio management. Additionally, the division actively monitors ongoing credit performance, identifying potential risks and raising timely alerts when necessary.

In line with the SBP Risk Governance Framework for Overseas Operations, the risk management function for the **International division** is being managed from Head Office. During the year, several initiatives such as selective onboarding of high-quality assets within advances, focus on cost efficiencies, proactive portfolio management, mapping of policies with domestic structure as well as gap analysis of local regulatory guidelines continued.

The **Consumer Credit** portfolio has continued to sustain its steady growth under a well-managed risk environment. The controlled level of portfolio delinquencies is owed to robust portfolio management for NPLs including but not limited to stress testing. Periodic review of policies along with automation in risk management procedures ensured a well aligned risk and reward profile of the portfolio.

The role of **Market & Treasury Risk** includes defining and implementing a market risk management framework to systematically identify, assess, monitor, mitigate, and report market related risks. The day-to-day market risk management activities are being performed through use of effective risk management tools and processes. The aim of risk identification and assessment is to mitigate the risk impacts on bank's financial earnings, long-term strategic goals, and institution reputation with a mindset to facilitate business growth within a controlled and transparent overall risk management framework.

The objective of the Bank's **liquidity risk** management framework is to ensure that the Bank is able to fulfill its payment obligations at all times and manage its liquidity risk within the defined tolerance level. The framework entails a comprehensive Liquidity Risk Procedural Manual and well-defined procedures along with an effective Contingency Funding Plan. Senior management oversight of market and liquidity key risk indicator(s) are managed through the GALCO committee.

The Bank, at all times, has maintained its Capital Adequacy Ratio (CAR) well above the regulatory thresholds under the prescribed Basel-III regulations, inclusive of all applicable buffers. The Bank is classified as a Domestic Systemically Important Bank (D-SIB) and remains compliant to the additional supervisory requirements as laid down in the framework. The Internal Capital Adequacy Assessment Process (ICAAP) Framework is well defined and is reviewed on an annual basis.

UBL has a dedicated **Information Security** Division, functioning within Risk and Credit Policy Group who manages information security risks to protect the technology and information assets by preventing, detecting and responding to threats, both internal and external.

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, human factors or from external events. The Bank's businesses are dependent on the ability to process a large number of transactions efficiently and accurately.

Operational risk is primarily responsible for the oversight of operational risk management across the Bank. The operational risk management framework of the Bank is governed by the operational risk management policy and procedures, while the implementation is supported by an operational risk management system and designated operational risk coordinators within different units across the Bank.

Further, as part of Bank's ongoing commitment to enhance Bank's services and to ensure Bank-wide risk awareness culture, Operational Risk has also organized special workshops/classroom trainings tailored for Pan Pakistan branch operations team.

UBL has a dedicated **Information Security** function within the Risk and Credit Policy Group, tasked with managing information security risks. The division protects the Bank's technology and information assets by proactively preventing, detecting, and responding to both internal and external threats.

The Information Security function consists of the following Units:

- Information Security Governance, Risk & Compliance (GRC)
- Infrastructure & System Security
- Vulnerability Assessment & Penetration Testing
- Cyber Security Monitoring & Incident Response

The Information Security GRC unit is crucial in developing and maintaining the bank's Information Security Governance framework. It regularly conducts risk assessments to identify and evaluate cybersecurity risks, offering recommendations for mitigation. Additionally, it oversees security compliance, risk management, and the creation and implementation of security policies, procedures, guidelines, and standards.

The System & Infrastructure Security and Vulnerability Assessment & Penetration Testing units proactively assess the security of the bank's information systems and infrastructure by simulating realworld hacking scenarios. Addressing vulnerabilities promptly is essential to enhancing the bank's cybersecurity posture.

The Cyber Security Monitoring unit ensures 24/7 surveillance, detecting cyberattacks, intrusion attempts, and suspicious activities. This continuous monitoring is vital for responding swiftly to threats targeting the bank's infrastructure.

To counter social engineering frauds, the bank conducts regular awareness campaigns, offering training on security topics like phishing, identity theft, and online fraud through various platforms, such as L&D portals and phishing simulation exercises. These efforts aim to raise awareness among both internal and external customers, equipping them to address security challenges.

As cybersecurity becomes increasingly complex, with hackers evolving alongside current solutions, the bank acknowledges the growing reliance on technology, particularly in digital banking. To stay ahead, the bank will continue prioritizing the security of its data and ICT systems through a three-tiered approach:

- Maximize the value of existing security solutions.
- Monitor emerging trends and deploy necessary security controls.

Continuously strengthen the in-house team to ensure effective utilization of security measures, ensuring the bank's protection every day.

Sustainability at UBL in 2024

In line with UBL's dedication to the principles of ESG, the bank's sustainability efforts support initiatives that positively impact and empower communities. Throughout 2024, UBL contributed to various projects within its core sustainability focus areas—education, healthcare, and community welfare. In education, the bank sponsored scholarships for deserving students and provided essential infrastructure for the development of educational institutions. In healthcare, UBL offered free medical services to patients and donated critical medical equipment to hospitals. As part of its community welfare initiatives, the bank supported small-scale livelihood projects, vocational training, and organized a food drive to assist families during Ramadan. Additionally, UBL fostered employee involvement in community welfare efforts, with teams across Pakistan volunteering and becoming pillars of support in their communities.

Statement of Internal Controls

The Board is pleased to endorse the statement made by the management relating to Internal Controls over Financial Reporting (ICFR) and also the overall internal control environment. The Statement on Internal Controls is also included in the Annual Report.

Auditors

The present auditor, M/S. EY Ford Rhodes retire, and being eligible, offer themselves for reappointment at the Annual General Meeting after the expiration of their term.

The Board of Directors and the Board Audit Committee recommend the appointment of M/S EY Ford Rhodes as the external auditors for the financial year 2025 at a fee of Rs. 20 million, while out of pocket expenses and taxes would be paid on actuals.

Conclusion

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

For and on behalf of the Board,

Muhammad Jawaid Iqbal
President & CEO

Islamabad,
February 19, 2025

Daniel Michael Howlett
Director

سوشائیں نگ پہنچ دیکھ دی سے مقابله کرنے کے لیے بینک باقاعدگی کے ساتھ آگاہی کی پیش کرتا ہے جس میں سکوئری کے منصوبات ملائیں، شاخت چوری اور مختلف پلٹ فارمز، ایڈ پولٹ اور فنگ سویٹشن متفقون کے ذریعے کی جانے والے آن لائن فراؤ متعلق تربیت فراہم کرتا ہے۔ پیشیں دراصل اندر وی اور بروڈ بندوں طرح کے صافین میں آگاہی پیدا کرنے کے لیے تاکہ انھیں سکوئری چیلنج سے مقابله کے لیے تیار کیا جاسکے۔

جس طرح وقت کے ساتھ ساتھ سایبر سکوئری پیچھے ہوتی جا رہی ہے اور ہمیکر نے سلوشنز کے ساتھ آگے بڑھ رہے ہیں لہذا اپنے یونیورسٹی میں ڈیجیٹل ایڈنیشنل ڈیجیٹل ایڈنیشنل پر بڑھتے ہوئے انحصار کو تسلیم کرنا کے لیے بینک اپنے ڈیجیٹل ایڈنیشنل ICT سٹریکٹی کی کمیٹی کو تین سطھی طبقہ کارکے ذریعے ترقی دیتا ہے گا۔

- موجودہ سکوئری سلوشنز کو زیادہ اہمیت دینا۔
- نئے اہمترے رحمات کی تکمیل اور ضروری سکوئری کی تکمیل کو نافذ کرنا۔

روزانہ کی بندوں پر بینک کے تحقیق اور خلائق اقدامات کے موثر استعمال کو پیش نہ کرنے کے لیے ان باؤس میں کو تسلیل کے ساتھ چھوٹو ہوتا ہو گا۔

2024 میں یوبی ایل کی پانیداری یوبی ایل کے وقف کردہ ESG کے اصولوں کے مطابق اس کا حصہ بننے کے حکم کے ساتھ، بینک کا پانیداری کا ابھی ایسے فلاہی مقاصد کی حیات کرنے پر مبنی ہے جو کمیٹی کو ثابت اندماز میں متاثر اور غافل کرتے تھے تیز سال 2024 کے دوران یوبی ایل نے اپنے نیا دی پانیداری کے علاقوں پر توجہ مرکوز کرتے ہوئے تعمیم، بھت اور کوئی نئی کیفیت دینے والے مخفی صوبوں میں حصہ لیا۔ تعمیم میں بینک نے شعبے میں بینک کے ساتھ اسکے متعلق معاملات بھی فراہم کی۔ بھت کے شعبے میں یوبی ایل نے مریضوں کو منتظر ٹھیک سیویات فریم کیں اور اپنالوں کو اہم و ضروری طبقی سامان بھی مہبیا کیا۔ اپنی کمیٹی کی فلاہ و بہبود کے لیے کوشش کو تینی باتیں ہوتے ہوئے بینک نے چھوٹے چیزوں پر وسگار کے منصوبوں اور قومی تربیت میں معاہدت فراہم کی اور ماہ رمضان کی دران خاندانوں کی مدد کرنے کے لیے نوٹ ڈاریوں کا بھی اہتمام کی۔ مزید رہا، یوبی ایل نے کمپنی کی فلاہ و بہبود کے لیے لازمیں کی شمولیت کو فروغ دیا جس سے پاکستان بھر میں موجود ٹیکنالوژیوں نے رضا کارانہ حصہ لیا اور اب وہ اپنی کمیٹی کو معاہدت فراہم کرتے ہوئے ایک مضبوط ستوں بن گئی۔

ایمیٹسٹ برائے اندر وی انصباط ایمیٹسٹ برائے فائلر پورٹگ (ICFR) اور جوئی اندر وی انصباط میں متعلق اخلاقی میرے بیان کی تشقیق کرتے ہوئے خوش ہو رہی ہے اسے ایمیٹسٹ برائے اندر وی انصباط سالانہ پورٹگ میں شامل کی گئی ہے۔

آڈیٹور بینک کے موجودہ آڈیٹ کمیٹی نے ریٹائر ہونے کے بعد اہلیت کی بنیاد پر سالانہ اجلاس میں اپنی خدمات دوبارہ بینک کو پیش کیں۔

بورڈ آف ڈائریکٹرز اور بورڈ آف ڈائریکٹیوں کی میٹنگ 2025 کے لیے بینک کا یہ دنیا بھر کے میٹنگ میں روپے کی قیمت پر میں اسے ایمیٹسٹ برائے اندر وی انصباط کی مظہوری دی، جبکہ مصارف کا اور ٹکس برتاؤں اصل ادائیگی جائیں گے۔

اختتمیہ بورڈ آف ڈائریکٹرز کی جانب سے، یوبی ایل کے شیئر ہولڈر اور صارفین کا شکریاً اور کارناچاں گے جھوں نے بھیش یوبی ایل برائے ملسل اعتماد اور یوبی ایل اس اضاف کے ساتھ اپنے عہدوں خلص کو جھایا ہے۔ ہم مسلسل رہنمائی اور معاہدت پر کھوٹ کا ٹکس پاکستان، اسیٹ بینک آف پاکستان، سکوئری ٹیکنالوژیز ایڈنیشنل کمیٹی آف پاکستان اور دیگر ریگویڈر اداروں کا بھی جھوٹ دل سے شکریاً اور کارناچاہتے ہیں۔

برائے اڈر اٹر فلٹ بورڈ

محمد جاوید اقبال
صدر اداری ایڈنیشنل

اسلام آباد،

2025 فروری

STRENGTHENING THE NATION UBL'S COMMITMENT TO PAKISTAN

A strong banking system plays a crucial role in building a resilient economy, and UBL has been a proud contributor to Pakistan's financial growth for decades. By supporting key industries, driving investments, and enabling financial inclusion, we continue to play our part in the country's progress. From empowering businesses to facilitating infrastructure development, UBL remains committed to fostering economic stability and creating opportunities that benefit people and the nation as a whole.



UNITED BANK LIMITED (UBL) ESG & SUSTAINABILITY REPORT SUMMARY

At UBL, our commitment to sustainability encompasses environmental, social, and governance (ESG) principles to create long-term value for all stakeholders. We align our goals with the United Nations Sustainable Development Goals (SDGs) and focus on responsible corporate citizenship, driving a positive environmental impact, supporting local communities, and upholding robust corporate governance.

OUR ESG PROGRAM

UBL integrates ESG principles into its core business processes, promoting sustainability and ethical practices that benefit society and the bank. The ESG Risk Management and Governance Framework ensures responsible decision-making, allowing UBL to allocate resources effectively and mitigate risks. Through this framework, UBL enhances its social and environmental contributions while supporting long-term growth and stability.

Our corporate philosophy incorporates ESG objectives, focusing on creating tangible, lasting societal impact. UBL is committed to translating its vision into actions that benefit current and future generations, emphasizing environmental stewardship, social equity, and transparent governance.

ESG HIGHLIGHTS 2024

UBL has continually prioritized sustainability through various initiatives:

ENVIRONMENTAL INITIATIVES (E)



Paperless Banking
550,406 digital accounts were opened as part of the Digital and Paperless Banking initiative.



Renewable Energy Investment
UBL has a current exposure of PKR 9 billion in renewable energy projects like wind, solar, and biomass.



Energy Conservation
All branches converted to LED lighting, with awareness campaigns on energy conservation.



Solar Energy Conversion
163 branches switched to solar power to reduce reliance on conventional energy.



Tree Plantation Drive
UBL sponsored a tree plantation initiative, planting over 600 trees in collaboration with Air Weapons Complex.



Branchless Banking (Omni Accounts)
18,080 Omni accounts opened to offer a branchless banking solution, supporting energy conservation and easy banking.



Deforestation Prevention
UBL discourages financing clients involved in deforestation.

SOCIAL (S)



Maternity Leave Extension
Maternity leave was extended from 3 to 6 months.



Raising Awareness
Conducted a month-long internal and external communication campaign for Breast Cancer Awareness.



Engaging Communities
Sustainability activities were carried out throughout the year in areas of education, healthcare and community welfare.



Workforce Diversity
23% of the workforce is female, with a goal of 45% by 2025.



SheRise Development Plan
Multiple training sessions were conducted, and SheRise WhatsApp groups were created for the Central, North, and South regions. An email for SheRise was also developed to empower women and facilitate quick communication of problems and harassment complaints.



Employee Health & Safety
Benefits include medical insurance, marriage grants, and extended family support.



Youth Empowerment
UBL pioneered an initiative to hire undergraduate students as permanent staff, offering opportunities for young talent.

GOVERNANCE (G)



Governance & Integrity
All employees are trained annually on risk and compliance.



Regulatory Compliance
UBL adheres to local (SBP, SECP) and international regulations across its operational regions (UAE, Bahrain, Qatar).



Board Diversity & Independence
The board includes a diverse range of expertise, with separate roles for the Chairman and CEO.



Ethics and Code of Conduct
Annual revisions to the code of conduct ensure ethical practices across UBL's operations.

Strategic Priorities

UBL's ESG strategy aligns with its corporate values, with a focus on integrating ESG considerations into business decisions, ensuring long-term sustainability. Key strategic priorities include:

1. ESG Risk Management & Governance Framework: A robust framework guides decision-making by setting risk appetites, materiality assessments, policies, and reporting practices.
2. Product & Service Analysis: UBL systematically identifies environmental and social risks in its products and services, enabling timely risk management.
3. Integration of E&S Risks in Credit Assessment: Environmental and social risks are embedded in UBL's credit risk process to ensure financial stability and alignment with sustainability goals.
4. Capacity Building: Enhancing compliance with ESG standards fosters a culture of sustainability across UBL.
5. Financial Crime Prevention: This initiative ensures strong governance and customer trust, supporting long-term sustainability.
6. Human Rights: UBL upholds human rights within its ESG responsibilities, addressing risks and opportunities in the banking sector.
7. Employee Engagement & Culture: UBL fosters a positive work environment, which enhances employee retention, productivity, and success.
8. Technology Resilience: Cybersecurity and data protection are prioritized to maintain trust and ensure business continuity.
9. Fair Treatment of Customers: UBL ensures transparent and respectful treatment of customers, strengthening loyalty and trust.
10. Green Facilitation: UBL focuses on green finance solutions, supporting environmental stewardship and sustainable growth.
11. Resource Efficiency: UBL optimizes energy, water, and resource usage to reduce its environmental footprint.
12. Carbon Footprint Calculation: UBL tracks and reduces greenhouse gas (GHG) emissions to contribute to global climate goals.
13. Data Aggregation & Reporting: Transparent reporting helps UBL meet regulatory requirements and demonstrates its commitment to sustainability.
14. Stress Testing & Scenario Analysis: UBL uses scenario analysis to assess and mitigate future ESG-related risks.
15. Integration of E&S Risks into Operational Risks: E&S risks are integrated into market, liquidity, and operational risk management for holistic decision-making.
16. Regulatory Compliance: UBL prioritizes regulatory compliance, reinforcing its position as a responsible financial institution.
17. Diversity and Inclusion (D&I): Embracing a diverse workforce drives innovation and supports long-term success.

ESG Risk Management and Governance Framework (ESG RMGF):

UBL has implemented the ESG RMGF to integrate ESG risks into core business processes. This proactive framework guides the

bank's activities, ensuring social and environmental risks are identified and mitigated. It includes due diligence procedures before loan approval, and throughout the loan term, fostering sustainable operations and risk management.

The ESG RMGF ensures that UBL upholds its commitment to ESG principles, strengthens its risk management capabilities, and aligns with global sustainability trends. By embedding ESG considerations into its daily operations, UBL contributes to both business stability and global sustainability goals.

ESG Materiality Assessment

Materiality is an important principle that ensures we remain focused on the sustainability-related risks and opportunities, that support our resilience and ability to create long-term value.

UBL is committed to sustainable and responsible banking, recognizing the importance of managing environmental, social, and governance (ESG) risks and opportunities for long-term success. Through this Materiality Assessment, we have identified and prioritized key ESG factors that support both our business growth and the fulfillment of international standards & legal requirements. This approach enables us to design a sustainable strategy, prioritization, set targets, and create opportunities while ensuring alignment with both business objectives and global sustainability requirements.

UBL Environmental and Social (E&S) Commitment: A Comprehensive Sustainability Approach

Environmental Responsibility:

UBL recognizes the importance of environmental responsibility and actively works to mitigate ecological risks through strategic initiatives. The bank has integrated various efforts, such as efficient energy management, investment in sustainable projects, ethical financing, and the protection of natural resources, into its operations. By focusing on these actions, UBL demonstrates its commitment to responsible banking practices and environmental stewardship.



I. Environmental and Social (E&S) Due Diligence Process

UBL has implemented a rigorous E&S due diligence process to ensure that its activities and investments align with its sustainability goals. This process includes several key steps:

Developing Sustainable Lending & Investment Framework

1. Reviewing Information: UBL gathers and analyzes available documentation regarding environmental and social risks, ensuring that relevant information is considered when making decisions.
2. Site Inspections and Interviews: On-site inspections are conducted, and interviews with the borrower's personnel and stakeholders are carried out to assess the environmental and social impacts of the business.
3. Performance Analysis: UBL evaluates business activities against local regulations and international standards, assessing the environmental and social performance of the borrower.

4. Identifying Gaps and Actions: Any gaps in the borrower's environmental and social management practices are identified. UBL works with borrowers to implement mitigation actions, and monitors progress to ensure that risks are effectively managed.

II. E&S Risk Assessment Methodology and Model

- Risk Identification: Identifying key ESG risks, such as those related to environmental impacts, social responsibility, and governance challenges.
- Risk Evaluation: Assessing the likelihood and potential impact of identified risks, helping the bank understand their potential effects on operations.
- Risk Categorization: ESG risks are categorized into direct, indirect, and reputational risks, helping prioritize and manage them effectively.
- Risk Mitigation: Designing and implementing strategies to address and mitigate ESG risks, ensuring alignment with both regulatory requirements and sustainability goals.
- Integration in Decision-Making: ESG factors are integrated into UBL's decision-making process, influencing investments, lending, and credit assessments.
- Continuous Monitoring: UBL monitors ESG risks continuously, ensuring that emerging risks are addressed promptly.

2024 Carbon Footprint Calculation and Impact Reduction Targets

As part of its commitment to environmental sustainability, UBL has undertaken a detailed carbon footprint assessment for 2024. The bank estimates its Greenhouse Gas (GHG) emissions across three defined scopes, in alignment with the Greenhouse Gas Protocol.

Carbon Footprint Breakdown:

1. Scope 1 (Direct Emissions): These emissions result from UBL's operations, such as the fuel used in its facilities and vehicles.
2. Scope 2 (Indirect Emissions): These emissions come from the electricity purchased and consumed by UBL for its operations.
3. Scope 3 (Other Indirect Emissions): Emissions from activities in the bank's value chain, such as employee commuting and Financed Emission.

Impact Reduction Targets:

UBL aims to reduce its carbon footprint through several initiatives:

- Energy and Resource Efficiency: UBL will continue to improve energy efficiency, reduce fuel consumption, and minimize paper usage, contributing to lower emissions and waste
- Greenhouse Gas (GHG) Emissions Reduction: Measures will be taken to reduce fuel consumption (Scope 1), decrease electricity usage (Scope 2), and encourage sustainable commuting and assess financed emissions (Scope 3).
- Energy-Saving Technologies: UBL is investing in energy-efficient technologies, including solar power solutions, LED lighting, and optimized heating and cooling systems in its branches.

Green Branch Certification Programme

To ensure its operations align with sustainability goals, UBL has launched a Green Branch Certification Program. This initiative evaluates branches based on sustainability criteria, promoting operational efficiency and innovation. The certification program assesses factors such as:

- Site Suitability: Evaluating branch locations for accessibility and landscaping.
- Renewable Energy: Incorporating renewable energy sources to reduce carbon emissions.
- Resource Efficiency: Implementing energy-efficient technologies and assessing water usage.
- Waste Management: Improving waste segregation and disposal practices.
- Indoor Environment Quality: Assessing air quality, lighting, and employee well-being.

2. Digital Banking Practices for Sustainability

UBL is embracing digital banking as a means to reduce its environmental footprint and promote sustainability.

Customer Carbon Footprint Calculation

UBL's digital app allows customers to assess their own carbon footprints, encouraging them to make environmentally friendly choices through digital transactions, reducing time, fuel, and environmental impacts.

Paperless Customer Onboarding

UBL has introduced a paperless customer onboarding process, capturing customer and account details digitally. This initiative reduces paper waste and enhances operational efficiency.

Digital Banking Innovations

- Digital Buddy: An AI-powered chatbot that serves as a staff resource for banking-related queries, enhancing operational efficiency.
- Policy and Procedure Repository: A centralized digital platform that streamlines access to internal documents, ensuring better management and compliance.
- Product Knowledge System: A tool that helps staff access key product information, improving customer service.

3. Go Green Initiatives

UBL's Go Green initiatives encourage customers to minimize their environmental impact by opting for digital solutions:

- Go Green E-Statement: UBL promotes the use of electronic statements instead of printed ones, reducing paper consumption.
- Go Green SMS Alert: By encouraging customers to use SMS alerts, UBL reduces the need for in-branch visits and paper-based communication.

4. UBL's Sustainable Financial Products

UBL has developed a range of sustainable financial products to promote environmental responsibility and social inclusion.

- Renewable Energy Financing: UBL offers subsidized financing for renewable energy projects such as solar, wind, and biogas. This initiative supports businesses transitioning to sustainable energy solutions.
- Digital Accounts: UBL offers a variety of digital accounts catering to different customer needs, promoting financial

inclusion and digital banking. Notable offerings include Roshan Digital Account for Non-Resident Pakistanis, Asaan Digital Account for individuals with basic banking requirements, and the Freelancer Digital Account for the growing freelancer community.

- UBL Smart Account: A fully digital account with a user-friendly onboarding process, providing customers with a seamless banking experience. The UBL Smart Account ensures faster, simpler banking while catering to diverse customer needs.

5. Inclusive Financial Solutions

UBL is dedicated to promoting financial inclusion through products tailored to various segments of society:

- UBL Urooj Conventional Account and UBL Ameen Urooj: These accounts are designed for women, offering incentives like cashback on auto financing.
- UBL Ameen Esaar Account: A unique Islamic product that helps individuals contribute to society by supporting NGOs.
- UBL Zindagi Account: A savings account specifically designed for senior citizens, ensuring financial security in their later years.

6. Supporting Sustainable Business Practices

UBL offers specialized financing solutions to small and medium enterprises (SMEs) in sectors like agriculture and food processing. These solutions encourage environmentally responsible practices:

- UBL Solar Financing: UBL offers affordable financing for SMEs to adopt solar energy systems, helping businesses reduce their carbon footprint and operational costs.
- Rice Husking and Wheat Financing: UBL provides tailored loans for rice husking and wheat flour mills, supporting seasonality-based business growth in the agriculture sector.

Through these sustainable financial products, UBL supports environmental preservation while contributing to the development of resilient local economies.

Social Responsibility in UBL's ESG & Sustainability Framework

UBL's ESG & Sustainability framework highlights its strong commitment to social responsibility, focusing on nurturing relationships with stakeholders while ensuring positive societal impact. This commitment is reflected through various initiatives aimed at promoting the well-being of employees, supporting diverse communities, and upholding ethical standards across all practices. The bank emphasizes healthcare, education, women's empowerment, community welfare, and cultural promotion as part of its broader social goals. In 2024, UBL demonstrated its social responsibility through impactful programs that aligned with its ESG objectives.

For Employees

Employee Development and Well-being

UBL recognizes employees as its most vital asset, focusing on continuous development, a positive work culture, and providing competitive benefits. The bank strives to create an environment where employees are encouraged to achieve both personal and professional growth.

Diversity, Equity, and Inclusion (DEI)

- Women's Representation: UBL is committed to gender diversity, with women comprising 23% of its workforce, with a target to increase female representation to 45% by 2025.

- 'SheRise' Women's Leadership Development: This program empowers women within the organization, promoting career growth, networking, and personal development.
- Gender Champions Training: UBL conducts training for branch managers to promote gender sensitivity and foster a respectful, inclusive workplace.
- International Women's Day and Women Entrepreneurs Celebrations: UBL celebrates women's contributions through events, such as Women's Entrepreneurship Week and educational initiatives that empower female entrepreneurs.
- Extended Maternity Leave and Other Benefits: UBL's policies, such as extended maternity leave (6 months) and a dedicated valet parking service for female employees, support gender equity in the workplace.
- SIT Program and SheConnects Group: These initiatives ensure women stay connected with the organization during maternity leave and foster a supportive community for professional growth.
- Diversity in Hiring: The bank focuses on diversity in hiring to provide equal opportunities for career advancement to all employees, regardless of their background.



Employee Training and Capacity Building

UBL emphasizes employee training on Environmental & Social Risk Management (ESRM) to enhance awareness of Green Banking and ESG practices across its departments. This initiative ensures alignment with local and international regulatory standards while supporting the bank's culture of responsible banking.

Employee Remuneration & Benefits

- Health Insurance and Bonuses: UBL offers comprehensive health insurance, performance-related bonuses, and various employee well-being programs.
- Medical Insurance: This covers employees and their dependents, ensuring access to healthcare services.
- Marriage Grants and Day Care Allowance: UBL provides financial support for marriages and child care, reflecting its commitment to family-friendly policies.
- Solar Financing for Employees: UBL offers discounted solar financing for employees, encouraging sustainability.
- Employee Well-being: The bank runs programs for mental and physical health, such as stress management workshops, regular health check-ups, and counseling services.

Employee Accountability and Grievance Mechanisms

UBL ensures transparency and fairness in handling grievances through an effective grievance mechanism. Regular feedback sessions and a robust code of conduct ensure accountability and continuous improvement.

For Customers

Fair Treatment of Customers

UBL upholds transparency, fairness, and respect in its banking practices, offering personalized services and ensuring regulatory compliance. It actively engages with customers through feedback channels and adheres to best industry practices to provide quality service.

Empowering Women and Financial Inclusion

- Urooj Platform: By the end of 2024, UBL had achieved financial inclusion for 2.3 million women, including 40,000 Urooj account holders. The Urooj platform offers specialized financial products and services for women.



- Women Entrepreneurship Week and Empower HER Finance Campaign: These initiatives focus on financial literacy and provide tailored solutions for women entrepreneurs.
- Inclusivity for Persons with Disabilities (PWDs): UBL introduced 35 accessible branches designed for PWDs, ensuring dignity and ease of access to banking services. The bank also offers special discounts on loans for PWD customers.

Customized Financial Solutions

UBL offers tailored products for low-income individuals, senior citizens, and small businesses, helping to foster inclusivity and access to essential financial services. The bank's focus is on expanding access to banking solutions for underserved communities, especially through mobile banking and digital platforms like UBL Digital App.

Promoting Financial Literacy

- Financial Literacy Week: UBL organized financial literacy camps and webinars, especially targeting women customers, to enhance financial awareness.
- Partnership with SheDev: UBL partnered with SheDev to promote financial inclusion for women in Gilgit-Baltistan and encourage women to enter the banking sector.

Community Engagement

Volunteerism

UBL encourages its employees to engage in volunteer work, supporting various community-focused initiatives, such as environmental conservation and healthcare campaigns.

Pioneering Initiatives for Youth and Education

Employment Opportunities for Youth

UBL's groundbreaking initiative to hire undergraduate students into permanent roles as OG4 staff provides young individuals with the opportunity to grow professionally while

continuing their education. UBL offers financial support for education, comprehensive benefits, and career advancement opportunities to these young employees.

SUSTAINABILITY AT UBL - 2024

In line with UBL's dedication to the principles of ESG, the bank's sustainability efforts support initiatives that positively impact and empower communities. Throughout 2024, UBL contributed to various projects within its core sustainability focus areas—education, healthcare, and community welfare.

EDUCATION

Major initiatives in the area of education during 2024 were for scholarships to deserving students as well as infrastructural development at educational institutions.

- Supporting the 'Uraan Ambassador Program' at Kiran Foundation. Through this alliance, UBL empowered over 20 individuals with the potential to achieve their dreams by gaining admission to Pakistan's top educational institutions.
- Providing good quality education to children of low-income families in Karachi by partnering with the Education Trust Nasra Schools. UBL provided full year academic scholarships to 45 students covering all their expenses related to their tuition at the Trust's various schools.
- Investing in the educational development and providing innovative training and services to 15 hearing impaired students associated with the Family Education Services Foundation, thereby empowering the recipients to gain competency and realize their full potential.
- UBL contributed towards the construction of four auditoriums at the Namal College in Mianwali. These state-of-the-art auditoriums would have the capacity to sit over 200 students.
- The Bank partnered with Developments in Literacy (DIL) by providing funds for solar power for one of their schools. This contributed to UBL's ESG agenda by giving back to the communities through environment preservation and promotion of natural energy.

HEALTHCARE

Major initiatives in the area of Healthcare include provision of much-needed medical/lifesaving equipment/vehicles to the healthcare institutions or supporting through donations given for infrastructural/operational expenses.

- The Bank provided funds to Indus Hospital & Health Network to assist them in the provision of complete treatment and medical care for 25 paediatric oncology patients, provide for 7,500 Paediatric oncology outpatient department (OPD) visits and 2600 Chemotherapy Sessions during the year 2024.
- UBL partnered with the Cancer Foundation Hospital (CFH) and Roche Pakistan in efforts to provide access to breast cancer patients of the CFH to Roche Pakistan's medication protocols at subsidized or nil cost, which would otherwise be completely out of their reach.
- The Bank joined hands with Afzaal Memorial Thalassemia Foundation (AMTF) to assist them in their monthly operational expenses so that they maintain a smooth flow of operations and ensure that no patient is refused treatment.
- With the assistance of UBL, the Marie Adelaide Leprosy Center (MALC) Malir Centre was able to provide Free of Charge services (Leprosy, TB, Eye, MCHC & CBID) to the inhabitants of Malir, Karachi. Through these services, MALC was able to treat the underserved people living in the area.
- The Bank donated to The Karachi Down Syndrome Program (KDSP) in order to provide year-long healthcare to individuals with Down syndrome. Around five patients were given

all-inclusive healthcare for the entire year under the auspices of KDSP.

- Layton Rehmatullah Benevolent Trust (LRBT): Medical equipment for their LRBT Korangi Tertiary Teaching Eye Hospital, in Karachi, which treats over 1100 patients daily and conducts approximately 3064 surgeries monthly.
- Patients Aid Foundation: Provided 18 electronic beds for their Neuro-trauma ICU.
- National Institute of Child Health: Provided five incubators for their ICU and five complete sets of bedside oxygen via integrated raceway.
- In 2024, UBL contributed to Shaukat Khanum Memorial Cancer Hospital (SKMCH) to facilitate them in the construction of their Karachi Hospital.
- UBL supported the Dr. Ruth K.M. Pfau Civil Hospital, Karachi (CHK) in the formulation of a centralized I.V. Antibiotics Dilution Laboratory. Built in a period of two years, this lab not only ensures correct unit dose delivery of antibiotics to patients, but also helps in minimizing medication errors.

COMMUNITY WELFARE

2024 saw UBL partake in various activities which helped build communities while simultaneously supporting inclusion and engagement.

- UBL actively supported the Alkhidmat 'Bano Qabil' program, which offers 100% free, advanced IT courses packed with the latest technologies to give the youth of Pakistan a head start in launching their employment and freelancing careers.
- The Bank supported 56 students for the completion of their six months' vocational courses with the Hunar Foundation. Among these students, 51% were female, enrolled in conventional, IT, and high-tech courses.
- UBL further supported the vocational training of 150 students at the SOS Technical Training Institute, under the auspices of the SOS Children's Villages Pakistan.
- UBL and Saylani Welfare International Trust carried out a comprehensive Ramzan Drive, reaching out to people across Pakistan with the collaboration of UBL staff and SWIT volunteers.

Engaging the UBL Family in Causes and Awareness Drives

Blood Donation Drive with Indus Hospital and Health Network (IHHN)

UBL as part of its Sustainability agenda organized a blood donation drive in collaboration with Indus Hospital Blood Center at the UBL Head Office in Karachi. The aim of this initiative was to help in meeting the growing need of blood donations and support the hospital's efforts in providing critical health care to those in need. The drive brought together employees from across Karachi in order to do their part in giving back to the community and becoming 'Symbols of Hope' for those desperately in need for blood.

Breast Cancer Awareness Campaign

UBL joined the global fight against breast cancer in October. The Bank's month-long communication and awareness campaign highlighted the importance of early detection and prevention, providing valuable information to the Bank employees and the public at large. By promoting awareness and encouraging screenings, UBL strives to make a positive impact on public health.

Financial Contributions to National Growth

UBL has played a key role in Pakistan's economic development through strategic financial transactions, including a PKR 20

billion financing for Engro Fertilizers, and PKR 8 billion credit facility for Lucky Cement, and a USD 300 million loan to the Government of Pakistan, contributing to the nation's fiscal stability and growth.

These initiatives reflect UBL's ongoing dedication to sustainable growth, social responsibility, and national prosperity.

UBL Governance, Business Ethics, and ESG Initiatives

At UBL, good governance, transparency, accountability, and ethical behavior are central to our operations. We prioritize stakeholder interests and adhere to a strict code of conduct, which is revised annually for both Directors and employees. Our commitment extends to maintaining robust risk and control policies across all business areas, guided by SBP and Board-approved frameworks.

In terms of corporate responsibility, UBL embraces a cultural shift towards ESG (Environmental, Social, Governance) integration, driven by leadership and employee engagement. We recognize the critical importance of data security and cybersecurity, implementing rigorous measures to protect customer information. Our cybersecurity team conducts penetration testing and educates stakeholders about digital fraud risks, including phishing and identity theft.

UBL's comprehensive Digital Fraud Prevention Policy focuses on fraud risk assessment, monitoring, incident management, and training to mitigate emerging digital threats. The bank also upholds a strong Risk Management Framework, incorporating policies for operational, market, and liquidity risks, alongside Information & Cyber Security.

To ensure robust oversight, UBL has established governance forums like the Compliance Committee of Management (CCM), Management Risk Committee (MRC), and Board Risk & Compliance Committee (BRCC). These bodies actively monitor ESG risks and compliance across the organization, guiding the bank's strategies and ensuring regulatory compliance at both local and international levels.

Furthermore, UBL integrates ESG risk assurance into internal audits and compliance monitoring, aligned with Green Banking/ESG policies. Stress testing and scenario analysis are also conducted to evaluate ESG risks in various climate change environment.

UBL's Commitment to Sustainability and Compliance with Global Standards

BASEL Principles Compliance

UBL acknowledges the significant risks posed by climate change and integrates climate-related financial risks into its business strategy and governance. By aligning with the Basel Principles, UBL is committed to implementing sound processes for assessing the potential impacts of climate-related risks across various sectors. The bank's ESG Risk Management Framework ensures the identification, monitoring, and management of climate-related financial risks, incorporating them into internal risk assessments, capital adequacy evaluations, and liquidity management processes. UBL also integrates scenario analysis to assess business resilience to climate-related risks.

IFRS S1 & S2 Compliance

UBL aligns with the International Financial Reporting Standards (IFRS) S1 & S2, focusing on sustainability and climate-related financial disclosures. The bank has developed an ESG Risk Management Framework to assess and manage ESG risks effectively. It conducts detailed portfolio risk analysis, incorporates ESG due diligence into credit risk management, and tracks its carbon footprint. UBL's financing initiatives, such as supporting sustainable agricultural practices and enhancing fiscal resilience through loans, demonstrate the bank's commitment to sustainability. Additionally, UBL engages in

community development projects, such as financial literacy programs for women and healthcare support for children, further supporting its ESG goals.

IFC Performance Standards Compliance

UBL is dedicated to meeting the International Finance Corporation (IFC) performance standards, ensuring responsible banking practices that align with international ESG frameworks. The bank has incorporated ESG risk assessments into core banking activities and sectors, ensuring due diligence is conducted before providing financial support to industries. UBL also champions community health and safety initiatives, such as blood donation drives, cancer awareness campaigns, and emergency healthcare programs.

SECP Guidelines Compliance

UBL adheres to the Securities and Exchange Commission of Pakistan (SECP) ESG Disclosure Guidelines, which promote transparency and corporate responsibility. These guidelines encourage businesses to integrate sustainability into their operations. UBL's initiatives include healthcare awareness, community support programs, financial inclusion, and green finance. The bank ensures compliance with ESG disclosure requirements to enhance transparency and accountability in its banking operations.

Awards and Recognitions

UBL's achievements are recognized globally and locally.

The bank won the Best New Islamic Product Launch at the Global Islamic Finance Awards for the Ameen Esaar Account, as well as multiple accolades from Asian Banking & Finance, including Digital Transformation of the Year and Mobile Banking & Payment Initiative of the Year. UBL's commitment to Diversity, Equity, and Inclusion (DEI) was celebrated with seven awards at the 2024 Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards. The bank has also received Tax Excellence Awards for being one of Pakistan's highest taxpayers and SAS Gold Awards for innovation.

Ambitions Toward 2024–2050:

Carbon-Neutral Financial Institution

UBL is committed to achieving carbon neutrality by 2050 as part of its comprehensive ESG strategy. This transformation involves evaluating the bank's carbon footprint, including Scope 1, 2, and 3 emissions, and setting reduction targets. UBL integrates ESG principles into its operations, aiming to assist clients in transitioning to more sustainable practices. The bank is also embedding ESG into its core processes, ensuring sustainable business practices are central to day-to-day operations.

Gender Equality and Empowerment

UBL prioritizes gender equality and works towards achieving a balanced representation of women at all organizational levels. The bank focuses on improving the gender diversity ratio, creating employment opportunities for women, and fostering a work environment free from prejudice. UBL supports women-led initiatives, aiming to empower women and provide equal opportunities for growth and leadership.



Cultural Shift Towards Sustainability

UBL is transforming its operations to prioritize sustainability across all its banking touchpoints. With over 1,500 branches and 1,580 ATMs, the bank has implemented various strategies to reduce its environmental impact. These include promoting paperless banking, engaging with eco-friendly suppliers, prioritizing energy conservation, and adopting digital banking solutions to minimize resource wastage. UBL's commitment to sustainable banking practices extends beyond its internal operations, ensuring that all business decisions align with environmental and social governance (ESG) objectives.

UBL's journey toward becoming a carbon-neutral financial institution by 2050 is part of its broader vision to align business practices with global sustainability efforts. This transition will involve continuous evaluation of greenhouse gas (GHG) emissions, setting targets to reduce carbon footprints, and promoting sustainable banking practices among clients. Through its ambitious strategy, UBL is dedicated to shaping a sustainable future in the financial sector and contributing to broader environmental goals.

Alignment with UN Sustainable Development Goals (UN SDGs), Sustainability Accounting Standard Board, IFRS S1&S2 & GRI Standards

At UBL, we are committed to advancing the United Nations Sustainable Development Goals (SDGs) by embedding sustainability into our core business strategy and operations. This reflects our dedication to create a positive impact on both society and the environment, while driving long-term value

We adhere to global sustainability frameworks such as the Sustainability Accounting Standards Board (SASB), IFRS S1 & S2, and the Global Reporting Initiative (GRI) standards to ensure transparency, accountability, and alignment with international best practices. By integrating these frameworks into our strategy, UBL is not only contributing to sustainable development, but also ensuring that our business practices benefit all stakeholders and support the global call to "leave no one behind."

For more details of our ESG initiatives, visit our website www.ulbdigital.com

MANAGEMENT TEAM

- 1** Abdul Aleem Qureshi
Group Executive – Branch Banking
- 2** Nadia Tabassum
Group Executive, Corporate & Investment Banking
- 3** Syed Manzoor Hussain Zaidi
Chief Financial Officer
- 4** Munawar Raza Shah
Chief Operating Officer
- 5** Muhammad Jawaid Iqbal
President & CEO
- 6** Ijaz Farooq
Deputy CEO
- 7** Aqeel Ahmed Nasir
Chief Legal Counsel & Company Secretary
- 8** Hafsa Abbasy
Group Executive, Human Resources
- 9** Sohail Aziz
Chief Information Officer
- 10** Sharjeel Shahid
Group Executive, Digital Banking
- 11** Shahid Mahmood Khan
Group Executive, Special Assets Management
- 12** Alee Khalid Ghaznavi
Group Executive, Islamic Banking
- 13** Imran Sarwar
Group Executive, Risk & Credit Policy
- 14** Farrukh Karim Khan
Chief Strategy Officer
- 15** Muhammad Rizwan Malik
Global Head, Treasury & Capital Markets
- 16** Aslam Sadruddin
Chief Productivity & Rewards Officer
- 17** Irfan Farooq Memon
Group Executive, Compliance
- 18** Yasir Qadri
Head, Institutional Banking
- 19** Suleman Pervez
Acting Head, Audit & Risk Review
- 20** Ovais Saeed
Group Executive, UBL International



MANAGEMENT TEAM

OUR LEADERSHIP

EXCELLENCE IN SERVICE DELIVERING VALUE TO EVERY STAKEHOLDER

True excellence goes beyond efficiency—it's about building trust, fostering strong relationships, and creating value for everyone we serve. At UBL, we are committed to delivering seamless, secure, and innovative banking experiences that benefit our customers, employees, partners, and shareholders alike. By continuously enhancing our digital capabilities, service standards, and financial solutions, we ensure that every stakeholder, whether internal or external, finds reliability, growth, and long-term success with us.



GROWTH AT A GLANCE

BALANCE SHEET						
December 31	2024	2023	2022	2021	2020	2019
Assets						
Cash and balances with treasury and other banks						
Cash and balances with treasury and other banks	369,714	308,031	158,697	291,300	264,727	256,591
Lendings to financial institutions	18,492	34,448	85,296	51,701	19,959	20,183
Investments - gross	5,890,966	4,411,230	1,442,017	1,504,689	1,138,018	849,441
Advances - gross	1,565,127	717,068	1,013,767	728,286	609,307	702,951
Operating fixed assets	97,624	76,044	73,223	70,769	53,037	54,348
Other assets	246,925	157,693	104,506	61,665	52,715	85,497
Total assets - gross	8,188,849	5,704,513	2,877,507	2,708,409	2,137,763	1,969,011
ECL-Stage 3/ Specific Provisions against non-performing advances	(107,900)	(92,332)	(81,784)	(74,704)	(71,756)	(63,616)
ECL- Stage 1 & 2/ General Provisions against performing advances	(13,746)	(11,170)	(10,147)	(7,393)	(7,272)	(3,501)
Provisions against diminution in value of investments	(4,072)	(26,014)	(26,823)	(8,146)	(9,344)	(9,118)
Total assets - net of provisions	7,941,487	5,471,495	2,666,823	2,536,069	1,970,364	1,825,658
Liabilities & Equity						
Deposits & other accounts	2,640,211	2,350,541	1,841,819	1,750,944	1,640,212	1,467,063
Borrowings from financial institutions	4,855,374	2,815,471	564,519	563,285	128,987	154,484
Subordinated loans	10,000	10,000	10,000	10,000	10,000	10,000
Bills payable	44,222	21,652	33,022	26,793	29,734	22,927
Other liabilities	197,103	124,834	100,373	62,502	56,386	69,232
Total liabilities	7,746,910	5,322,497	2,549,733	2,413,523	1,865,319	1,723,706
Net assets	194,577	148,998	117,090	122,545	105,045	101,952
Share capital	12,242	12,242	12,242	12,242	12,242	12,242
Reserves	114,735	107,801	86,254	69,718	62,274	59,320
Unappropriated profit	111,956	90,492	91,438	84,626	81,916	71,670
Equity - Tier I	238,932	210,535	189,934	166,586	156,432	143,232
Surplus on revaluation of assets - net of deferred tax	77,290	41,965	19,086	38,056	27,641	25,837
Total equity	316,222	252,501	209,020	204,643	184,073	169,069
Total liabilities & equity	8,063,132	5,574,998	2,758,753	2,618,166	2,049,392	1,892,775
PROFITABILITY						
Markup / return / interest earned	1,084,583	521,374	250,679	147,974	152,003	153,676
Markup / return / interest expensed	(911,168)	(378,490)	(147,469)	(76,216)	(77,044)	(91,902)
Net markup / return / interest income	173,415	142,884	103,209	71,759	74,959	61,774
Fee, commission, brokerage and exchange income	31,132	30,025	24,286	17,056	14,782	18,219
Capital gains & dividend income	47,283	2,081	2,560	5,791	1,681	1,541
Other income	9,079	1,103	7,597	532	631	1,916
Total non interest income	87,494	33,210	34,443	23,379	17,094	21,676
Gross income	260,909	176,094	137,652	95,138	92,054	83,451
Administrative expenses and other charges	(97,761)	(66,614)	(53,461)	(43,832)	(40,751)	(40,860)
Profit before donations and provisions	163,148	109,479	84,190	51,306	51,303	42,590
Donations	(205)	(63)	(211)	(134)	(342)	(129)
Provisions	(12,752)	(1,298)	(15,669)	955	(16,768)	(8,220)
Profit before taxation	150,192	108,118	68,310	52,127	34,192	34,242
Taxation	(69,664)	(54,938)	(36,247)	(21,245)	(13,294)	(15,108)
Profit after taxation	80,528	53,180	32,063	30,882	20,899	19,134

CASH FLOW STATEMENT - SUMMARY

Cash flow from operating activities	1,615,575	3,082,154	(110,598)	353,041	372,652	134,204
Cash flow from investing activities	(1,495,446)	(2,886,610)	(14,685)	(304,552)	(355,068)	(74,098)
Cash flow from financing activities	(57,327)	(62,438)	(20,650)	(26,272)	(10,312)	(14,629)
Cash and cash equivalents at the beginning of the year	308,031	158,697	291,300	264,727	256,591	206,813
Effect of exchange rate changes on cash and cash equivalents	(1,119)	16,229	13,330	4,356	865	4,300
Cash and cash equivalents at the end of the year	369,714	308,031	158,697	291,300	264,727	256,591

December 31	2024	2023	2022	2021	2020	2019
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FINANCIAL RATIOS

Return on equity (RoE)	35.8%	26.6%	18.0%	19.1%	13.9%	13.8%
Return on assets (RoA)	1.2%	1.3%	1.2%	1.4%	1.1%	1.0%
Profit before tax ratio	57.6%	61.4%	49.6%	54.8%	37.1%	41.0%
Gross spread ratio	16.0%	27.4%	41.2%	48.5%	49.3%	40.2%
Return on capital employed (RoCE)	34.3%	25.3%	17.0%	18.0%	13.1%	12.9%
Advances to deposits ratio (ADR) - gross	59.3%	30.5%	55.0%	41.6%	37.1%	47.9%
Advances to deposits ratio (ADR) - net	54.7%	26.1%	50.1%	36.9%	32.3%	43.3%
Income to expense ratio	2.67	2.64	2.57	2.17	2.26	2.04
Cost to revenue ratio	36.3%	36.5%	38.0%	44.9%	43.5%	48.2%
Growth in gross income	48.2%	27.9%	44.7%	3.4%	10.3%	2.7%
Growth in net profit after tax	51.4%	65.9%	3.8%	47.8%	9.2%	25.7%
Total assets to shareholders' funds	25.1	21.7	12.8	12.4	10.7	10.8
Intermediation cost ratio	3.9%	3.2%	3.0%	2.6%	2.9%	
Asset quality (NPL ratio)	7.4%	14.7%	9.2%	11.8%	13.7%	11.0%
Net infection ratio	0.6%	2.2%	1.3%	1.8%	2.2%	2.1%
Weighted average cost of debt	15.2%	11.4%	7.3%	4.8%	5.3%	6.5%
Capital adequacy ratio (CAR)	20.3%	16.6%	19.2%	21.5%	24.4%	18.9%

SHARE INFORMATION

Cash dividend per share - Rs.	44.00	44.00	22.00	18.00	12.00	12.00
Dividend yield (based on cash dividend)	24.7%	43.7%	16.1%	14.3%	7.3%	9.8%
Dividend payout ratio (total payout)	66.9%	101.3%	84.0%	71.4%	70.3%	76.8%
Earning per share (EPS) - Rs.	65.78	43.44	26.19	25.23	17.07	15.63
Price earnings ratio	5.81	4.09	3.85	5.41	7.37	10.52
Market value per share - at the end of the year						

GROWTH AT A GLANCE

BALANCE SHEET						
December 31	2024	2023	2022	2021	2020	2019
Vertical Analysis						
Assets						
Cash and balances with treasury and other banks	4.7%	5.6%	6.0%	11.5%	13.4%	14.1%
Lendings to financial institutions	0.2%	0.6%	3.2%	2.0%	1.0%	1.1%
Investments - net	74.1%	80.1%	53.1%	59.0%	57.3%	46.0%
Advances - net	18.2%	11.2%	34.6%	25.5%	26.9%	34.8%
Operating fixed assets	1.2%	1.4%	2.7%	2.8%	2.7%	3.0%
Other assets	3.1%	2.9%	3.9%	2.4%	2.7%	4.7%
Total assets	101.5%	101.9%	103.4%	103.2%	104.0%	103.7%
Liabilities & Equity						
Deposits & other accounts	33.2%	43.0%	69.1%	69.0%	83.2%	80.4%
Borrowings from financial institutions	61.1%	51.5%	21.2%	22.2%	6.5%	8.5%
Subordinated loans	0.1%	0.2%	0.4%	0.4%	0.5%	0.5%
Bills payable	0.6%	0.4%	1.2%	1.1%	1.5%	1.3%
Other liabilities	2.5%	2.3%	3.8%	2.5%	2.9%	3.8%
Total liabilities	97.5%	97.3%	95.6%	95.2%	94.7%	94.4%
Share capital	0.2%	0.2%	0.5%	0.5%	0.6%	0.7%
Reserves	1.4%	2.0%	3.2%	2.7%	3.2%	3.2%
Unappropriated profit	1.4%	1.7%	3.4%	3.3%	4.2%	3.9%
Equity - Tier I	3.0%	3.8%	7.1%	6.6%	7.9%	7.8%
Surplus on revaluation of assets - net of deferred tax	1.0%	0.8%	0.7%	1.5%	1.4%	1.4%
Total equity	4.0%	4.6%	7.8%	8.1%	9.3%	9.3%
Horizontal Analysis						
Assets						
Cash and balances with treasury and other banks	144.1%	120.0%	61.8%	113.5%	103.2%	100.0%
Lendings to financial institutions	91.6%	170.7%	422.6%	256.2%	98.9%	100.0%
Investments - net	700.6%	521.8%	168.4%	178.1%	134.3%	100.0%
Advances - net	227.0%	96.5%	145.0%	101.6%	83.4%	100.0%
Operating fixed assets	179.6%	139.9%	134.7%	130.2%	97.6%	100.0%
Other assets	288.8%	184.4%	122.2%	72.1%	61.7%	100.0%
Total assets	435.0%	299.7%	146.1%	138.9%	107.9%	100.0%
Liabilities & Equity						
Deposits & other accounts	180.0%	160.2%	125.5%	119.4%	111.8%	100.0%
Borrowings from financial institutions	3143.0%	1822.5%	365.4%	364.6%	83.5%	100.0%
Subordinated loans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Bills payable	192.9%	94.4%	144.0%	116.9%	129.7%	100.0%
Other liabilities	284.7%	180.3%	145.0%	90.3%	81.4%	100.0%
Total liabilities	449.4%	308.8%	147.9%	140.0%	108.2%	100.0%
Share capital	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Reserves	193.4%	181.7%	145.4%	117.5%	105.0%	100.0%
Unappropriated profit	156.2%	126.3%	127.6%	118.1%	114.3%	100.0%
Equity - Tier I	166.8%	147.0%	132.6%	116.3%	109.2%	100.0%
Surplus on revaluation of assets - net of deferred tax	299.1%	162.4%	73.9%	147.3%	107.0%	100.0%
Total equity	187.0%	149.3%	123.6%	121.0%	108.9%	100.0%

Profit and Loss Account

December 31	2024	2023	2022	2021	2020	2019
Vertical Analysis						
Interest / Return / Non Interest Income Earned						
Markup / return / interest earned						
Fee, commission, brokerage and exchange income	92.5%	94.0%	87.9%	86.4%	89.9%	87.6%
Capital gains & dividend income	2.7%	5.4%	8.5%	10.0%	8.7%	10.4%
Other income	4.0%	0.4%	0.9%	3.4%	1.0%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest / Return / Non Interest Expense						
Markup / return / interest expensed						
Operating expenses	77.7%	68.2%	51.7%	44.5%	45.6%	52.4%
Provisions	8.4%	12.0%	18.8%	25.7%	24.3%	23.4%
Taxation	1.1%	0.2%	5.5%	-0.6%	9.9%	4.7%
Total expense - percentage of total income	93.1%	90.4%	88.8%	82.0%	87.6%	89.1%
Profit after taxation						
Total	6.9%	9.6%	11.2%	18.0%	12.4%	10.9%
Horizontal Analysis						
Interest / Return / Non Interest Income Earned						
Markup / return / interest earned						
Fee, commission, brokerage and exchange income	705.8%	339.3%	163.1%	96.3%	98.9%	100.0%
Capital gains & dividend income	170.9%	164.8%	133.3%	93.6%	81.1%	100.0%
Other income	3069.2%	135.1%	166.2%	375.9%	109.1%	100.0%
Total	668.4%	316.3%	162.6%	97.7%	96.4%	100.0%
Interest / Return / Non Interest Expense						
Markup / return / interest expensed						
Operating expenses	991.5%	411.8%	160.5%	82.9%	83.8%	100.0%
Provisions	239.0%	162.7%	130.9%	107.3%	100.3%	100.0%
Taxation	155.1%	15.8%	190.6%	-11.6%	204.0%	100.0%
Total	698.7%	321.0%	162.0%	89.9%	94.9%	100.0%
Profit after taxation						
Total	420.9%	277.9%	167.6%	161.4%	109.2%	100.0%

GROWTH AT A GLANCE

Statement of Value Added

	2024		2023	
	Rs in million	%	Rs in million	%
Mark-up / return / interest earned - net of provisions	1,071,831	97.5%	520,076	101.8%
Fee, commission, brokerage and exchange income	31,132	2.8%	30,025	5.9%
Capital gains & dividend income	47,283	4.3%	2,081	0.4%
Other income	9,079	0.8%	1,103	0.2%
	1,159,325	105.5%	553,285	108.4%
Administrative expenses	59,992	5.5%	42,653	8.4%
Value added	1,099,333	100.0%	510,632	100.0%

Distributed as follows:

To employees as remuneration	37,769	3.4%	23,961	4.7%
To government as income tax	69,664	6.3%	54,938	10.8%
To depositors as profit on investments	202,416	18.4%	171,099	33.5%
To institutions & individuals as profit on borrowings	708,751	64.5%	207,391	40.6%
To society as donations	205	0.0%	63	0.0%
To shareholders as dividends / bonus	53,864	4.9%	51,416	10.1%
Retained in business as reserves and retained profits	26,664	2.4%	1,764	0.3%
	1,099,333	100%	510,632	100%

GROWTH AT A GLANCE

Weighted average cost of funds

Share capital	12,242	12,242
Deposits	2,640,211	2,350,541
Borrowing from financial institutions	4,855,374	2,815,471
Subdebt	10,000	10,000
Average		
Dividend	53,864	53,864
Interest paid includes subdebt cost	911,168	378,490
WACC	965,032	432,354
	15.2%	11.4%

UBL INTERNATIONAL NETWORK

INTERNATIONAL BRANCHES

UAE

Deira Branch

Mohd. & Obaid Al Mullah Building,
Murshid Bazar, Al Kabeer Street - Dubai,
P.O. Box: 1000, Dubai - UAE.
Tel: 00971-4-6085350 & 00971-4-6085351
Swift Code: UNILAEAD
Branch Code: 0906

Bur Dubai Branch

Manazil Al Rafaa Building 03,
Unit No. 20712-G02, Ground floor
Khalid Bin Al Waleed Street,
P.O. Box: 1367, Dubai - UAE.
Tel: 00971-4-6085200 & 00971-4-6085201
Swift Code: UNILAEAD
Branch Code: 0907

Gold & Diamond Park Branch

Gold & Diamond Park,
Unit No. R-52,
Sheikh Zayed Road, Al Qouz Industrial Area,
P.O. Box: 3846, Dubai – UAE.
Tel: 00971-4-6085300 & 00971-4-6085301
Swift Code: UNILAEAD
Branch Code: 0919

Sharjah Branch

Al Majaz Building, King Faisal Street,
P.O. Box: 660, Sharjah - UAE.
Tel: 00971-6-5979121 & 00971-6-5979122
Swift Code: UNILAEAD
Branch Code: 0910

Muroor Branch

Aylan Abdullah al Muhairi Building,
Muroor Road,
P.O. Box: 3052, Abu Dhabi - UAE.
Tel: 00971-2-5996525
Swift Code: UNILAEAD
Branch Code: 1207

Musaffah Branch

Rashid Mohd. Abdullah Al Mazroui Building,
Block M14, Street 17, Musaffah Industrial Road,
P.O. Box: 237, Abu Dhabi - UAE.
Tel: 00971-2-5996400 & 00971-2-5996401
Swift Code: UNILAEAD
Branch Code: 0901

Bahrain

Manama Branch

Building 117, Road 385, Block 304,
Government Avenue, Manama,
P.O. Box: 546, Kingdom of Bahrain.
Tel: 00973-17503506 & 00973-17503562
Swift Code: UNILBHB
Branch Code: 0905

Qatar

Corniche Branch

Sh. Jassim Bin Jaber Al-Thani Building,
Abdullah Bin Jassim Street, Building No.1,
Zone 7, Street 810
P.O. Box: 242, Doha - Qatar.
Tel: 00974-44254466
Email: Mohammad_ali@ublnt.com
Swift Code: UNILQAQAXXX
Branch Code: 0908

Representative Office

China

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COMPLAINT MANAGEMENT AT UBL

The Bank works closely with stakeholders to swiftly address and resolve customer grievance. The Complaint Management Unit within the Service Quality Group handles and responds to complaints received via various channels, including customer.complaint@UBL.com.pk. In 2024, the Bank received a total of 179,726 complaints and successfully resolved the complaints with an average turnaround time (TAT) of 6 working days.

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR NO. 10 OF 2024

Following is gender pay gap calculated for the year ended December 31, 2024.

- (i) Mean Gender Pay Gap: **-5%**
- (ii) Median Gender Pay Gap: **-1%**

(Signed by CEO/Director on behalf of
Board of Directors of the Company)

SHARIAH BOARD'S REPORT FOR THE FINANCIAL YEAR 2024

In the name of Allah, The Most Beneficent, The Most Merciful

Alhamdulillah, by the grace of Almighty Allah, UBL Ameen Pakistan has completed another successful year of Islamic Banking operations. During the year 2024, UBL Ameen witnessed a remarkable growth in terms of conversion, market penetration & business profitability.

In accordance with the SBP direction for the conversion of Conventional banks into Islamic banks, Shariah Board appreciates management for the successful conversion of the Conventional banking branches of KPK and Baluchistan cluster into Islamic Banking branches.

Scope:
The Board of Directors and Executive Management are solely responsible to ensure that the operations of the bank are conducted in accordance with the Shariah principles at all times. The scope of this report is to cover affairs of the UBL Ameen's Islamic Banking operations in Pakistan from Shariah perspective, as described under Shariah Governance Framework issued by the State Bank of Pakistan.

Shariah Board hereby submits its report on the overall Shariah compliance environment of UBL Ameen and major developments that took place during the year 2024.

Shariah Board Meetings and Reviews:

In line with Shariah Governance Framework of State Bank of Pakistan, Shariah Board shall meet at least on quarterly basis. In this regard thirty-Nine (39) Shariah Board meetings were held till year 2024, out of which four (4) meetings were conducted in 2024. Minutes of the meetings were subsequently submitted to Islamic Banking Department of State Bank of Pakistan. In addition, various Shariah Board meetings were held to discuss the matters related to Conversion, Product Development, Shariah Compliance and Shariah Audit activities.

Shariah Compliance Department:

UBL Ameen Shariah Compliance Department (SCD) worked under the supervision and guidance of Shariah Board. Shariah Compliance Department (SCD) is responsible to ensure seamless Shariah compliance in all departments / units of UBL Ameen, by facilitating them in implementation of products, procedures, policies, etc. and also responsible to ensure that all Islamic Banking staff and their counterparts are trained for Islamic banking products and services. SCD also acts as a conduit between management and the Shariah Board. The SCD team consists of the Head Shariah Compliance along with two supporting staff members, including one qualified Shariah Scholar.

During the year 2024, SCD conducted an internal Shariah control review of full-fledged Islamic Banking Branches (IBBs) and Islamic Banking Windows (IBWs) on a sample basis. Shariah compliance reports were shared with the concerned field management for necessary rectifications and further improvement in Shariah Compliance of branches and Islamic Banking Windows, in accordance with Shariah Board approved guidelines.

Furthermore, Shariah Compliance Department submitted its consolidated quarterly reports to Shariah Board for ratification. Reports consisted details of all Shariah reviews and clarification given by Resident Shariah Board Member and opinions /

approvals given by Shariah Board through circulation. Later on, Resident Shariah Board Member and Shariah Board rulings were ratified by Shariah Board in the subsequent Shariah Board meetings.

The Head of Shariah Compliance Department submitted report to the Shariah Board on quarterly basis, on the overall Shariah Compliance environment of UBL Ameen and on the ownership and commitment of BoD and Executive Management in building the necessary infrastructure for Shariah Compliance together with identifying key areas of improvement.

UBL Ameen Branch Network:

Year 2024, is a phenomenal year for UBL Ameen where management has successfully converted all the conventional banking branches of KPK and Baluchistan cluster into Islamic Banking branches, in addition to opening new Islamic Banking branches under ABEP 2024.

UBL Ameen is offering Shariah Compliant Banking services through 496 Islamic Banking Branches (IBBs) and through 558 Islamic Banking Windows (IBWs).

Products & Services:

On Liability Side:

Following Liability products were launched during the year;

"UBL Ameen Signature Priority Banking Account":

UBL Ameen Signature Priority Banking Accounts based on Qard (current) and Mudarabah (saving) are introduced to cater the financial needs of high valued customers. UBL Ameen signature Priority banking consists of current and saving account (PKR & FCY).

"UBL Ameen Smart Account", UBL Ameen Smart Account, is a Shariah compliant digital banking account where the account is opened through UBL Digital App. Thus, this account facilitates digital onboarding without visiting UBL Ameen branch / Islamic Banking Window.

"Exporter's Special Foreign Currency Retention Account (ESFCA)", is introduced as per the SBP's framework for facilitating Freelancers, IT companies and exporters for retention of FCY remittances under the Foreign Exchange Manual. The ESFC account is non checking and allows conversion of available FCY funds into Pak Rupees only in customer's account.

State Life Endowment Plan: UBL Ameen in partnership with State Life Insurance Corporation of Pakistan - Window Takaful Operations has launched State Life Endowment Plan, a family takaful endowment plan for individuals who seek protection, savings and investment under Shariah compliant principles.

Debit Cards:

UBL Ameen has introduced various variants of debit cards for UBL Ameen accountholders. These variants include

- Ameen Urooj VISA Debit Card for Ameen Urooj accountholders,
- Ameen VISA Infinite Debit Card for Ameen Signature accountholders
- Ameen FCY VISA Debit Card for ESFC accountholders.

On Consumer Side:

Following Consumer products were renewed during the year;

"UBL Ameen Address", Existing product program manual for UBL Ameen Address (Housing Finance product) was renewed and approved by Shariah Board. These products are Shariah compliant solution for housing finance based on the concept of Diminishing Musharakah, which facilitates the customers for purchase of a house/apartment, renovation, construction & balance transfer facility.

"UBL Ameen Drive", Existing product program manual of UBL Ameen Drive (Auto Finance product) was renewed and approved by Shariah Board.

On Staff Financing Side:

Following Staff Financing products were launched during the year;

"Staff Motorcycle Financing", Staff Motorcycle Financing is offered through Shariah compliant mode of Diminishing Musharakah. This product is designed to facilitate branches sales team.

On Asset Side:

UBL Ameen Tijarah: The product program manual of UBL Ameen Tijarah product has been approved by Shariah Board. The product is designed to facilitates UBL Ameen customers in financing of finished goods under Shariah compliant mode of Musawamah & Wakalah. The Islamic proposition will strengthen the bank's wider aim and commitment to contribute towards Islamic Finance along with catering the other financing needs of Corporate and SME segment.

Corporate Banking:

During the year, approximately 250 corporate banking transactions were executed. For review of Corporate & SME transactions, Shariah compliance process is categorized in two major stages:

1. **Pre Disbursement Stage** in which process flows and structures of the transactions are discussed and finalized in accordance with Shariah guidelines already provided by the Shariah Board. These process flows are duly reviewed and approved by Resident Shariah Board Member (RSBM) / Shariah Board and are ratified in the subsequent Shariah Board meetings.
2. **Post Disbursement Stage** in which financing transactions are reviewed on sample basis by Shariah Compliance Department, in accordance with Shariah guidelines already provided by the Shariah Board. In addition, first transaction of New to Bank customers is reviewed by Shariah Compliance Department post execution of the transaction.

UBL Ameen Treasury:

UBL Ameen maintains its own Treasury Department. During the year, over 350 transactions were executed through UBL Ameen treasury modes such as Musharakah, Mudaraba, Wakalah. Furthermore, few transactions were executed with the Government of Pakistan under GOP Ijarah Sukuk.

Profit & Loss Distribution and Pool Management:

Internal Shariah Audit Unit (ISAU) conducted post disbursement Pool Audit on quarterly basis in line with the Shariah Governance Framework (SGF) 2018 along with announced Profit Sharing Ratio (PSR) & weightages, and presented its reports to Shariah Board for review and opinion where required.

Training and Development:

The growing network of UBL Ameen branches and Islamic Banking Windows require that all the staff must be appropriately trained for Islamic banking products and services. In this regard, Shariah Board appreciate management efforts to collaborate with National Institute of Banking & Finance Pakistan (NIBA FP), a subsidiary of State Bank of Pakistan, to offer Islamic Banking Certification courses (IBCC) to Islamic Branch Banking Staff countrywide.

UBL Ameen also arranged Islamic Banking training sessions for UBL and UBL Ameen staff during the year. These training session were conducted through various Class Room and Online session. Trainings were conducted by, Shariah Board Members, Shariah Compliance Department and other UBL Ameen executives.

Operations & Control Department:

UBL Ameen Operations & Control Department worked for all Islamic products and services and reasonably assured compliance with the relevant Shariah guidelines when and where required throughout the year.

Internal Shariah Audit Unit (ISAU):

In compliance with the Shariah Governance Framework issued by State Bank of Pakistan and Shariah guidelines prescribed by Shariah Board, dedicated Internal Shariah Audit Unit (ISAU) is in place, ISAU constitutes of Head Internal Shariah Audit and one Shariah scholar. Internal Shariah Audit Unit is playing significant role towards achieving common goal to ensure seamless Shariah compliance in its Products, Services and overall ambiance of UBL Ameen with regards to instructions and guidelines issued by the Shariah Board. In this regard, ISAU performed Shariah audit of Islamic Banking Branches, Islamic Banking Windows, Corporate & SME financing, profit & loss distribution and Head Office functions. ISAU discussed all findings with Shariah Board and management for determination of appropriate corrective actions and their enforcements.

Charity Collections & Disbursements:

In accordance with Shariah Board approved Charity policy, charity of PKR 12.46 Million was collected in 2024. These charities were collected on account of late payments by the customers against financing facilities. The charity amount collected was placed in separately maintained remunerative account and utilized in accordance with the approved charity policy and was disbursed to reputable charitable organizations.

Details of Charity funds amount for the year 2024 is as under,

S.No	Particulars	Amount (PKR)
1	Opening Balance as of 1st-January 2024	21.40 Million
2	Charity received during the Year - 2024	12.46 Million
3	Profit on Charity	4.88 Million
4	Charity Disbursed during the Year - 2024	21.50 Million
5	Ending Balance as of 31-Dec-2024	17.24 Million

Shariah Opinion:

To form our opinion as expressed in this report, as we have reviewed submitted reports from Internal Shariah Audit, Shariah Compliance Department, External Shariah auditor (for last year) and management representation. Based on above, and to the best of our knowledge, we are of the view that:

- i. UBL Ameen has overall complied with Shariah rules and principles in the light of Fatawa, rulings and guidelines issued by the Shariah Board.
- ii. UBL Ameen has overall complied with directives, regulations, instructions and guidelines related to Shariah compliance issued by SBP in accordance with the rulings of SBP's Shariah Advisory Committee.

- iii. UBL Ameen has a mechanism in place to ensure required Shariah compliance in their overall operations.
- iv. UBL Ameen has a system in place to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized.
- v. UBL Ameen has overall complied with the SBP instructions on profit and loss distribution and pool management.
- vi. The level of awareness, capacity & sensitization of the staff, management and the BOD in appreciating the importance of Shariah compliance in the products and processes of the bank is acceptable.
- vii. Shariah Board has been reasonably provided resources enabling it to discharge its duties.

Recommendations:

Shariah Board appreciate Management decision to increase Islamic Banking footprint through opening of Islamic Banking branches and through conversion of Conventional branches into Islamic Banking branches and CBG loans into Shariah compliant modes of financings which is a very good step for the growth and success of Islamic Banking in Pakistan, For further enhancement, Shariah Board recommends the following,

- I. Capacity Building measures regarding Islamic Banking products and services be further improved at all tiers / levels covering all the steps discussed / required by the State Bank of Pakistan from time to time and reasonable arrangements be provided to cater the necessities / requirements in this regard.
- II. It is recommended to enhance the overall Shariah compliance environment, timely implementation of Shariah guidelines/corrective actions in Islamic Banking Branches and support functions through hiring of qualified business officials (especially in Shariah Compliance Department (SCD) & other controlling units, capacity building and Shariah assessment/controls with zero tolerance in accordance with the Shariah Governance framework issued by the State Bank of Pakistan as already discussed with management from time to time.
- III. It is appreciated that the deployment of funds into Shariah compliant avenues be considered while the conversion /expansion exercise as the funds may be considerably increased viz-a-viz increase in deposit to avoid/manage any Shariah related issues /risks
- IV. It is recommended to ensure that all the Product Manuals and related agreements are aligned with AAOIFI Shariah standards duly adopted by the State Bank of Pakistan time to time and are timely approved by the Shariah Board to comply with Shariah Governance Framework of State Bank of Pakistan.
- V. With respect to automated pool management system & monthly verification for profit and loss calculations / disbursements, it is recommended to ensure compliance to regulatory & Shariah guidelines at all levels considering the revised mechanisms / guidelines circulated by the State Bank of Pakistan.

Conclusion:

Shariah Board of UBL Ameen is satisfied with the overall performance and operations of UBL Ameen Pakistan, Islamic Banking Division of United Bank Limited. And, pray for the sustainability of this momentum of Conversion, Shariah Compliance, market penetration and profitability, and thus play pivotal role in sound and manifold growth of Islamic Banking countrywide.

اعظتامیہ:
یونی ایمن کا شریعہ بورڈ یونی ایل پاکستان امین اسلامک بینکنگ ڈویشن کی مجموعی کارکردگی اور آپریشنز سے مطمئن ہے اور دعا گو ہے کہ یہ میں کی برقراری شریعہ کمپانی، مارکیٹ میں رسمائی اور منافع میں پائیداری نصیب ہوا اور ملک بھر میں اسلامک بینکنگ کے احکام اور مزید فروغ میں مرکزی کردار ادا کرے۔

واللہ تعالیٰ عالم بالاصواب۔

Almighty Knows Best:

Dr. Mufti Muhammad Awais Naeem
Resident Shariah Board Member

ڈاکٹر مفتی محمد اولیس نیم
ریزائلنٹ شریعہ بورڈ ممبر

Mufti Muhammad Sadiq
Shariah Board Member

مفتی محمد صادق
شریعہ بورڈ ممبر

Mufti Muhammad Ibrahim Essa
Chairman Shariah Board

Date of Report: 6th February 2025

مفتی محمد ابراهیم عیاضی
پیغمبر میں شریعہ بورڈ
رپورٹ کی تاریخ: 6 فروری 2025

iii. یونی ایمن کے پاس مجموعی طور پر اپنی کاروباری سرگرمیوں میں مطلوب شریعہ کمپانی کو تلقین بنانے کے لیے نظام موجود ہے۔

iv. یونی ایمن میں ایک ایسا مناسب نظام موجود ہے جو اس بات کو تلقین بناتا ہے کہ شریعہ کی رو سے منومنہ وزاری یا منومنہ طریقوں سے حاصل شدہ آمدی چیزیں اکاؤنٹ میں ٹرانسفر ہو جائے اور اسے مناسب انداز میں استعمال کیا جائے۔

v. یونی ایمن نے نفع و نفاذ کی تسمیہ اور پول کے انتظام و انصرام (pool management) میں مجموعی طور پر اسٹیٹ بینک آف پاکستان کی پیڈیاٹ کی پاسداری کی ہے۔

vi. پروڈکٹس اور سرویس کی کاروباری سرگرمیوں میں شریعہ کمپانی کی اہمیت کے حوالے سے عمل، بورڈ آف ڈائریکٹرز (BoD) اور انتظامیک آگہی، امیلت اور حسایت کی سطح قابل قبول ہے۔

vii. شریعہ بورڈ کو موقول وسائل فراہم کیے گئے جس کی بدولت وہ اپنی ذمہ داریاں انجام دے پائی۔

سفارشات:

شریعہ بورڈ نئی اسلامک بینکنگ برائیں کوئے اور کوشش برائیوں کا اسلامک بینکنگ کی برائیوں میں منتقل کرنے اور CBG کے قرضوں کو شریعہ کمپانی کے فنڈنگ کے طریقہ کاری میں تبدیل کرنے کے لیے میں اسلامک بینکنگ کو بڑھانے کے انتظامیے کے میٹھے کو سرتباہ ہے جو کہ پاکستان میں اسلامک بینکنگ کی ترقی اور کامیابی کے لیے بہترین اقدام ہے، مزید بہتری کے لیے شریعہ بورڈ مندرجہ ذیل سفارشات پیش کرتا ہے:

a. اسلامک بینکنگ پروڈکٹس اور سرویسز کے حوالے سے قیمتی صلاحیت سازی کے اقدامات کو تمام طویل اور جوں میں مزید بہتر بنایا جائے، جس میں اسٹیٹ بینک آف پاکستان کی جانب سے وقتاً فوقاً زیر بحث لائے گے اور اقدامات کو شامل کیا جانا چاہیے، اور اس حوالے سے ضروری / مطلوب تقاضوں کے مناسب انتظامات بھی کرنے چاہیے۔

ii. شرعی قیيل کے ماحول میں مجموعی طور پر مزید اضافے کی تجویز دی جاتی ہے، اسلامک برائیوں میں شرعی رہنماء اصولوں / اصلاحی اقدامات کے بروفت نہاد اور معادون ذرائع کی بہتری کے لیے اپنی پیشہ و رفاقتی (باجوس شریعہ کمپانیز ڈی پائٹسٹ (SCD)) اور دیگر کنٹرول ڈیک یوٹس میں تعیناتی، صلاحیت سازی کو تلقین بنایا جائے پیر شرعی جائزے اشریعہ گورننس فریم ورک کے مطابق مجموعی شرعی قیيل کے ماحول کو تلقین بنانے کے لئے میں علیٰ پر عدم برداشت کا مطالہ کیا جائے، جو اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ ہے اور جسے وقتاً فوقاً انتظامیہ کے ساتھ زیر بحث بھی لایا جا چکا ہے۔

iii. اس بات کو سراہجا تا ہے کہ شرعی طریقوں سے فنڈر کو آگے اونیٹ کرنے کے موقع پر غور کیا جائے تاکہ اس دوران مقتضی ا توسعہ کی متفہ فنڈر میں اضافے کے باعث شریعے متعلق کی بھی قائم کے معاملات / خطرات سے بچا جائے ان کا انتظام کیا جائے۔

iv. اس بات کی تجویز دی جاتی ہے کہ تمام پروکٹ میڈیا نکار و مختالہ محاباے AAOIFI شرعی معیارات کے مطابق ہوئے تو تلقین بنایا جائے جنہیں وقتاً فوقاً اسٹیٹ بینک آف پاکستان کی جانب سے اپنالیا گیا ہے اور شریعہ بورڈ سے بروفت مٹھوری حاصل کی جائے تاکہ اسٹیٹ بینک آف پاکستان کے شریعہ گورننس فریم ورک کی قیيل ہو۔

v. خود کارپول میڈیٹ سسٹم اور منافع و خسارے کے حسابات اور سمعنیس کی ماہنے قدریق کے حوالے سے یہ تجویز دی جاتی ہے کہ اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ نظر ثانی شدہ میکانزم / اپلیاٹ کی تمام طویل پر غور کرتے ہوئے ریگولیٹری کی اور شرعی ہدایات کی قیيل کو تلقین بنایا جائے۔

ٹریننگ اور ڈپلمٹی:
یونی ایل این اور اسلامک بینکنگ ونڈوز کے بڑھتے ہوئے نیت و رک کے لیے ضروری ہے کہ اسلامک بینکنگ پر ووکس اور سروز کے لیے تام اسٹاف کو درست انداز میں تربیت دی جائے۔ اسی حوالے سے شریعہ بورڈ اسٹاف بینک کے ذمی ادارے "پیشہ انسٹیوٹ آف بینکنگ اینڈ فانس" (NIBAF) کے ساتھ ملک بھر کے اسلامک بینکنگ اسٹاف کو اسلامک بینکنگ سٹیفیشن کو سیز (IBCC) کروانے پر انتظامیہ کی کوششوں کو سراہتا ہے۔
یونی ایل این نے سال کے دوران یونی ایل اور یونی ایل این اسٹاف کے لیے اسلامک بینکنگ سٹیفیشن کا بھی اعتماد کیا۔ یہ ٹریننگ سیسٹرن متعدد کاس روم اور آن لائن سیسٹرن کے ذریعے منعقد کی گئے۔ ان زینگر میں شریعہ بورڈ مہماں، شریعہ کپلانس، پیشہ انسٹیوٹ اسٹاف، اور دیگر یونی ایل این ایکٹریکیوں نے معلم کارکردگی کیا۔

آپریشنز آئینڈ کنٹرول ڈپارٹمنٹ:

دوران سال یونی ایل این آپریشنز آئینڈ کنٹرول ڈپارٹمنٹ نے تمام اسلامی پراؤکٹس اور سروز کے لیے کام کیا اور جہاں ضرورت پڑی تو مابین مختلف شریعہ گاید لائیبریری کی مناسب انداز میں لیل کوئی بنا لیا۔

انٹرل شریعہ آڈٹ یونٹ (ISAU):

اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ شریعہ گورننس کے لائیکل اور شریعہ بورڈ کی تجویز کردہ ہدایات کے مطابق انترل شریعہ آڈٹ یونٹ (ISAU) قائم کیا گیا ہے، انٹرل شریعہ آڈٹ یونٹ پر ووکس، سروز اور شریعہ بورڈ شریعہ آڈٹ کے سربراہ اور یک شریعہ اسکار پر مشتمل ہے۔ انترل شریعہ آڈٹ یونٹ پر ووکس، سروز اور شریعہ بورڈ کی جانب سے جاری کردہ ہدایات اور رہنمائی کے حوالے سے یونی ایل این کے مجموعی ماحول میں بخوبی کیا جاوہ کروادا کر رہا ہے۔
کے شرعی نفاذ کے مقاصد کے حصول کو یقینی بنانے میں اپنا ہم کارکردگی کارکردگی کیا جاوہ کروادا کر رہا ہے۔ اسی حوالے سے، انٹرل شریعہ آڈٹ یونٹ (ISAU) نے اسلامک بینکنگ پر اچھے اسلامک بینکنگ ونڈوز، کارپوریٹ اور SME فانس، منافع اور نقصان کی تقیم اور ہدایہ افس کی کارکردگی کا شریعہ آڈٹ کیا۔ ISAU نے تمام معاملات پر انتظامیہ کے ساتھ تاحدہ خیال کرنے کے بعد مناسب اور درست اقدامات کے تعین اور ان کے نفاذ کے لیے شریعہ بورڈ کی رائے حصل کی۔

چیریٹی کی وصولی اور تقیم:

سال 2024 میں، شریعہ بورڈ کی منظور کردہ چیریٹی پالیسی کے مطابق 12.46 میلین روپے چیریٹی وصولی کی گئی۔
یہ چیریٹی کی سہی طرف سے فانس کی سہولیات میں تاخیر سے کی جانے والی ادائیگیوں کی بنیاد پر وصولی کی گئی تھی۔
چیریٹی کی رقم کو ایک علیحدہ منافع بخش کا ووٹ میں رکھا گیا اور منظور شدہ چیریٹی پالیسی کے مطابق اس کا استعمال کیا گیا اور مختبر فلائلی اداروں میں اسے قدمی کیا گیا۔

سال 2024 کی چیریٹی فنڈ رکی رقم کی تفصیلات درج ذیل ہیں:

نمبر شمار	تفصیلات	رقم (پاکستانی روپے)
1	یونی ایل این 2024 کا اوپنگ بینس	21.40 ملین
2	سال 2024 کے دوران موصول ہونے والی چیریٹی	12.46 ملین
3	چیریٹی پر حاصل ہونے والا منافع	4.88 ملین
4	سال 2024 میں تقیم کی جانے والی چیریٹی	21.50 ملین
5	سال 2024 میں اختتامی بینس	17.24 ملین

شریعہ بورڈ کی رائے:

اپنی رائے فائم کرنے کے لیے جیسا کہ اس رپورٹ میں بیان کیا گیا کہ ہم نے انٹرل شریعہ آڈٹ، شریعہ کمپانیز ڈیپارٹمنٹ، ایکٹریک شریعہ آڈٹ (گزشتہ سال کی) اور انتظامیہ کی رپورٹ کا جائزہ لیا ہے۔ درج بالاتر اور ہماری بہترین معلومات کی بنیاد پر ہماری رائے یہ ہے کہ:

اے یونی ایل این نے مجموعی طور پر شریعہ بورڈ کی طرف سے جاری کردہ فتویٰ، قوانین اور گاید لائیبرری روشی میں اپنی رائے فائم کرنے کے لیے جیسا کہ اس رپورٹ میں بیان کیا گیا کہ ہم نے انٹرل شریعہ آڈٹ، شریعہ کمپانیز

- ایمن عروج کا ووٹ ہولدرز کے لیے ایمن عروج ویزاڈیت کا رہ
- ایمن سنچر اکاؤنٹ ہولدرز کے لیے ایمن ویزاڈیت ڈیپٹ کا رہ
- ESFC اکاؤنٹ ہولدرز کے لیے ایمن FCY ویزاڈیت کا رہ

کنزیورز کے حوالے سے:

اس سال کے دوران مندرجہ ذیل کنزیورز پراؤکٹ کی تجدید یا اجراء کیا گیا:

"یونی ایل این ایمین ایڈریس"

یونی ایل این ایڈریس (ہاؤس فنازگ پراؤکٹ) کے موجودہ پراؤکٹ پر گرام میونول کی تجدید کی گئی اور شریعہ بورڈ پورٹ سے مانی بنیادوں پر شریعہ بورڈ کو پیش کی جن میں ان شعبوں کی نشاندہی بھی کی گئی جن کو مزید بہتر بنانے کی ضرورت ہے۔

"یونی ایل این ڈرائیور"

یونی ایل این کے لیے ایک غیر معمولی اور بہترین سال رہا جس میں انتظامیہ نے 2024 کے تختہ نیں اسلامی بینکی بی رچرچ کوئٹہ کے علاوہ خیریت خوتوانہ اور بلوچستان کلسر کی تمام کوئٹہ بیان پراؤکٹ کے مطابق ایمن ایڈریس کی شریعہ بورڈ کے مطابق کوئٹہ بیانوں میں تبدیل کرنے سے تبدیل کرنے پر انتظامیہ کو سراہتا ہے۔

الحمد للہ! اللہ تعالیٰ کے نفل و کرم سے یونی ایل این پاکستان نے اسلامک بینکنگ آپریشنز کا ایک اور سال کا میاںی کے ساتھ کمل کر لیا ہے۔ سال 2024 کے دوران یونی ایل این نے اسلامی بینکاری کی طرف تلقینی، مارکیٹ کی وععت اور کاروباری منافع میں غیر معمولی اضافہ جوتا ہے۔

اسٹیٹ بینک آف پاکستان (SBP) کی بدلیات کے مطابق کوئٹہ بیانوں کو اسلامی بینکاری برائے ملک کا انجام میاںی

کے حوالے سے، شریعہ بورڈ خیریت خوتوانہ اور بلوچستان کلسر کی کوئٹہ بیانوں میں تبدیل کرنے

سے تبدیل کرنے پر انتظامیہ کو سراہتا ہے۔

واگہہ کار:

بورڈ آف ڈائریکٹریز اور اعلیٰ انتظامیہ کیلی طور پر اس بات کو قیمتی بنانے کے ذمہ دار ہیں کہ بہ وقت بیک کے تمام امور شریعہ کا مطابق ایجاد پا سیں۔ اس رپورٹ کا مقصود اسٹیٹ بینک آف پاکستان کے شریعہ بورڈ کے مطابق ایمن ایڈریس کے معاملات کا شرعی جائزہ پیش کرتا ہے۔

بورڈ آف ڈائریکٹریز ایڈریس کے مطابق ایجاد پا سیں میں یونی ایل این کے مطابق ایمن ایڈریس کی شریعہ بورڈ کے مطابق ایمن ایڈریس کے مطابق ایمن ایڈریس کے معاملات کا شرعی جائزہ پیش کرتا ہے۔

دوران ہونے والی اس رپورٹ میں یونی ایل این پاکستان کے مجموعی شریعہ کمپانیز کے ماحول اور سال 2024 کے

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED BANK LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of United Bank Limited (the Bank) for the year ended 31 December 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any noncompliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2024.

Chartered Accountants
Karachi
Dated: -----,

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 as per the following:

- a) Male: 8
- b) Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Ms. Shazia Syed Mr. Tariq Rashid Mr. Daniel M. Howlett
Non-Executive Directors	Sir Mohammed Anwar Pervez, OBE, HPk Lord Zameer M. Choudrey, CBE, SI Pk Mr. Rizwan Pervez Mr. Haider Zameer Choudrey Mr. Muhammad Irfan A. Sheikh
Executive Director	Mr. Muhammad Jawaid Iqbal, President & CEO
Female Director	Ms Shazia Syed

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank;

4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All the directors have either attended the required training or have been exempted, except for one director for whom the Bank is in the process of organizing the training under Directors' Training Program.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below, -

a. BOARD AUDIT COMMITTEE (BAC):

Ms. Shazia Syed	Chairperson
The Honorable Haider Zameer Choudrey	Member
Mr. Rizwan Pervez	Member
Mr. Tariq Rashid	Member

b. BOARD HUMAN RESOURCE & COMPENSATION COMMITTEE (HRCC):

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

c. BOARD RISK & COMPLIANCE COMMITTEE (BRCC):

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

d. BOARD IT COMMITTEE (BITC):

The Honorable Haider Zameer Choudrey	Chairman
Mr. Rizwan Pervez	Member
Mr. Daniel M. Howlett	Member
Mr. Muhammad Irfan A. Sheikh	Member
Mr. Muhammad Jawaid Iqbal	Member

e. BOARD NOMINATION COMMITTEE (BNC):

Sir Mohammed Anwar Pervez, OBE, HPk	Chairman
Lord Zameer M. Choudrey, CBE, SI Pk	Member
The Honorable Haider Zameer Choudrey	Member

f. BOARD INTERNATIONAL COMMITTEE (BIC):

Lord Zameer M. Choudrey, CBE, SI Pk	Chairman
Sir Mohammed Anwar Pervez, OBE, HPk	Member
The Honorable Haider Zameer Choudrey	Member
Rizwan Pervez	Member
Mr. Tariq Rashid	Member
Shazia Syed	Member
Daniel Michael Howlett	Member
Mr. Muhammad Irfan Anwar Sheikh	Member
Muhammad Jawaid Iqbal	Member

13. The Terms of Reference (TORs) of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a. Board Audit Committee (BAC)	Four quarterly meetings.
b. Board Human Resource & Compensation Committee	Four quarterly meetings.
c. Board Risk & Compliance Committee	Four quarterly meetings.
d. Board IT Committee	Four quarterly meetings.
e. Board Nomination Committee	One meeting.
f. Board International Committee	Four quarterly meetings.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank;

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.


Signature
Sir Mohammad Anwar Pervez, OBE, HPk
Chairman

ANNUAL STATEMENT ON INTERNAL CONTROLS

- For the year ended 31 December 2024

Internal controls system is effected by the Board of Directors (BOD) and the Bank's management. Management is responsible to establish and maintain an adequate and effective system of internal controls and procedures, under the policies approved by BOD. Management plans, organizes, and directs the performance of internal control systems to manage risk and increase the likelihood that business objectives & goals are achieved. Management ensures an efficient and effective internal controls system by carrying out risk assessment, designing and implementing adequate controls, reviewing policies & procedures, implementing rules & regulations, and monitoring effectiveness of controls and systems.

Internal controls, policies and procedures are designed to provide assurance regarding the effectiveness and efficiency of Bank's operations, safeguarding of assets, reliability of financial information, and compliance with applicable laws & regulations. While, internal control systems are designed to manage, rather than eliminate the risk of failure to achieve the business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss under changing environment.

Internal control comprises of interrelated components including control environment, risk assessment process, information and communication, control activities, and monitoring of internal controls. Evaluation of internal controls system comprises of different levels of monitoring activities i.e. Bank's Management, Unified Command Structure in Branch Banking Group, Regional Compliance Structure in Compliance Group, Internal Control Division of Operations Group, Internal Control over Financial Reporting (ICFR) Unit, and Audit & Risk Review Group.

Concerted efforts are made by every level of monitoring to improve the control environment by regularly reviewing and strengthening procedures to prevent and rectify control lapses and impart training for continuous improvement at all levels. Line management's role has been enhanced to include onsite reviews of processes in branches to identify gaps in execution with special emphasis on the implementation of regulatory instructions, in addition to day to day monitoring of control breaches for prompt corrective actions. Keeping in view the Bank's continued focus on controls and compliance matters, an Internal Control Division is operating within Operations Group for monitoring branch related operations. Further, in order to improve the oversight on regulatory requirements, KYC/CDD/EDD quality, and Financial Crime Compliance (FCC), Regional Compliance Managers have been placed in each branch banking unit under Regional Compliance Structure in Compliance Group.

Compliance Group manages compliance risk, provides advisory, helps strengthen overall compliance environment. It enables the bank to comply with laws, regulations, guidelines and internal policies & procedures. Further, it provides oversight over regulatory and FCC across the bank on an ongoing basis.

Besides, BOD has established a Shariah Board (SB) which oversees compliance with the Shariah rules and regulations for Islamic banking business. Shariah Compliance Department (SCD) perform reviews and determine appropriate actions for strengthening of internal Shariah controls under guidance of SB and regulations.

Audit & Risk Review Group works in accordance with the Internal Audit Standards and maintains the highest level of independence and objectivity within the Bank. It provides accountability by performing audit and other assurance activities related to governance, enterprise level risk management, and internal controls to evaluate implementation of controls and ensure the existence of a healthy control environment throughout the Bank. It identifies issues, improvement opportunities, making recommendations, and keeping the BOD and management up-to-date on matters requiring resolution. All significant / material findings are reported to the Board's Audit Committee which actively monitors implementation of internal controls to ensure that identified risks are mitigated to safeguard interest of the Bank. During the period, Audit has performed various offsite reviews; particularly, keeping in view of rapidly changing economic environment and consulting engagements considering the emerging threats and assessing the management responsiveness to provide insights on governance, evolving risks, business disruption and embedded controls for enhancing the overall control environment.

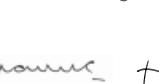
All significant and material findings of the internal and external auditors as well as observations of the regulators are addressed on priority by the management and their status is reported periodically to the Board's Audit Committee and the Board's Risk & Compliance Committee through management committees of Audit and Compliance, respectively. These committees are headed by the President & CEO. Committees deliberate and monitor remediation plans, resolution & compliance undertaken by the line management, for the control gaps identified by different levels of monitoring, and track their implementation.

The Bank endeavors to follow the State Bank of Pakistan's guidelines on internal controls. The Bank is continuously making efforts to ensure that effective and efficient internal control systems remain active and implemented through consistent and continuous monitoring that would help in further improving the overall control environment. As part of this exercise, the Bank has documented a comprehensive Internal Control over Financial Reporting (ICFR) Governance Framework which has been approved by the BOD. The Bank's external auditors are engaged annually to provide a Long Form Report on ICFR as per the requirement of SBP. During the year, the Bank conducted testing of financial reporting controls for ensuring the effectiveness of ICFR throughout the year. None of the deficiencies identified are expected to have a material impact on financial reporting.

Based upon the results derived through ongoing testing of financial reporting & internal controls, reviews and audits carried out during the year by Management, Branch Banking Group, Regional Compliance Structure in Compliance Group, Internal Control Division of Operations Group, Internal Control over Financial Reporting (ICFR) Unit, and Audit & Risk Review Group, management considers that the existing internal control system is adequate and has been effectively implemented and monitored. The Bank will continue to enhance and further strengthen its internal control systems, on an ongoing basis.



Suleiman Pervez
Acting Head -
Audit & Risk Review



Munawar Raza Shah
Chief Operating
Officer



Alee Khalid Ghaznavi
Group Executive -
Islamic Banking



Irfan Memon
Group Executive -
Compliance



Abdul Aleem Qureshi
Group Executive -
Branch Banking



Syed Manzoor
Hussain Zaidi
Chief Financial Officer



Ijaz Farooq
Deputy CEO



Muhammad Jawaad Iqbal
President & CEO

A SMARTER TOMORROW

UBL'S INNOVATION JOURNEY

At UBL, innovation isn't just a goal—it's a continuous journey. By constantly enhancing its products, services, and digital platforms, the bank is shaping a more connected, intelligent, and customer-driven financial experience. With a diverse range of innovative products and services, catering to the financial well-being of all segments of the country, UBL is committed to making banking smarter, safer, and more intuitive, ensuring customers stay ahead in an ever-evolving financial landscape.





FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR'S REPORT

To the members of United Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **United Bank Limited**, which comprise the unconsolidated statement of financial position as at **31 December 2024**, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flows statement for the year then ended, along with unaudited certified returns received from the branches except for thirty-one branches which have been audited by us and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and gives the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2024 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Expected credit loss against advances As disclosed in Note 9 to the unconsolidated financial statements, the Bank's advances represent 17.9% of its total assets as of 31 December 2024. During the year, the Bank has adopted IFRS 9 - "Financial Instruments" (as applicable in Pakistan), which requires a forward-looking approach to estimate the Expected Credit Loss ("ECL") against advances and other financial instruments. As allowed under IFRS 9, the Bank has adopted the requirements of the standard retrospectively, without restating the previous year's financial information. The adoption of IFRS 9 has resulted in a transition adjustment to the retained earnings as of 1 January 2024 of Rs. 4,327.814 million. The impact of transition is explained in Note 2.6.1.3 to the unconsolidated financial statements. In view of the significance of this area in terms of its impact on the unconsolidated financial statements, and level of involvement of management's estimates and judgments, we identified adequacy and completeness of ECL against advances as a key audit matter. The accounting policy and disclosures related to the ECL against advances are included in Notes 4.2 and 9.4 respectively to the unconsolidated financial statements. We also assessed adequacy of disclosures as included in Note 9.4 to the unconsolidated financial statements regarding the ECL made against advances in accordance with the requirements of the applicable financial reporting framework	

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
 - b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows (together with the notes thereon) have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
 - c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and

- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.
2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

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

Chartered Accountants

Place: Karachi

Date:

UDIN:

Unconsolidated Statement of Financial Position

As at December 31, 2024

Note	2024	2023
(Rupees in '000)		

ASSETS

Cash and balances with treasury banks
Balances with other banks
Lendings to financial institutions
Investments
Advances
Property and equipment
Right-of-use assets
Intangible assets
Deferred tax assets
Other assets

5	309,745,911	277,330,217
6	59,968,246	30,700,751
7	18,492,483	34,447,852
8	5,886,894,503	4,385,216,671
9	1,443,481,944	613,565,526
10	85,246,731	65,087,643
11	9,896,084	8,497,029
12	2,481,475	2,458,834
13	-	-
14	246,924,757	157,692,979
	8,063,132,134	5,574,997,502

LIABILITIES

Bills payable
Borrowings
Deposits and other accounts
Lease liabilities
Subordinated debt
Deferred tax liabilities
Other liabilities

16	44,221,818	21,651,784
17	4,855,373,516	2,815,470,554
18	2,640,211,489	2,350,540,823
19	12,008,797	10,339,867
20	10,000,000	10,000,000
13	38,959,061	1,921,889
21	146,135,202	112,572,054
	7,746,909,883	5,322,496,971

NET ASSETS

REPRESENTED BY:

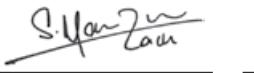
Share capital
Reserves
Surplus on revaluation of assets - net
Unappropriated profit

22	12,241,797	12,241,797
	114,734,831	107,800,978
23	77,289,805	41,965,460
	111,955,818	90,492,296
	<u>316,222,251</u>	<u>252,500,531</u>

CONTINGENCIES AND COMMITMENTS

24

The annexed notes 1 to 51 and annexures I, II and III form an integral part of these unconsolidated financial statements.


Syed Manzoor Hussain Zaidi
Chief Financial Officer


Muhammad Jawaid Iqbal
President & Chief Executive Officer


Shazia Syed
Director


Daniel Michael Howlett
Director


Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Unconsolidated Profit and Loss Account

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
Mark-up / return / interest earned	26	1,084,582,857	521,374,426
Mark-up / return / interest expensed	27	911,168,032	378,490,304
Net mark-up / interest income		173,414,825	142,884,122
Non mark-up / interest income			
Fee and commission income	28	18,910,354	17,526,982
Dividend income		1,796,320	1,715,063
Foreign exchange income		12,221,392	12,498,424
Gain from derivatives		1,230,801	6,772
Gain on securities - net	29	42,592,701	365,820
Capital gain on derecognition of financial assets measured at amortised cost		2,894,427	-
Other income	30	7,848,128	1,096,504
Total non mark-up / interest income		87,494,123	33,209,565
Total income		260,908,948	176,093,687
Non mark-up / interest expenses			
Operating expenses	31	94,784,859	64,305,675
Workers' Welfare Fund	32	3,105,396	2,131,149
Other charges	33	75,270	240,326
Total non mark-up / interest expenses		97,965,525	66,677,150
Profit before credit loss allowance			
Credit loss allowance / provisions and write-offs - net	34	162,943,423	109,416,537
		12,751,775	1,298,463
Profit before taxation		150,191,648	108,118,074
Taxation	35	69,664,114	54,937,661
Profit after taxation		80,527,534	53,180,413
----- (Rupees) -----			
Earnings per share - basic and diluted	36	65.78	43.44

The annexed notes 1 to 51 and annexures I, II and III form an integral part of these unconsolidated financial statements.

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
Profit after taxation for the year		80,527,534
Other comprehensive income		53,180,413
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branches	(1,118,901)	16,228,563
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	33,180,246	22,752,820
	32,061,345	38,981,383
Items that will not be reclassified to profit and loss account in subsequent periods		
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	4,826,678	1,680,712
Remeasurement gain on defined benefit obligations - net of tax	4,177,500	1,046,605
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	319,239	6,710
Movement in surplus on revaluation of non-banking assets - net of tax	1,146	-
	9,324,563	2,734,027
Total comprehensive income for the year	121,913,442	94,895,823
The annexed notes 1 to 51 and annexures I, II and III form an integral part of these unconsolidated financial statements.		

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Share capital	Capital reserve - exchange translation	Statutory reserve	Surplus / (deficit) on revaluation				
				Investments	Property and equipment	Non-banking assets	Unappropriated profit	Total
(Rupees in '000)								
Balance as at January 01, 2023	12,241,797	44,694,292	41,560,081	(20,679,865)	39,765,799	-	91,438,152	209,020,256
Total comprehensive income for the year ended December 31, 2023								
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	-	53,180,413	53,180,413
Other comprehensive income - net of tax	-	16,228,563	-	24,433,532	6,710	-	1,046,605	41,715,410
Total comprehensive income for the year ended December 31, 2023	-	16,228,563	-	24,433,532	6,710	-	54,227,018	94,895,823
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(1,474,233)	-	1,474,233	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(86,483)	-	86,483	-
Transfer to statutory reserve	-	-	5,318,042	-	-	-	(5,318,042)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - December 31, 2022 declared subsequent to the year end at Rs. 9.0 per share	-	-	-	-	-	(11,017,617)	(11,017,617)	
Interim cash dividend - March 31, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Interim cash dividend - June 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Interim cash dividend - September 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Balance as at December 31, 2023	12,241,797	60,922,855	46,878,123	3,753,667	38,211,793	-	90,492,296	252,500,531
Effect of reclassification on adoption of IFRS 9 (net of tax)	-	-	-	(2,973,630)	-	-	2,973,630	-
Effect of adoption of IFRS 9 - ECL (net of tax)	-	-	-	-	-	(4,327,814)	(4,327,814)	
Balance as at January 01, 2024 - as restated	12,241,797	60,922,855	46,878,123	780,037	38,211,793	-	89,138,112	248,172,717
Total comprehensive income for the year ended December 31, 2024								
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	80,527,534	80,527,534	
Other comprehensive income - net of tax	-	(1,118,901)	-	38,006,924	319,239	1,146	4,177,500	41,385,908
Total comprehensive income for the year ended December 31, 2024	-	(1,118,901)	-	38,006,924	319,239	1,146	84,705,034	121,913,442
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(77,583)	-	77,583	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	48,249	-	-	(48,249)	-
Transfer to statutory reserve	-	-	8,052,754	-	-	-	(8,052,754)	-
Transactions with owners, recorded directly in equity								
Final cash dividend - December 31, 2023 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Interim cash dividend - March 31, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Interim cash dividend - June 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Interim cash dividend - September 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	
Balance as at December 31, 2024	12,241,797	59,803,954	54,930,877	38,835,210	38,453,449	1,146	111,955,818	316,222,251

The annexed notes 1 to 51 and annexures I, II and III form an integral part of these unconsolidated financial statements.

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Unconsolidated Cash Flow Statement

For the year ended December 31, 2024

Note	2024 ----- (Rupees '000)	2023 ----- (Rupees '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	150,191,648	108,118,074
Less: Dividend income	(1,796,320)	(1,715,063)
	148,395,328	106,403,011
Adjustments:		
Depreciation on property and equipment	5,783,338	4,359,764
Depreciation on right-of-use assets	2,423,781	2,286,328
Depreciation on non-banking assets acquired in satisfaction of claims	3,226	3,012
Depreciation on Islamic financing against leased assets (Ijarah)	79,527	135,236
Amortisation	1,007,926	997,628
Workers' Welfare Fund - charge	3,105,396	2,131,149
Provision for retirement benefits	71,967	559,077
Credit loss allowance against loans and advances - net	11,253,648	(4,898,710)
Credit loss allowance against off - balance sheet obligations - net	1,303,408	(29,304)
Credit loss allowance for diminution in value of investments - net	(273,241)	6,527,545
Interest expense on lease liability against right-of-use assets	1,469,697	1,217,778
Gain on sale of property and equipment - net	(232,084)	(487,628)
Gain on sale of Ijarah assets - net	(1,016)	(2,068)
Gain on sale of subsidiary	(7,083,501)	-
Bad debts written-off directly	54,951	55,861
Unrealised (gain) / loss on revaluation of investments classified as FVTPL	(35,068)	79,074
Credit loss allowance against other assets	476,252	(29,016)
Other provisions / write-offs	160,014	149,432
	19,568,221	13,055,158
	167,963,549	119,458,169
(Increase) / decrease in operating assets		
Lendings to financial institutions	15,955,369	50,848,628
Securities classified as FVTPL	55,025,621	(51,489,494)
Advances	(841,322,872)	312,960,408
Other assets (excluding advance taxation)	(79,549,100)	(72,537,315)
	(849,890,982)	239,782,227
Increase / (decrease) in operating liabilities		
Bills payable	22,570,034	(11,369,954)
Borrowings	2,039,902,962	2,250,951,966
Deposits and other accounts	289,670,666	508,721,730
Other liabilities	26,869,487	20,245,334
	2,379,013,149	2,768,549,076
	1,697,085,716	3,127,789,472
Receipt / (payment) on account of staff retirement benefits	505,144	(714,773)
Workers' Welfare Fund refund	667,943	-
Income taxes paid	(82,684,275)	(44,920,857)
Net cash flow (used in) / generated from operating activities	1,615,574,528	3,082,153,842
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(1,521,630,707)	(2,945,797,121)
Net investments in amortized cost securities	40,239,286	64,098,624
Net investments in associates	-	1,199,125
Net investments in subsidiaries	1,855,223	(1,000,000)
Investment in property and equipment and intangible assets	(27,037,686)	(8,867,107)
Dividend income received	1,796,320	1,715,063
Proceeds realised on sale of subsidiary	9,053,274	-
Sale proceeds from disposal of property and equipment and intangible assets	259,438	2,020,689
Sale proceeds from sale of Ijarah assets	19,344	20,842
Effect of translation of net investment in foreign branches	(1,118,901)	16,228,563
Net cash flow used in investing activities	(1,496,564,409)	(2,870,381,322)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(3,501,422)	(3,202,250)
Dividends paid	(53,825,508)	(59,235,963)
Net cash flow used in financing activities	(57,326,930)	(62,438,213)
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	61,683,189	149,334,307
Effect of exchange rate changes on cash and cash equivalents	309,603,472	140,042,068
	(1,572,504)	18,654,593
Cash and cash equivalents at the end of the year	308,030,968	158,696,661
	369,714,157	308,030,968

The annexed notes 1 to 51 and annexures I, II and III form an integral part of these unconsolidated financial statements.

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaaid Iqbal
President & Chief Executive Officer

<b

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

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 1,474 (2023: 1,356) branches inside Pakistan including 496 (2023: 209) Islamic Banking branches and 2 (2023: 2) branches in Export Processing Zones. The Bank also operates 8 (2023: 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), both of which have been 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 financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated February 09, 2023.

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

Key financial figures of the Islamic Banking branches are disclosed in Annexure II to these unconsolidated financial statements.

The Bank has prepared its unconsolidated financial statements on the basis that it will continue to operate as a going concern.

2.5 STATEMENT OF COMPLIANCE

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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 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.

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

These unconsolidated financial statements represent the separate financial statements of the Bank. The consolidated financial statements of the Bank and its subsidiaries are presented separately.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these unconsolidated financial statements.

2.6.1 IFRS 9 - Financial Instruments

The Bank has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) retrospectively with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and other reserves at the beginning of the current period without restating the comparative figures. Therefore, the comparative information for 2023 is not comparable for 2024. The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 2.6.1.3.

2.6.1.2 Scope of IFRS 9 application

IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 01, 2018. The requirements of this standard were already incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted in accordance with the financial reporting regimes of their respective jurisdictions. The results of those overseas operations where IFRS 9 is not applicable will be directly incorporated in the Bank's financial statements as per the respective jurisdiction's regulations, for the year ending December 31, 2024. As per the SBP IFRS 9 application instructions, all overseas jurisdictions will be subject to the IFRS 9 requirements from next financial year.

Upon implementation of IFRS 9, the Banking Industry sought certain technical clarifications from SBP and also identified practical difficulties with respect to (i) valuation of unquoted equity securities, (ii) recognition of interest income/expense on financial instruments using the Effective Interest Method (EIR), and (iii) Revenue recognition of Islamic financial instruments. With respect to (i) and (ii), the SBP has allowed temporary extension in timeline with directions to implement IFRS 9 requirements from 1 January 2025 and 1 January 2026, respectively. Accordingly, the Bank has continued to apply previous accounting practices in such areas for the purposes of preparation of these financial statements. Further, with respect to (iii), the SBP has allowed Banks to continue the existing accounting practice until further instructions. The income for the year would have been higher by approximately Rs1,295.667 million, if the same had not been applied.

2.6.1.3 Transition disclosures

This note sets out the impact of adopting IFRS 9 on the statement of financial position, unappropriated profit and surplus on revaluation of investments.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with Prudential Regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024:

Carrying amount as per current accounting policy as at Dec 31, 2023	Classification under IFRS 9					
	At FVTPL	At FVOCI - with recycling	At FVOCI - without recycling	At Amortized Cost	Remeasurem ent under IFRS 9	IFRS 9 carrying amount as at Jan 01, 2024
(Rupees in '000)						
Cash and balances with banks	308,030,968	-	-	-	308,030,968	(1,182)
Lendings to financial institutions	34,447,852	-	-	-	34,447,852	-
Advances	613,565,526	-	-	-	613,565,526	(12,222,808)
Investments						601,342,718
Held for trading	78,956,749	78,956,749	-	-	-	78,956,749
Held to maturity	362,838,478	-	-	-	362,838,478	(344)
Available for sale	3,939,226,221	3,018,999	3,925,259,062	10,948,160	-	(7,157)
Other assets	150,395,306	4,266,717	-	-	146,128,589	4,253,114
Total Financial assets	5,487,461,100	86,242,465	3,925,259,062	10,948,160	1,465,011,413	(7,978,377)
						5,479,482,723
Borrowings	2,815,470,554	-	-	-	2,815,470,554	-
Bills payable	21,651,784	-	-	-	21,651,784	-
Deposits	2,350,540,823	-	-	-	2,350,540,823	-
Subordinated debt	10,000,000	-	-	-	10,000,000	-
Other liabilities	88,722,556	2,741,100	-	-	85,981,456	1,037,902
Total Financial liabilities	5,286,385,717	2,741,100	-	-	5,283,644,617	1,037,902
						5,287,423,619
Net Financial Assets	201,075,383	83,501,365	3,925,259,062	10,948,160	(3,818,633,204)	(9,016,279)
						192,059,104
Deferred tax assets	(1,921,889)	-	-	-	4,688,465	2,766,576
Effect on net assets on adoption of IFRS 9						
						(4,327,814)

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

(A) Debt instruments previously classified as available for sale (AFS) but which fail the SPPI test

The Bank held a portfolio of debt instruments amounting to Rs. 1,864.933 million that failed to meet the SPPI requirement for amortised cost classification under IFRS 9. These instruments contain provisions that, in certain circumstances, can allow the issuer to defer interest payments, but which do not accrue additional interest. This clause breaches the criterion that interest payments should only be consideration for credit risk and the time value of money on the principal. As a result these are required to be classified as FVTPL under IFRS 9.

(B) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate investments in listed securities and strategic investments in unquoted securities as FVOCI amounting to Rs. 10,228.156 million and Rs. 720.004 million, respectively. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(C) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- (i) Those previously classified as available for sale and now classified as measured at FVOCI;
- (ii) Those previously classified as held to maturity and now classified as measured at amortised cost; and
- (iii) Those previously classified as held for trading and now classified as measured at FVTPL.

The impact of transition to IFRS 9 on unappropriated profit and surplus on revaluation of investments is as follows:

Unappropriated profit	Surplus / (Deficit) on revaluation Investments	Total
(Rupees in '000)		
Balance as at December 31, 2023	90,492,296	3,753,667
Recognition of IFRS 9 ECL - net of tax	(4,327,814)	-
Available for sale equity instruments reclassified as FVOCI under IFRS 9 - net of tax	2,973,630	(2,973,630)
Balance under IFRS 9 as at January 01, 2024 - as restated	<u>89,138,112</u>	<u>780,037</u>
		<u>89,918,149</u>

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2025:

Standard, Interpretation or Amendment

	Effective date (annual periods beginning on or after)
Lack of exchangeability – Amendments to IAS 21	January 01, 2025
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 17 - Insurance Contracts	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

Standard

IASB Effective date (annual periods beginning on or after)
January 01, 2004
January 01, 2027
January 01, 2027
The above standards and amendments are not expected to have any significant impact on Bank's unconsolidated financial statements for future periods, except for IFRS 18.

IFRS 18 - Presentation and Disclosure in Financial Statements

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

2.8

Critical accounting estimates and judgments

The preparation of these unconsolidated 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.

Significant accounting estimates and areas where judgments were made by management in the application of accounting policies are as follows:

- i) Fair valuation of financial assets (notes 4.2.2.2, 4.2.2.3, 4.2.2.4 and 8).
- ii) Expected credit loss allowance against financial assets (notes 4.2.6, 8.3, 9.4 and 9.6).
- iii) Income taxes (notes 4.18 and 35).
- iv) Defined benefit plans (notes 4.20 and 39).
- v) Fair value of derivatives (note 4.4 and 25).
- vi) Revaluation and depreciation of property and equipment (notes 4.12 and 10).
- vii) Amortisation of intangible assets (note 4.14 and 12).
- viii) Incremental borrowing rate for leases (notes 4.13).
- ix) Valuation of non-banking assets acquired in satisfaction of claims (note 4.15).

3.

BASIS OF MEASUREMENT

3.1

Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for:

- Certain class of property and equipment and non-banking assets acquired in satisfaction of claims, which have been stated at revalued amounts less accumulated depreciation.
- Investments classified as FVTPL and FVOCI which are measured at fair value.
- Certain derivative financial instruments, including forward exchange contracts which have been stated at fair value.

3.2

Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Bank's functional currency.

4.

MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year, except as disclosed in Notes 4.1 and 4.2.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for annual financial statements of banking companies. The new format has revised the disclosure requirements of the Bank for the year ended December 31, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

4.2 Financial Instruments - policies applicable from January 01, 2024

Financial instruments carried on the balance sheet include Cash and balances with treasury banks, Balances with other banks, Lendings to financial institutions, Investments, Advances, certain Other assets, Bills payable, Borrowings, Deposits, Subordinated debt and certain Other liabilities.

4.2.1 Initial recognition

Date of initial recognition

Advances are recognised when funds are transferred to the customers' accounts. The Bank recognises Deposits and Bills payable when funds are transferred to the Bank. Other financial assets and liabilities, are initially recognised on the trade date. This includes regular way trades.

Initial measurement

On initial recognition, financial assets and financial liabilities at fair value through profit or loss (FVTPL) are initially measured at their fair value. The initial measurement of other financial instruments is based on their fair value, but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the financial instrument. Other assets and Other liabilities are measured at the transaction price.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit and loss account when the inputs become observable, or when the instrument is derecognised.

4.2.2 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to intial recognition:

- Financial assets at amortized cost
- Debt instruments at 'fair value through other comprehensive income' FVOCI
- Equity instruments at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

4.2.2.1 Financial assets at amortised cost

The Bank classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below:

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board / Board Committees;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

b) The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

4.2.2.2 Debt instruments at FVOCI

The Bank applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

Market value of investment in Government securities is determined based on the relevant PKRV, PKFRV and PKISRV rates / price.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

4.2.2.3 Equity instruments at FVOCI

Upon initial recognition, the Bank elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of 'Equity' under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

4.2.2.4 Financial assets and financial liabilities at FVTPL

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
- not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.2.2.5 Financial liabilities at amortised cost

These include Bills payable, Borrowings, Deposits, Subordinated debts and certain items within Other Liabilities.

4.2.3 Derecognition of financial assets

4.2.3.1 Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers qualitative factors such as change in currency of the loan, introduction of an equity feature, change in counterparty, or if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.2.3.2 Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The difference between the carrying value (including impairment) of a financial asset and the consideration received is recognized in profit and loss account.

4.2.4 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in profit or loss account.

4.2.5 Write-offs

Financial assets are written off when there is no realistic prospect of recovery. The amount so written-off is a book entry and does not necessarily prejudice the Bank's right of recovery against the defaulter.

4.2.6 Impairment of financial assets

4.2.6.1 Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Bank has been recording the allowance for expected credit losses for all advances and other debt financial assets held at amortised cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.2.6.2 The calculation of ECLs

The key elements of ECL calculations are as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Through the yearly review of the internally rated advances (Corporate and Commercial/SME portfolios) and non-rated Consumer portfolios, Staff Loans and Investments, the Bank has drawn an yearly transition matrix of ratings and DPD buckets, respectively, to compute a count based PD over the one year horizon for the last ten years. For externally rated Investments PD tables from External Rating Agencies are used. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and amortization.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. The Bank estimates LGD based on the history of recovery rates and considers the recovery of any liquid collateral for each group of financial instruments. LGDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Bank considers three probability-weighted scenarios (a base case, a best case, and a worse case). Each of these is associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. For credit cards and revolving facilities based on past experience and the Bank's expectations, the Bank calculates ECL for these products over their behavioral life

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

4.2.6.3 Significant increase in credit risk

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank uses both qualitative and quantitative criteria for determining whether there has been a significant increase in credit risk. These include comparing lifetime PD at the reporting date with the lifetime PD at the initial recognition of the financial asset, a backstop of thirty days past due on the contractual payments, considerable deterioration in the internal or external rating (as the case maybe), moving a customer/facility to the watch list, or the account becoming forbearance. However, for certain portfolios, the Bank rebuts 30 days past due presumption based on behavioural analysis of its borrowers.

4.2.6.4 Definition of default

The Bank considers a financial instrument defaulted for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments, except for agricultural loans which are considered defaulted at 365 days past due. The Bank also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

4.2.6.5 Forward looking information

The Bank formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent a range of scenarios linked to GDP growth, CPI and Gross government debt and Unemployment rate.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.3 Financial instruments - policies applicable before January 01, 2024

4.3.1 Investments of the Bank, other than investments in subsidiaries and associates, are classified into following categories:

4.3.1.1 Held for trading

These are securities which are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements and dealer's margin, or are securities included in a portfolio in which a pattern of short term profit taking exists.

4.3.1.2 Held to maturity

These are securities with fixed or determinable payments and fixed maturities, in respect of which the Bank has the positive intent and ability to hold to maturity.

4.3.1.3 Available for sale

These are investments, other than those in subsidiaries and associates, that do not fall under the held for trading or held to maturity categories.

4.3.1.4 Initial measurement

All "regular way" purchases and sales of investments are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the investment. Regular way purchases or sales of investments require delivery within the time frame generally established by regulation or convention in the market place.

Investments are initially recognised at fair value which, in the case of investments other than held for trading, includes transaction costs associated with the investments. Transaction costs on investments held for trading are expensed as incurred.

4.3.1.5 Subsequent measurement

4.3.1.6 Held for trading

These are measured at subsequent reporting dates at fair value. Gains and losses on re-measurement are included in the profit and loss account.

4.3.1.7 Held to maturity

These are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

4.3.1.8 Available for sale

Quoted securities classified as available for sale investments are measured at subsequent reporting dates at fair value. Any surplus or deficit arising thereon is kept in a separate account shown in the statement of financial position as part of the equity and is taken to the profit and loss account when realised upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. A decline in the carrying value is charged to the profit and loss account. A subsequent increase in the carrying value, upto the cost of the investment, is credited to the profit and loss account. Investments in other unquoted securities are valued at cost less impairment, if any.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.3.1.9 Impairment

4.3.1.10 Impairment of available for sale equity investments

Available for sale equity investments are impaired when there has been a significant or prolonged decline in their fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

4.3.1.11 Impairment of debt investments

Provisions for diminution in the value of debt securities are made as per the criteria prescribed by the Prudential Regulations issued by the SBP. Provision against debt investments by the Bank's overseas branches is made as per the requirements of the respective regulatory regimes in which the overseas branches operate.

4.3.1.12 Advances

Advances are stated net of specific and general provisions which are charged to the profit and loss account. Provision against advances by the Bank's branches in Pakistan is determined on the basis of the Prudential Regulations and other directives issued by the SBP. Provision against advances by the Bank's overseas branches are made in accordance with the requirements of the financial reporting regime of the respective countries in which the overseas branches operate.

4.4 Derivatives recorded at fair value through profit or loss

The Bank enters into derivative transactions with various counterparties. These include cross-currency swaps, forward foreign exchange contracts and forward government securities transactions. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately under 'Commitments' and 'Other assets/Other liabilities', respectively. Changes in the fair value of forward government securities transactions are included in 'Gain/(loss) on derivatives' in the profit and loss account, while for cross-currency swaps and forward foreign exchange contracts they are included in 'Income from dealing in foreign currencies'.

4.5 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the unconsolidated financial statements when there is a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.6 Sale under repurchase agreements

Securities sold under agreements to repurchase (Repo) at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest within 'Borrowings', reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is recorded as 'Interest expense' and is accrued over the life of the agreement using the contractual rate. When the counterparty has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its statement of financial position to indicate that they are pledged as collateral.

4.7 Purchase under resale agreements

Securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within 'Lendings', reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in 'Interest earned' and is accrued over the life of the agreement using the contractual rate. If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Other liabilities' and measured at fair value with any gains or losses included in profit and loss account.

4.8 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuk on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.9 Finance lease receivables

Leases, where the Bank transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance lease. A receivable is recognised at an amount equal to the present value of the minimum lease payments including guaranteed residual value, if any. Finance lease receivables are included in advances.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.10 Islamic financings and related assets

Receivables under Murabaha financing represent cost price plus an agreed profit on deferred sale arrangement. Profit could be recognised on a straight line basis over the period of the instalments.

Ijarah financing represents arrangements whereby the Bank (being the owner of assets) transfers its usufruct to its customers for an agreed period at an agreed consideration (rentals). Assets leased out under Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. These are depreciated over the term of the lease. Ijarah income is recognised on an accrual basis.

Diminishing Musharakah is partnership agreement between the Bank and its customer for long term financing of assets. The receivable is recorded to the extent of Bank's share in the purchase of asset. Income is recognised on accrual basis.

Istisna is a sale contract where the Bank places an order to the manufacturer / builders to produce certain assets and the sale is completed upon the delivery of the assets to the ultimate buyer.

Running Musharakah facility is to finance the working capital requirement of the customer whereas partnership is based on particular operations of the business.

4.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement consist of cash and balances with treasury banks and balances with other banks.

4.12 Property and equipment

Property and equipment, other than land (which is not depreciated) and capital work-in-progress, are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses, if any. Land is carried at revalued amount less impairment losses while capital work-in-progress is stated at cost less impairment losses. The cost and the accumulated depreciation of property and equipment of overseas branches include exchange differences arising on currency translation at the year-end rates of exchange.

Depreciation is calculated so as to write off the depreciable amount of the assets over their expected useful lives at the rates specified in note 10.2 to these unconsolidated financial statements. The depreciation charge for the year is calculated on a straight line basis after taking into account the residual value, if any. The residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Depreciation on additions is charged from the month the asset is available for use. No depreciation is charged in the month of disposal.

Land and buildings are revalued by independent, professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. An increase arising on revaluation is credited to the surplus on revaluation of fixed assets account. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the profit and loss account up to the extent of the original impairment.

Surplus on revaluation of fixed assets (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

Gains and losses on sale of fixed assets are included in the profit and loss account, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

Major renewals and improvements that increase the useful life of an asset are capitalized and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

4.13 Lease liability and Right-of-use asset

The bank enters into leasing arrangements for its branches, ATMs and warehouses. Rental contracts are typically for a fixed period and may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not be terminated).

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification.

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Bank has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

4.14 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The amortisation charge for the year is calculated on a straight line basis after taking into account the residual value, if any. Amortisation on additions is charged from the month the asset is available for use. No amortisation is charged in the month of disposal.

Gains and losses on sale of intangible assets are included in the profit and loss account.

4.15 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of property is credited to the 'surplus on revaluation of non-banking assets' account. A decrease arising on revaluation of non-banking asset is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the profit and loss account up to the extent of the original impairment.

All direct costs of acquiring title to asset are charged to the profit and loss account. Gains and losses on sale of non-banking assets are included in the profit and loss account, except that the related surplus on revaluation of non-banking assets (net of deferred tax) is transferred directly to unappropriated profit.

4.16 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are valued at cost less accumulated impairment losses, if any.

Gains and losses on disposal of investments in subsidiaries and associates are included in the profit and loss account.

4.17 Impairment of investments in subsidiaries and associates

The Bank considers that a decline in the recoverable value of the investment in a subsidiary or an associate below its cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable value falls below the carrying value and is charged to the profit and loss account. A subsequent reversal of an impairment loss, upto the cost of the investment in the subsidiary or the associate, is credited to the profit and loss account.

4.18 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws and at the prevailing rates for taxation on income earned by the Bank for local as well as overseas operations. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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For the year ended December 31, 2024

Deferred

Deferred tax is recognised using the balance sheet method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

The Bank also recognizes deferred tax asset / liability on the deficit / surplus on revaluation of fixed assets / non-banking assets acquired in satisfaction of claims and securities which is adjusted against the related deficit / surplus in accordance with the requirements of IAS 12, Income Taxes.

4.19 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision for off balance sheet obligations is recognised when intimated and reasonable certainty exists that the Bank will be required to settle the obligation. The provision is charged to the profit and loss account net of expected recovery and the obligation is classified under other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.20 Staff retirement and other benefits

The Bank operates the following defined benefit plans for its employees:

- a) For new employees and for those who opted for the below mentioned conversion option introduced in 2001, the Bank operates:
 - an approved contributory provident fund (defined contribution plan); and
 - an approved gratuity scheme (defined benefit plan).
- b) For employees who have not opted for the conversion option introduced in 2001, the Bank operates:
 - an approved non-contributory provident fund in lieu of the contributory provident fund; and
 - an approved funded pension scheme, introduced in 1975 (defined benefit plan).

In 2001, the Bank modified the pension scheme and introduced a conversion option for employees covered under option (b) above to move to option (a). This conversion option ceased on December 31, 2003.

The Bank also operates benevolent fund for all its eligible employees (defined benefit plan).

Annual contributions towards defined benefit plans are made on the basis of actuarial advice using the Projected Unit Credit Method.

For the defined contribution scheme, the Bank pays contributions to the fund on a periodic basis. The Bank has no further payment obligation once the contributions have been paid. The contributions are recognised as an expense when the obligation to make payments to the fund has been established. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

4.20.1 Other benefits

a) Employees' compensated absences

The Bank makes provisions for compensated vested and non-vested absences accumulated by its eligible employees on the basis of actuarial advice under the Projected Unit Credit Method.

b) Post-retirement medical benefits (defined benefit scheme)

The Bank provides post-retirement medical benefits to eligible retired employees. Provision is made on the basis of actuarial advice under the Projected Unit Credit Method.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.20.2 Remeasurement of defined benefit obligations

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income when they occur with no subsequent recycling through the profit and loss account.

Remeasurement gains and losses pertaining to long term compensated absences are recognised in the profit and loss account immediately.

4.21 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognised.

4.21.1 Advances and investments

Mark-up / return / interest on performing advances and investments is recognised on a time proportionate basis over the term of the advances and investments that takes into account the effective yield of the asset. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining period of maturity of the debt securities.

Interest or mark-up recoverable on non-performing advances and investments is recognised on a receipt basis.

4.21.2 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.21.3 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

4.21.4 Fee, brokerage and commission income

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The Bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has provided the service to the customer. Where the contract requires services to be provided over time, income is recognised on a systematic basis over the life of the related services. Unearned fee and commission are included under Other Liabilities.

4.22 Foreign currencies

4.22.1 Functional and presentation currency

Items included in these unconsolidated financial statements are measured at Pakistan Rupees which is the currency of the primary economic environment in which the Bank operates.

4.22.2 Foreign currency transactions

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts and foreign bills purchased are valued in rupees at the forward foreign exchange rates applicable to their respective maturities.

Non-monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the date of initial recognition of the non-monetary assets / liabilities.

4.22.3 Overseas operations

The assets and liabilities of foreign operations are translated to rupees at exchange rates prevailing at the statement of financial position date. The results of foreign operations are translated at the average rates of exchange for the year.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.22.4 Translation gains and losses

Translation gains and losses are taken to the profit and loss account, except those arising on translation of the net investment in foreign branches which are taken to capital reserves (Exchange Translation Reserve) until the disposal of the net investment, at which time these are recognised in the profit and loss account.

4.23 Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

4.24 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing particular products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments.

4.24.1 Business segments

(a) Corporate / Commercial Banking

Includes project, trade and working capital finance, import and export, factoring, leasing, lending, deposits and guarantees. It also include services provided in connection with mergers and acquisitions and the underwriting / arrangement of debt and equity instruments through syndications, Initial Public Offerings and private placements.

(b) Treasury

Includes fixed income, equity, foreign exchange, credit, funding, own position securities, lending and borrowings and derivatives for hedging and market making.

(c) Branch Banking

Includes deposits, lending and banking services to private individuals and small businesses including credit cards, branchless banking and digital banking.

(d) Islamic Banking

This represents Islamic Banking branches and Islamic banking windows in the conventional branches of the Bank.

(e) International Branch Operations

This represents Bank's operations in overseas locations including one branch each in export processing zones in Karachi and Sialkot.

(f) Others

Others includes functions which cannot be classified in any of the above segments.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

4.24.2 Geographical segments

The Bank operates in following geographical regions:

- Pakistan
- Middle East
- Export Processing Zones in Karachi and Sialkot.

4.25 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recorded in the year in which these are approved, except appropriations required by law which are recorded in the period to which they pertain.

4.26 Acceptances

Acceptances comprise undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as on balance sheet financial assets and financial liabilities.

	Note	2024 ----- (Rupees in '000)	2023 -----
5. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		53,188,216	27,876,931
Foreign currencies		8,126,798	13,042,939
		61,315,014	40,919,870
With State Bank of Pakistan in			
Local currency current accounts	5.1	108,175,484	88,035,634
Foreign currency current accounts	5.2	5,094,782	5,306,080
Foreign currency deposit accounts	5.3	8,205,041	9,473,621
		121,475,307	102,815,335
With other central banks in			
Foreign currency current accounts	5.4	88,215,425	50,093,433
Foreign currency deposit accounts	5.5	19,326,856	10,684,831
		107,542,281	60,778,264
With National Bank of Pakistan in			
Local currency current accounts		19,133,450	72,368,067
National Prize Bonds		479,356	448,681
		309,945,408	277,330,217
Less: Credit loss allowance held against cash and balances with treasury banks		(199,497)	-
Cash and balances with treasury banks - net of credit loss allowance		309,745,911	277,330,217

- 5.1 This represents current accounts maintained with the SBP under the Cash Reserve Requirement of section 22 of the Banking Companies Ordinance, 1962.
- 5.2 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.
- 5.3 This represents account maintained with the SBP to comply with the Special Cash Reserve Requirement. The return on this account is declared by the SBP on a monthly basis and as at December 31, 2024, it carries mark-up rate at 3.53% (2023: 4.34%) per annum.
- 5.4 These represent current accounts maintained with other central banks of the countries in which the Bank operates, to meet the minimum cash reserves and capital requirements pertaining to the foreign branches of the Bank.
- 5.5 These represent placements with overseas central banks and carry mark-up at rates ranging from 4.60% to 5.00% (2023: 5.75% to 6.37%) per annum.
- 5.6 Cash and balances with treasury banks are all classified as Stage 1.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

		Note	2024	2023
			----- (Rupees in '000) -----	----- (Rupees in '000) -----
6.	BALANCES WITH OTHER BANKS			
In Pakistan				
In deposit accounts			7	7
Outside Pakistan				
In current accounts			6.1	47,801,939
In deposit accounts				12,173,491
				59,975,430
				<u>59,975,437</u>
				30,700,751
Less: Credit loss allowance held against balances with other banks		6.2	(7,191)	-
Balances with other banks - net of credit loss allowance				<u>59,968,246</u>
				30,700,751
6.1	These carry mark-up at rates ranging from 4.19% to 4.70% (2023: 4.90% to 5.70%) per annum.			
6.2	Balances with other banks are all classified as Stage 1.			
7.	LENDINGS TO FINANCIAL INSTITUTIONS			
Musharakah lending		7.2	-	12,500,000
Repurchase agreement lendings (Reverse Repo)		7.3 & 7.5	2,492,483	21,947,852
Bai Muajjal receivable with				
Scheduled bank / financial institution		7.4	<u>16,000,000</u>	-
			18,492,483	<u>34,447,852</u>
Less: Credit loss allowance held against lending to financial institutions			-	-
Lending to financial institutions - net of credit loss allowance			<u>18,492,483</u>	<u>34,447,852</u>
7.1	Particulars of lendings to financial institutions			
In local currency			18,492,483	34,447,852
In foreign currency			-	-
			<u>18,492,483</u>	<u>34,447,852</u>
7.2	These represent unsecured lendings carrying mark-up at Nil (2023: 22.05% to 22.50%) per annum.			
7.3	These represent lendings to financial institutions against investment securities. These carry mark-up at 13.89% (2023: 22.05% to 22.95%) per annum, and are due to mature in January 2025.			
7.4	These represent secured lendings against investment securities carrying mark-up at 13.90% (2023: Nil) per annum.			
7.5	Securities held as collateral against lendings to financial institutions			
			2024	2023
			Held by Bank	Further given as collateral
		Total	Held by Bank	Further given as collateral
			----- (Rupees in '000) -----	----- (Rupees in '000) -----
Market Treasury Bills	2,492,483	-	2,492,483	-
Pakistan Investment Bonds	-	-	21,947,852	-
Government of Pakistan Sukuk	16,000,000	-	16,000,000	-
Total	<u>18,492,483</u>	<u>-</u>	<u>18,492,483</u>	<u>21,947,852</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

8. INVESTMENTS		Note	2024				2023			
8.1 Investments by type			Cost / Amortised cost	Expected credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)										
Debt Instruments										
FVTPL										
Federal Government Securities			22,066,195	-	35,068	22,101,263	-	-	-	
Held for trading securities										
Federal Government Securities			-	-	-	-	79,035,823	-	(79,074)	
FVOCI										
Federal Government securities			5,330,379,611	(1,556,324)	75,878,404	5,404,701,691	-	-	-	
Non-Government debt securities			462,335	(162,407)	-	299,928	-	-	-	
Foreign securities			112,833,367	(15,298)	(2,841,124)	109,976,945	-	-	-	
			5,443,675,313	(1,734,029)	73,037,280	5,514,978,564	-	-	-	
Available for sale securities										
Federal Government securities			-	-	-	-	3,805,610,848	(12,421,632)	6,419,943	
Non-Government debt securities			-	-	-	-	2,413,036	(162,334)	-	
Foreign securities			-	-	-	-	128,026,463	(23,993)	(2,738,281)	
			-	-	-	-	3,936,050,347	(12,607,959)	3,681,662	
Amortised cost	8.6.4									
Federal Government securities			277,953,188	-	-	277,953,188	-	-	-	
Non-Government debt securities			20,604,187	(1,264,743)	-	19,339,444	-	-	-	
Foreign securities			25,321,895	(15,335)	-	25,306,560	-	-	-	
			323,879,270	(1,280,078)	-	322,599,192	-	-	-	
Held to maturity securities	8.6.4									
Federal Government securities			-	-	-	-	308,215,895	(4,406,225)	-	
Non-Government debt securities			-	-	-	-	22,764,643	(1,293,633)	-	
Foreign securities			-	-	-	-	38,098,926	(541,128)	-	
			-	-	-	-	369,079,464	(6,240,986)	-	
Instruments mandatorily classified as FVPL										
Non-Government debt securities			1,864,933	-	-	1,864,933	-	-	-	
Total Debt Investment			5,791,485,711	(3,014,107)	73,072,348	5,861,543,952	4,384,165,634	(18,848,945)	3,602,588	4,368,919,277
Equity instruments										
FVOCI										
Ordinary shares										
- Listed companies			12,989,295	-	7,463,396	20,452,691	-	-	-	
- Unlisted companies			1,656,307	-	(50,317)	1,605,990	-	-	-	
			14,645,602	-	7,413,079	22,058,681	-	-	-	
Real Estate Investment Trust units			495,545	-	456,325	951,870	-	-	-	
Available for sale securities										
Ordinary shares										
- Listed companies			-	-	-	-	13,243,966	(6,048,102)	3,570,071	
- Unlisted companies			-	-	-	-	779,023	(59,019)	-	
			-	-	-	-	14,022,989	(6,107,121)	3,570,071	
Real Estate Investment Trust units			-	-	-	-	507,834	-	108,398	
Associates			1,297,485	(1,057,485)	-	240,000	1,297,485	(1,057,485)	-	240,000
Subsidiaries	8.10		2,100,000	-	-	2,100,000	3,955,223	-	-	3,955,223
Total Investments			5,810,024,343	(4,071,592)	80,941,752	5,886,894,503	4,403,949,165	(26,013,551)	7,281,057	4,385,216,671

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.2 Investments by segment	Note	2024				2023												
		Cost / Amortised cost	Expected credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value									
		(Rupees in '000)				(Rupees in '000)												
Federal Government Securities																		
Market Treasury Bills																		
8.7 & 8.8	399,958,123	-	9,702,416	409,660,539	1,777,448,260	-	4,084,118	1,781,532,378										
Pakistan Investment Bonds	4,897,205,786	-	44,076,922	4,941,282,708	1,904,352,770	-	(5,576,146)	1,898,776,624	285,281,664 1,739,647,706									
Government of Pakistan Sukus	277,677,102	-	21,402,594	299,079,696	448,138,446	(410,122)	7,532,654	455,260,978	4,331,366,718 962,704,865									
Government of Pakistan Eurobonds	5,261,130	(1,556,324)	731,540	4,436,346	57,214,074	(16,417,735)	300,243	41,096,582	-									
Bai Muajjal with Government of Pakistan	47,618,148	-	-	47,618,148	-	-	-	-	-									
Islamic Naya Pakistan Certificates	8.4	2,678,705	-	2,678,705	5,709,016	-	-	5,709,016										
		5,630,398,994	(1,556,324)	75,913,472	5,704,756,142	4,192,862,566	(16,827,857)	6,340,869	4,182,375,578	4,646,575,320 2,702,352,571								
Ordinary shares																		
Listed companies	12,989,295	-	7,463,396	20,452,691	13,243,966	(6,048,102)	3,570,071	10,765,935	29,926,938 -									
Unlisted companies	8.5.2	1,656,307	-	(50,317)	1,605,990	779,023	(59,019)	-	720,004									
		14,645,602	-	7,413,079	22,058,681	14,022,989	(6,107,121)	3,570,071	11,485,939									
Real Estate Investment Trust units																		
	495,545	-	456,325	951,870	507,834	-	108,398	616,232										
Non-Government Debt Securities																		
Listed companies	2,247,813	(315)	-	2,247,498	2,310,437	-	-	2,310,437	4,317,840,672 65,683,577 641,383 4,384,165,632									
Unlisted companies	20,683,642	(1,426,835)	-	19,256,807	22,867,242	(1,455,967)	-	21,411,275	(1,915,863) (780,589) - (2,696,452)									
	22,931,455	(1,427,150)	-	21,504,305	25,177,679	(1,455,967)	-	23,721,712										
Foreign Securities																		
Market Treasury Bills	22,934,112	-	20,253	22,954,365	83,605,493	-	55,839	83,661,332	4,423,343,475 - (2,956,488,407) (56,815,437) (23,100) 4,423,343,475									
Foreign bonds - sovereign	112,397,524	(29,686)	(2,744,533)	109,623,305	79,642,676	(564,103)	(2,666,386)	76,412,187										
Foreign bonds - others	2,823,021	(947)	(116,844)	2,705,230	2,876,608	(1,018)	(127,734)	2,747,856										
CDC SAARC Fund	605	-	-	605	612	-	-	612										
	138,155,262	(30,633)	(2,841,124)	135,283,505	166,125,389	(565,121)	(2,738,281)	162,821,987	1,466,855,068 (56,815,437) (23,100) 1,410,016,531									
Associates																		
UBL Insurers Limited	240,000	-	-	240,000	240,000	-	-	240,000	5,782,779,877 8,087,551 618,283 5,791,485,711									
Khushali Microfinance Bank Limited	8.9.1	1,057,485	(1,057,485)	-	1,057,485	(1,057,485)	-	-										
	1,297,485	(1,057,485)	-	240,000	1,297,485	(1,057,485)	-	240,000										
Subsidiaries																		
United National Bank Limited (UBL UK)	8.10	-	-	-	2,855,223	-	-	2,855,223	2024									
UBL Currency Exchange (Private) Limited		2,000,000	-	-	1,000,000	-	-	1,000,000	Stage 1 Stage 2 Stage 3 Total									
UBL Fund Managers Limited		100,000	-	-	100,000	-	-	100,000										
	2,100,000	-	-	2,100,000	3,955,223	-	-	3,955,223										
Total Investments		5,810,024,343	(4,071,592)	80,941,752	5,886,894,503	4,403,949,165	(26,013,551)	7,281,057	4,385,216,671									

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.2.1 Investments given as collateral	2024				2023											
	(Rupees in '000)				(Rupees in '000)											
Federal Government securities																
Market Treasury Bills																
	4,331,366,718		285,281,664		1,739,647,706		962,704,865	-								
Pakistan Investment Bonds																
Government of Pakistan Sukus																
	29,926,938		4,646,575,320		-		-	2,702,352,571								
Foreign securities																
Foreign bonds - sovereign																
8.2.1.1 The market value of securities given as collateral is Rs. 4,691,781 million (2023: Rs. 2,716,080 million).																
8.3 Particulars of credit loss allowance against debt securities																
2024																
Stage 1				Stage 2				Stage 3								
(Rupees in '000)																
8.3.1 Investments - exposure																
Opening balance																
	4,317,840,672		65,683,577		641,383		4,384,165,632									
Exchange adjustments																
	(1,915,863)		(780,589)		-		(2,696,452)									
New investments - net																
	4,423,343,475		-		-		-	4,423,343,475								
Investments derecognised or repaid - net																
	(2,956,488,407)		(56,815,437)		(23,100)		-	(3,013,326,944)								
Transfer to stage 1																
	-		-		-		-	-								
Transfer to stage 2																
	-		-		-	</										

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.3.3 Credit loss allowance / provision for diminution in value of investments

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Opening balance		26,013,551	26,823,071
Exchange adjustments		(94,642)	3,003,752
Impact of reclassification on adoption of IFRS 9		(6,107,121)	-
Impact of ECL recognised on adoption of IFRS 9		7,501	-
Charge / (reversals)			
Charge for the year	34	108,170	7,793,597
Reversals for the year		(381,411)	(1,266,052)
Derecognition of ECL on disposals		(273,241)	6,527,545
Amounts written off		(15,474,456)	(10,340,817)
Closing balance		4,071,592	26,013,551

8.3.4 Category of classification

		2024	
		Outstanding amount	Expected credit loss allowance held
		----- (Rupees in '000) -----	
Domestic			
Performing	Stage 1	5,644,745,195	589
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		618,283	618,283
Doubtful			
Loss		5,645,363,478	618,872
Overseas			
Performing	Stage 1	138,034,682	30,630
Under performing	Stage 2	8,087,551	2,364,605
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful			
Loss		146,122,233	2,395,235
Total		5,791,485,711	3,014,107
2023			
		Non-performing investments	Provision
Domestic		641,383	641,383
Loss		641,383	641,383
Total		641,383	641,383

8.4 This represents investment made for the establishment of the modaraba pools in Islamic Naya Pakistan Certificate Company Limited in accordance with S.R.O 964 (I) / 2020 dated October 05, 2020.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.5 Quality of Securities

Details regarding quality of securities held under "Held to Collect and Sell" model are as follows:

	2024	2023
	Cost ----- (Rupees in '000) -----	Cost ----- (Rupees in '000) -----
Market Treasury Bills	395,024,093	1,759,484,348
Pakistan Investment Bonds	4,661,754,267	1,564,416,221
Government of Pakistan Sukus	265,661,416	435,136,727
Islamic Naya Pakistan Certificates	2,678,705	5,709,016
Government of Pakistan Eurobonds	5,261,130	40,864,536
	5,330,379,611	3,805,610,848

8.5.2 Shares and Units

Shares

Listed Companies

Cement	1,158,240	1,158,240
Chemical	-	559,228
Commercial Banks	139,865	518,765
Engineering	311,831	311,831
Fertilizer	3,915,270	4,305,054
Oil & Gas Exploration Companies	1,940,334	2,007,252
Oil & Gas Marketing Companies	569,150	569,150
Power Generation & Distribution	2,382,851	2,382,851
Technology & Communication	74,930	75,820
Textile Composite	1,953,897	812,848
Textile Spinning	395,927	395,927
Miscellaneous	147,000	147,000
	12,989,295	13,243,966

Unlisted Companies

Cinepax Limited	60,122	116,237	60,122	105,437
First Women Bank Limited	21,100	51,903	21,100	71,151
National Institutional Facilitation Technologies (Pvt.) Limited (NIFT)	1,527	62,042	1,527	52,914
National Investment Trust Limited (NIT)	100	1,082,220	100	700,276
Pakistan Agricultural Storage & Services Corporation (PASSCO)	5,500	3,584,912	5,500	3,551,928
Pakistan Mortgage Refinance Company Limited	500,000	1,356,807	500,000	1,105,433
Pakistan Corporate Restructuring Company Limited	63,633	40,338	63,633	38,304
SWIFT (Belgium)	2,091	33,424	2,091	33,186
SME Bank Limited	26,950	-	26,950	-
Techlogix International Limited	29,314	193,098	37,406	30,787
The Benefit Company BSC	5,908	183,496	5,982	175,500
VIS Credit Information Services	325	253	325	204
1Link (Private) Limited	54,287	1,182,173	54,287	733,213
United National Bank Limited	885,450	1,428,747	-	-
	1,656,307	9,315,650	779,023	6,598,333

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
Units		
Real Estate Investment Trust units	495,545	507,834

8.5.3 Non Government Debt Securities

- Listed**
 - AA+, AA, AA-
 - A+, A, A-
 - Unrated

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	-	300,000
	300,000	1,094,987
	<u>300,000</u>	<u>1,394,987</u>

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	-	720,000
	-	135,714
	162,335	162,335
	<u>162,335</u>	<u>1,018,049</u>

8.5.4 Foreign Securities

Government Securities

- United States of America
- Qatar
- United Arab Emirates
- Bahrain
- Jordan
- South Africa
- Egypt
- Saudi Arabia

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	13,012,359	12,560,460
	10,137,061	8,991,022
	69,818,075	95,165,211
	4,658,424	4,788,810
	2,991,497	3,051,057
	2,056,991	2,087,983
	-	135
	8,803,303	-
	<u>111,477,710</u>	<u>126,644,678</u>

Non Government Debt Securities

- Listed**
 - AA
 - BBB+, BBB, BBB-
 - B

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	1,355,657	1,381,785
	-	-
	<u>1,355,657</u>	<u>1,381,785</u>

8.6 Particulars relating to securities classified Under "Held to Collect" model are as follows:

8.6.1 Federal Government Securities - Government guaranteed

- Pakistan Investment Bonds
- Government of Pakistan Sukus
- Government of Pakistan Eurobonds
- Bai Muajjal

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	220,333,931	278,864,638
	10,001,109	13,001,719
	-	16,349,538
	47,618,148	-
	<u>277,953,188</u>	<u>308,215,895</u>

8.6.2 Non Government Debt Securities

- Listed**
 - AA+, AA, AA-
 - A+
 - Unrated

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	174,755	174,825
	678,125	740,625
	-	-
	<u>852,880</u>	<u>915,450</u>

- Unlisted**
 - AAA
 - AA+, AA, AA-
 - A+, A
 - BB-, B, B-
 - CCC+
 - Unrated

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	10,689,565	12,740,248
	249,350	249,450
	650,000	641,379
	360,000	360,000
	2,706,445	2,739,066
	5,095,947	5,119,050
	<u>19,751,307</u>	<u>21,849,193</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

8.6.3 Foreign Securities

Government Securities

- Qatar
- Portugal
- Jordan
- Bahrain
- Egypt
- South Africa
- Yemen

	2024	2023
	Cost	Cost
	----- (Rupees in '000)-----	----- (Rupees in '000)-----
	15,553,091	23,575,387
	-	A-
	3,076,474	3,138,053
	2,009,244	2,044,183
	-	B-
	2,056,991	2,087,983
	1,158,126	1,171,873
	<u>23,853,926</u>	<u>36,603,491</u>

Non Government Debt Securities

Listed

- BBB+, BBB, BBB-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

Note	2024					
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax
	%		(Rupees in '000)			
Associates						
UBL Insurers Limited	Pakistan	30.00%	12,613,753	9,744,275	2,187,466	684,320
Khushhali Microfinance Bank Limited	Pakistan	27.82%	107,756,868	126,143,242	26,070,619	(8,908,093)
Subsidiaries						
UBL Fund Managers Limited	Pakistan	98.87%	5,298,007	883,648	3,832,225	1,348,298
UBL Currency Exchange (Private) Limited	Pakistan	100.00%	2,559,330	595,288	552,488	(20,551)
2023						
Associates						
UBL Insurers Limited	Pakistan	30.00%	10,658,604	8,372,388	1,993,150	453,995
Khushhali Microfinance Bank Limited	Pakistan	27.82%	115,121,536	111,405,418	6,358,050	(5,957,226)
Subsidiaries						
United National Bank Limited (UBL UK)	United Kingdom	55.00%	328,789,627	295,742,667	5,216,154	2,923,509
UBL Fund Managers Limited	Pakistan	98.87%	5,178,104	2,112,043	2,643,422	908,591
UBL Currency Exchange (Private) Limited	Pakistan	100.00%	1,008,134	21,260	-	(13,142)

8.9.1 This represents the Bank's subscription towards the paid-up capital of Khushhali Microfinance Bank Limited. The Bank has fully impaired these shares.

8.10 The transaction for the sale of 50.1% shares of United National Bank Limited (UNBL UK) was approved by the shareholders' of United Bank Limited (UBL) in 65th Annual General Meeting held on 18 March 2024 against a consideration of GBP 25.495 million. The sale was concluded during the year after obtaining all the regulatory approvals resulting in a gain on disposal of Rs. 7.083 million recognised in 'Other Income' in the profit and loss account. The residual investment of 4.9% in UNBL UK was recognized as investment in unlisted securities at its fair value of Rs 885.450 million.

9. ADVANCES

Note	2024		
	Performing	Non-performing	Total
	(Rupees in '000)		
Loans, cash credits, running finances, etc.	9.1	1,250,821,132	108,082,351
Islamic financing and related assets	9.10	149,696,208	260,774
Bills discounted and purchased		48,618,071	7,648,825
Advances - gross		1,449,135,411	115,991,950
Expected credit loss allowance against advances	9.6	(6,009,588) (7,736,178) - (13,745,766)	- (107,899,651) (107,899,651) (121,645,417)
Advances - net of expected credit loss allowance		1,435,389,645	8,092,299
2023			
Performing	Non-performing	Total	
(Rupees in '000)			
Loans, cash credits, running finances, etc.	9.1	553,317,263	97,759,729
Islamic financing and related assets	9.10	47,191,822	222,205
Bills discounted and purchased		11,018,066	7,558,586
Advances - gross		611,527,151	105,540,520
Provision against advances -Specific -General	9.6	- (11,169,858) (11,169,858)	(92,332,287) - (92,332,287)
Advances - net of provision		600,357,293	13,208,233

Note	2023		
	Performing	Non-performing	Total
	(Rupees in '000)		
Loans, cash credits, running finances, etc.	9.1	553,317,263	97,759,729
Islamic financing and related assets	9.10	47,191,822	222,205
Bills discounted and purchased		11,018,066	7,558,586
Advances - gross		611,527,151	105,540,520
Provision against advances -Specific -General	9.6	- (11,169,858) (11,169,858)	(92,332,287) - (92,332,287)
Advances - net of provision		600,357,293	13,208,233

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

9.1 Includes net investment in finance lease as disclosed below:

	2024				2023			
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
(Rupees in '000)								
Minimum lease payments	13,261	168,205	-	181,466	5,978	170,679	-	176,657
Financial charges for future periods	(953)	(38,004)	-	(38,957)	(1,411)	(9,810)	-	(11,221)
Present value of minimum lease payments	12,308	130,201	-	142,509	4,567	160,869	-	165,436

9.2 Particulars of advances (Gross)

	2024		2023	
	-----	(Rupees in '000)	-----	(Rupees in '000)
In local currency			1,109,925,640	465,031,632
In foreign currencies			455,201,721	252,036,039
			<u>1,565,127,361</u>	<u>717,067,671</u>

9.3 Advances to Women, Women-owned and Managed Enterprises

	Women	Women-owned and Managed Enterprises
	(Rupees in '000)	(Rupees in '000)
	11,441,631	5,256,350
	11,364	52,392
	<u>11,452,995</u>	<u>5,308,742</u>

9.3.1 Gross loans disbursed to women, women-owned and managed enterprises amounting to Rs. 8,980.054 million (2023:1,649.816 million)

9.4 Particulars of credit loss allowance against advances

	2024		
	Stage 1	Stage 2	Stage 3
(Rupees in '000)			
Opening balance	563,413,657	48,113,494	105,540,520
Impact of adoption of IFRS 9	(57,023,856)	52,722,599	48,143
New advances	1,024,071,074	27,778,410	-
Advances derecognised or repaid	(158,910,082)	(27,795,479)	(5,213,688)
Transfer to stage 1	8,037,446	(8,037,446)	-
Transfer to stage 2	(4,339,486)	5,177,038	(837,552)
Transfer to stage 3	(921,944)	(17,125,631)	18,047,575
Amounts charged off - agriculture financing			
Amounts written off / charged off			
Other adjustments			
Exchange adjustments			
Closing balance	867,937,008	(20,003,108)	11,996,335
			859,930,235
			(69,501)
			(577,830)
			(577,830)
			(5,627,359)
			1,001,856
			54,112
			(4,571,391)
			(826,258)
			(572,622)
			(999,829)
		</td	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

9.5 Advances include Rs.115,991.950 million (2023: Rs. 105,540.520 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3	2024	
	Non-Performing Loans	Credit loss allowance
----- (Rupees in '000) -----		
Domestic		
Other Assets Especially Mentioned*	80,088	47,504
Substandard	2,307,470	1,538,389
Doubtful	280,114	135,921
Loss	22,398,233	21,455,978
	25,065,905	23,177,792
Overseas		
Other Assets Especially Mentioned*	78,407	12,297
Substandard	4,305,685	1,568,890
Doubtful	86,541,953	83,140,672
Loss	90,926,045	84,721,859
Total	115,991,950	107,899,651
2023		
Category of Classification	Non-Performing Loans	Provision
Domestic		
Other Assets Especially Mentioned *	105,024	3,660
Substandard	2,963,970	729,208
Doubtful	197,690	91,464
Loss	21,198,758	20,225,801
	24,465,442	21,050,133
Overseas		
Not past due but impaired **	1,439,842	331,800
Overdue by:		
Upto 90 days	83,720	-
91 to 180 days	237,549	-
181 to 365 days	4,449,553	1,685,624
> 365 days	74,864,414	69,264,730
	81,075,078	71,282,154
Total	105,540,520	92,332,287

9.6 Particulars of credit loss allowance against advances

Note	2024			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				
Opening balance	759,833	10,410,025	92,332,287	103,502,145
Exchange adjustments	(3,975)	(137,270)	(943,454)	(1,084,699)
Impact of Adoption of IFRS 9	4,046,484	2,689,194	1,234,016	7,969,694
Charge for the year	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
Net charge against advances	745,123	250,281	10,258,244	11,253,648
Amounts charged off - agriculture financing	9.7	-	(69,501)	(69,501)
Other adjustments		-	597,848	54,112
Amounts written off	9.8	-	(577,830)	(577,830)
Transfers (out) / in - net		462,123	5,611,777	-
Closing balance		6,009,588	7,736,178	107,899,651
Particulars of provision against advances				121,645,417
2023				
	Specific	General	Total	
----- (Rupees in '000) -----				
Opening balance	81,783,522	10,146,800	91,930,322	
Exchange adjustments	14,650,438	2,289,735	16,940,173	
Charge for the year	894,440	100,364	994,804	
Reversals for the year	(4,526,473)	(1,367,041)	(5,893,514)	
Net reversal against advances	34	(3,632,033)	(1,266,677)	(4,898,710)
Amounts charged off - agriculture financing	9.7	(153,498)	-	(153,498)
Amounts written off	9.8	(316,142)	-	(316,142)
Transfers (out) / in - net		-	-	-
Closing balance		92,332,287	11,169,858	103,502,145

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

9.6.1 Particulars of credit loss allowance / provision against advances

	2024			2023		
	Stage 1 & 2	Stage 3	Total	Specific	General	Total
In local currency	7,940,414	22,254,174	30,194,588	20,103,817	449,481	20,553,298
In foreign currencies	5,805,352	85,645,477	91,450,829	72,228,470	10,720,377	82,948,847
	13,745,766	107,899,651	121,645,417	92,332,287	11,169,858	103,502,145

9.6.2 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 1 of 2011. Had the benefit under the said circular not been taken by the Bank, the ECL against non-performing advances would have been higher by Rs. Nil (2023: Rs. 44.193 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. 1,254.08 million (2023: Rs.6,114.438 million) for the overseas branches.

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

9.7 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.

9.8 Particulars of write-offs

9.8.1	Against provisions	9.6	2024	2023
	Directly charged to profit and loss account		----- (Rupees in '000) -----	----- (Rupees in '000) -----
		34	577,830	316,142
			54,951	55,861
			632,781	372,003

9.8.2 Write-offs of Rs. 500,000 and above

9.8.2	- Domestic	9.9	2024	2023
			----- (Rupees in '000) -----	----- (Rupees in '000) -----
			562,619	220,828
			22,871	113,117
			585,490	333,945
			47,291	38,058
			632,781	372,003

9.9 Details of loan write-offs of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written off loans or any other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2024, is given in annexure I to the unconsolidated financial statements (except in case of overseas branches which is restricted by overseas regulatory authorities).

9.10 Information related to Islamic financing and related assets is given in annexure II and is an integral part of these unconsolidated financial statements.

10. PROPERTY AND EQUIPMENT

10.1	Capital work-in-progress	10.1	2024	2023
	Property and equipment		----- (Rupees in '000) -----	----- (Rupees in '000) -----
		10.2	3,294,327	1,322,980
			81,952,404	63,764,663
			85,246,731	65,087,643

10.1 Capital work-in-progress

10.1	Civil works	10.2	2024	2023
			----- (Rupees in '000) -----	----- (Rupees in '000) -----
			2,141,941	734,319
			897,707	588,661
			254,679	-
			3,294,327	1,322,980

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

10.2 Property and Equipment

	2024								
	Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
(Rupees in '000)									
At January 01, 2024									
Cost / Revalued amount	9,543,663	30,613,443	3,509,505	7,924,682	8,506,897	2,908,480	25,592,795	869,643	89,469,108
Accumulated depreciation	-	-	(254,970)	(619,404)	(5,373,567)	(1,954,832)	(17,202,349)	(299,323)	(25,704,445)
Net book value	9,543,663	30,613,443	3,254,535	7,305,278	3,133,330	953,648	8,390,446	570,320	63,764,663
Year ended December 31, 2024									
Opening net book value	9,543,663	30,613,443	3,254,535	7,305,278	3,133,330	953,648	8,390,446	570,320	63,764,663
Additions	4,014,680	6,269,586	120,617	253,677	2,930,093	1,553,115	7,390,016	1,483,851	24,015,635
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(11,649)	(3,549)	(5,310)	(3,395)	(23,903)
Depreciation charge	-	-	(135,107)	(309,567)	(961,855)	(339,791)	(3,766,298)	(270,720)	(5,783,338)
Exchange rate adjustments	-	454	2,497	(11,715)	(8,882)	3,407	(6,411)	(3)	(20,653)
Other adjustments / transfers	-	-	-	-	-	-	-	-	-
Closing net book value	13,558,343	36,883,483	3,242,542	7,237,673	5,081,037	2,166,830	12,002,443	1,780,053	81,952,404
At December 31, 2024									
Cost / Revalued amount	13,558,343	36,883,483	3,630,122	8,177,977	11,398,479	4,344,494	30,983,650	2,318,931	111,295,479
Accumulated depreciation	-	-	(387,580)	(940,304)	(6,317,442)	(2,177,664)	(18,981,207)	(538,878)	(29,343,075)
Net book value	13,558,343	36,883,483	3,242,542	7,237,673	5,081,037	2,166,830	12,002,443	1,780,053	81,952,404
Rate of depreciation (%)	-	-	2.5-5	2.5-5	12.5	12.5-25	5 - 33.33	20	
2023									
	Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
At January 01, 2023									
Cost / Revalued amount	9,543,663	32,058,110	3,369,459	7,525,987	7,143,430	2,544,283	21,073,572	724,541	83,983,045
Accumulated depreciation	-	-	(122,233)	(308,273)	(4,506,361)	(1,728,023)	(15,072,812)	(278,244)	(22,015,946)
Net book value	9,543,663	32,058,110	3,247,226	7,217,714	2,637,069	816,260	6,000,760	446,297	61,967,099
Year ended December 31, 2023									
Opening net book value	9,543,663	32,058,110	3,247,226	7,217,714	2,637,069	816,260	6,000,760	446,297	61,967,099
Additions	-	-	140,046	451,294	1,250,782	377,735	5,074,103	264,795	7,558,755
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-	-
Disposals	-	(1,444,780)	-	(61,126)	(1,454)	(735)	(4,620)	(17,016)	(1,529,731)
Depreciation charge	-	-	(132,737)	(305,024)	(805,527)	(244,623)	(2,748,097)	(123,756)	(4,359,764)
Exchange rate adjustments	-	113	-	2,420	52,460	5,011	68,300	-	128,304
Other adjustments / transfers	-	-	-	-	-	-	-	-	-
Closing net book value	9,543,663	30,613,443	3,254,535	7,305,278	3,133,330	953,648	8,390,446	570,320	63,764,663
At December 31, 2023									
Cost / Revalued amount	9,543,663	30,613,443	3,509,505	7,924,682	8,506,897	2,908,480	25,592,795	869,643	89,469,108
Accumulated depreciation	-	-	(254,970)	(619,404)	(5,373,567)	(1,954,832)	(17,202,349)	(299,323)	(25,704,445)
Net book value	9,543,663	30,613,443	3,254,535	7,305,278	3,133,330	953,648	8,390,446	570,320	63,764,663
Rate of depreciation (%)	-	-	2.5-5	2.5-5	12.5	12.5-25	5 - 33.33	20	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

10.3 Revaluation of properties

The properties of the Bank has been revalued by independent professional valuers as at December 31, 2021. The revaluation was carried out by M/s. Engineering Pakistan International (Private) Limited, M/s. M. J. Surveyors (Private) Limited, and M/s. Perfect Consultants on the basis of professional assessment of present market values which resulted in an increase in surplus by Rs. 16,411.878 million. The total surplus against revaluation of Property and equipment as at December 31, 2024, amounts to Rs. 39,672.178 million.

Had there been no revaluation, the carrying amount of the revalued assets at December 31, would have been as follows:

	2024	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Freehold land	4,797,261	782,581
Leasehold land	9,725,242	3,455,656
Buildings on freehold land	2,012,509	1,968,241
Buildings on leasehold land	4,714,851	4,688,484
	21,249,863	10,894,962
	127,026	127,026

10.4 Carrying amount of temporarily idle property of the Bank

10.5 The cost of fully depreciated assets that are still in Bank's use is as follows:

Furniture and fixtures	960,138	770,828
Electrical, office and computer equipment	9,238,506	9,658,438
Vehicles	31,433	65,384
Leasehold improvements	2,571,650	2,021,575
	12,801,727	12,516,225

10.6 Details of disposal of operating property and equipment to related parties

The information relating to operating fixed assets disposed off during the year to related parties is given in annexure III and is an integral part of these unconsolidated financial statements.

11. RIGHT-OF-USE ASSETS

	2024	2023				
	Buidlings	Others	Total	Buidlings	Others	Total
(Rupees in '000)						
At January 1,						
Cost	13,834,046	182,562	14,016,608	12,400,452	69,255	12,469,707
Accumulated Depreciation	(5,452,800)	(66,779)	(5,519,579)	(4,640,808)	(21,348)	(4,662,156)
Net Carrying amount at January 1,	8,381,246	115,783	8,497,029	7,759,644	47,907	7,807,551
Additions during the year	4,651,429	19,761	4,671,190	3,172,770	124,327	3,297,097
Deletions during the year	(837,213)	(11,130)	(848,343)	(350,965)	(1,448)	(352,413)
Depreciation charge for the year	(2,361,515)	(62,266)	(2,423,781)	(2,231,324)	(55,004)	(2,286,328)
Exchange rate adjustments	(11)	-	(11)	31,122	-	31,122
Net Carrying amount	9,833,936	62,148	9,896,084	8,381,247	115,782	8,497,029

Note	2024	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----

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Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

12.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 5,050.919 million (2023: Rs. 4,410.885 million).

13. DEFERRED TAX (LIABILITIES) / ASSETS

Note

		2024		
		At January 01, 2024 -as restated	Recognised in profit and loss	Recognised in OCI
		At December 31, 2024		
----- (Rupees in '000) -----				
Deductible temporary differences on:				
- Credit loss allowance against advances and off balance sheet obligations	13.1	5,367,816	1,884,723	-
- Surplus on revaluation of investments		(3,606,464)	-	(41,621,002)
- Post retirement employee benefits		(841,433)	(11,084)	(4,525,623)
- Workers' Welfare Fund		4,406,522	2,231,923	-
- Others		(64,971)	-	1,290
		5,261,470	4,105,562	(46,145,335)
				(36,778,303)
Taxable temporary differences on:				
- Surplus on revaluation of property and equipment / non-banking assets		(1,610,164)	77,788	312,406
- Accelerated tax depreciation		(884,730)	(76,058)	-
		(2,494,894)	1,730	312,406
				(2,180,758)
		2,766,576	4,107,292	(45,832,929)
				(38,959,061)

13.1 The deductible temporary difference against Credit loss allowance against advances and off balance sheet obligations includes a deferred tax impact of Rs. 4,688.465 million arising on adoption of IFRS-9 as disclosed in note 2.6.1.3.

	2023		
	At January 01, 2023	Recognised in profit and loss	Recognised in OCI
	At December 31, 2023		
----- (Rupees in '000) -----			
Deductible temporary differences on:			
- Provision against advances and off balance sheet obligations	2,628,666	(1,949,315)	-
- Surplus on revaluation of investments	15,600,599	-	(19,207,063)
- Post retirement employee benefits	58,193	105,934	(1,005,560)
- Workers' Welfare Fund	3,036,553	1,369,969	-
- Others	(68,995)	97,999	(93,975)
	21,255,016	(375,413)	(20,306,598)
			573,005
Taxable Temporary Differences on:			
- Surplus on revaluation of property and equipment / non-banking assets	(1,715,201)	79,667	25,370
- Accelerated tax depreciation	(665,047)	(219,683)	-
	(2,380,248)	(140,016)	25,370
			(2,494,894)
	18,874,768	(515,429)	(20,281,228)
			(1,921,889)

14. OTHER ASSETS

	Note	2024	2023
		----- (Rupees in '000) -----	
Income / mark-up accrued in local currency		161,322,103	121,606,612
Income / mark-up accrued in foreign currencies	14.2	3,617,197	3,056,696
Advance taxation - net of provision for taxation	14.1	1,913,753	-
Receivable from staff retirement fund	39.4.1	13,006,849	4,593,952
Receivable from other banks against telegraphic transfers and demand drafts		2,097,214	38,339
Unrealised gain on forward foreign exchange contracts		1,102,125	4,234,338
Rebate receivable - net		9,500,919	1,868,330
Unrealised gain on derivative financial instruments	25.2	1,262,202	32,379
Suspense accounts		51,321	22,467
Stationery and stamps on hand		599,150	593,636
Non-banking assets acquired in satisfaction of claims	14.3	39,688	42,075
Advances, deposits, advance rent and other prepayments		13,146,683	2,045,543
Acceptances	21	38,205,805	17,584,022
Commission receivable - Bancassurance & Branchless Banking		719,773	688,884
Receivable against fraud & forgery and looted notes		463,765	475,390
Others		1,432,231	1,961,201
Expected credit loss allowance / provision held against other assets	14.4	248,480,778	158,843,864
Other assets - net of expected credit loss allowance / provision		(1,558,408)	(1,150,885)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23.2	246,922,370	157,692,979
Other assets - Total		2,387	-
		246,924,757	157,692,979

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

14.1 The Income Tax returns of the Bank have been filed up to the tax year 2024 (accounting year ended December 31, 2023) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2024, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.16,123 million (2023: Rs.14,124 million). The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2024 (accounting year ended December 31, 2023) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2023: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

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

14.2 Unrealised mark-up held in suspense amounting to Rs. 46,732.081 million (2023: Rs. 39,977.644 million) against non-performing overseas advances has been netted off.

	2024	2023
	----- (Rupees in '000) -----	
14.3 Market value of Non-banking assets acquired in satisfaction of claims		
	42,075	42,075
14.3.1 Non-banking assets acquired in satisfaction of claims		
Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuer as at December 31, 2024. The revaluation was carried out by M/s. F.K.S Building Services on the basis of an assessment of present market values and resulted in an increase in surplus of Rs. 2.387 million.		
14.3.2 Non-banking assets acquired in satisfaction of claims		
Opening balance	42,075	40,800
Additions	-	-
Revaluation during the year	2,387	-
Impairment reversal	839	4,287
Disposals	-	-
Depreciation	31	(3,012)
Closing balance	42,075	42,075

14.4 Expected credit loss allowance / Provision held against other assets

Advances and other receivables	1,094,643	675,495
Receivable against fraud & forgery and looted notes	463,765	475,390
	1,558,408	1,150,885
14.4.1 Movement in expected credit loss allowance / Provision held against other assets		
Opening balance	1,150,885	1,244,972
Exchange adjustments	(5,319)	83,333
Charge / (reversals)		
Charge for the year	595,026	97,737
Reversals for the year	(118,774)	(126,753)
Transfers out - net	476,252	(29,016)
Amounts written off	(62,852)	-
Closing balance	1,558,408	1,150,885

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

15. CONTINGENT ASSETS

There were no contingent assets as at December 31, 2024 (2023: Nil).

16. BILLS PAYABLE

In Pakistan
Outside Pakistan

17. BORROWINGS

Secured

Borrowings from the SBP under:

Export refinance scheme
Refinance facility for modernization of SME
Long term financing facility
Renewable energy scheme
Temporary economic refinance facility
Refinance facility for combating COVID-19
Refinance for women entrepreneurs
Financing facility for storage of agriculture products
Repurchase agreement borrowings

Repurchase agreement borrowings

Unsecured

Call borrowings
Overdrawn nostro accounts

17.1 Particulars of borrowings with respect to currencies

In local currency
In foreign currencies

Note	2024	2023
	----- (Rupees in '000) -----	

	42,994,426	19,850,218
	1,227,392	1,801,566
	44,221,818	21,651,784

17.2	31,367,936	37,076,201
17.3	2,119,689	1,353,958
17.4	10,373,465	13,991,026
17.5	1,339,755	873,755
17.6	15,009,764	16,886,679
17.7	110,693	332,674
17.8	45,295	61,200
17.9	20,625	34,375
17.10	4,532,326,857	2,717,697,641
	4,592,714,079	2,788,307,509

17.11	157,965,709	15,966,300
	4,750,679,788	2,804,273,809

17.12	103,908,861	10,603,000
	784,867	593,745
	104,693,728	11,196,745
	4,855,373,516	2,815,470,554

Note	2024	2023
	----- (Rupees in '000) -----	
4,826,733,738	2,814,876,809	
28,639,778	593,745	
4,855,373,516	2,815,470,554	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

17.2 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. The Bank has entered into an agreement with the SBP for extending export finance to customers. These borrowings are repayable within six months, latest by June 2025. These carry mark-up at rates ranging from 1.00% to 15.50% (2023: 1.00% to 18.00%) per annum.

17.3 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators upto a maximum capacity of 500 KVA and offering a SME Asaan Finance (SAAF) scheme to fulfill the financing requirements of SMEs. These borrowings are repayable latest by June 2034 and carry mark-up at rates ranging from 2.00% to 3.00% (2023: 2.00% to 3.00%) per annum.

17.4 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings are repayable latest by December 2032. These carry mark-up at rates ranging from 2.00% to 12.30% (2023: 2.00% to 10.00%) per annum.

17.5 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings are repayable latest by June 2036. These carry mark-up at rates ranging from 2.00% to 4.80% (2023: 2.00% to 3.00%) per annum.

17.6 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up of new industrial units in the backdrop of challenges being faced by industries post pandemic scenario. These carry mark-up at rates ranging from 1.00% to 2.80% (2023: 1.00%) per annum and are due to mature latest by April 2033.

17.7 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide the emergency refinance facility to hospitals & medical centre to develop capacity for the treatment of COVID-19 patients. These carry mark-up ranging from 0.00% to 1.00% (2023: 0.00%) per annum and are due to mature latest by May 2027.

17.8 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide refinance for women entrepreneurs in the underserved areas of the country. These carry mark-up at 0.00% (2023: 0.00%) per annum and are due to mature latest by March 2029.

17.9 This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide refinance for storage of agricultural products in rural areas. These carry mark-up at 2.00% (2023: 2.00%) per annum and are due to mature latest by March 2026.

17.10 This represents repurchase agreement borrowing from SBP at rates ranging from 13.04% to 13.07% (2023: 22.04% to 22.06%) per annum having maturity upto January 2025. The market value of securities given as collateral against these borrowings is given in note 8.2.1.

17.11 These repurchase agreement borrowings from other banks are secured against Pakistan Investment Bonds and Market Treasury Bills and 'Foreign bonds - sovereign' and carry mark-up at rates ranging from 5.23% to 13.05% (2023: 21.90% to 22.05%) per annum. These borrowings are repayable latest by April 2025. The market value of securities given as collateral against these borrowings is given in note 8.2.1.

17.12 These are unsecured borrowings carrying mark-up at 12.05% to 15.90% (2023: 20.75% to 22.00%) per annum, and are repayable latest by March 2025.

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2024

18. DEPOSITS AND OTHER ACCOUNTS

	2024			2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Customers	Note ----- (Rupees in '000) -----					
Current deposits	1,061,667,711	438,673,584	1,500,341,295	832,767,622	248,746,308	1,081,513,930
Savings deposits	745,150,912	48,987,572	794,138,484	698,079,461	55,703,568	753,783,029
Term deposits	74,795,514	90,103,254	164,898,768	158,820,636	108,618,487	267,439,123
Others	50,177,905	6,621,539	56,799,444	28,498,719	6,969,636	35,468,355
	1,931,792,042	584,385,949	2,516,177,991	1,718,166,438	420,037,999	2,138,204,437
Financial Institutions	----- (Rupees in '000) -----					
Current deposits	18,273,598	6,784,813	25,058,411	24,795,264	6,771,975	31,567,239
Savings deposits	95,621,869	93,460	95,715,329	174,456,017	94,660	174,550,677
Term deposits	131,850	3,127,908	3,259,758	1,925,450	4,293,020	6,218,470
	114,027,317	10,006,181	124,033,498	201,176,731	11,159,655	212,336,386
18.2	<u>2,045,819,359</u>	<u>594,392,130</u>	<u>2,640,211,489</u>	<u>1,919,343,169</u>	<u>431,197,654</u>	<u>2,350,540,823</u>
	2024			2023		
	----- (Rupees in '000) -----					

18.1 Composition of deposits

- Individuals	1,751,566,545	1,479,570,147
- Government (Federal and Provincial)	116,543,627	172,559,993
- Public Sector Entities	62,786,663	85,654,478
- Banking Companies	6,112,347	6,965,818
- Non-Banking Financial Institutions	117,921,151	205,370,568
- Private Sector	585,281,156	400,419,819
	<u>2,640,211,489</u>	<u>2,350,540,823</u>

18.2 This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018, amounting to Rs. 1,637,394.911 million (2023: Rs. 1,376,823.088 million).

19. LEASE LIABILITIES

	Note	2024	2023
		----- (Rupees in '000) -----	
Opening balance		10,339,867	9,418,000
Addition during the period / year		4,645,024	3,297,097
Lease payments including interest		(3,501,433)	(3,202,250)
Interest expense		1,469,697	1,217,778
Termination/modification		(944,022)	(390,758)
Exchange adjustments		(336)	-
Closing balance		<u>12,008,797</u>	<u>10,339,867</u>
Contractual maturity of lease liabilities			
Short-term lease liabilities - within one year		331,744	302,536
Long-term lease liabilities			
- 1 to 5 years		4,086,832	3,737,790
- 5 to 10 years		7,086,958	5,863,221
- More than 10 years		503,263	436,320
Total lease liabilities		<u>11,677,053</u>	<u>10,037,331</u>
		<u>12,008,797</u>	<u>10,339,867</u>

20. SUBORDINATED DEBT

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

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

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

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2024

21. OTHER LIABILITIES

	Note	2024	2023
		----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency		55,728,483	47,156,831
Mark-up / return / interest payable in foreign currencies		1,192,511	1,501,633
Accrued expenses		17,598,319	7,192,275
Branch adjustment account		153,603	749,289
Deferred income	21.4	2,532,247	1,332,699
Current taxation (provisions less payments)	14.1	-	7,015,440
Unearned commission and income on bills discounted		3,100,180	357,949
Credit loss allowance against off-balance sheet obligations	21.1	3,385,916	1,056,385
Unrealised loss on forward foreign exchange contracts		1,324,301	2,735,338
Unrealised loss on derivative financial instruments	25.2	5,708	5,762
Deferred liabilities	21.2	4,652,052	4,365,167
Workers' Welfare Fund payable	32	12,766,241	8,992,902
Liabilities against card settlement		74,372	148,039
Dividends payable		372,343	370,889
Unclaimed dividends		393,372	356,426
Acceptances	14	38,205,805	17,584,022
Charity fund balance		17,237	21,399
Levies and taxes payable		888,448	9,169,996
Others		3,744,064	2,459,613
		<u>146,135,202</u>	<u>112,572,054</u>

21.1 Credit loss allowance against off-balance sheet obligations

	Note	2024	2023
		----- (Rupees in '000) -----	
Opening balance		1,056,385	882,445
Exchange adjustments		(11,779)	203,244
Impact of adoption of IFRS 9		1,037,902	-
Charge / (reversal)			
Charge for the year		1,308,168	4,367
Reversals for the year		(4,760)	(33,671)
Closing balance	34	<u>1,303,408</u>	<u>(29,304)</u>
		<u>3,385,916</u>	<u>1,056,385</u>

21.2 Deferred liabilities

	Note	2024	2023
		----- (Rupees in '000) -----	
Provision for post-retirement medical benefits	39.4.1	2,921,465	2,590,351
Provision for compensated absences		554,514	779,284
End of service benefits			
Overseas branches		675,476	648,827
Outsourced services		500,597	346,705
		<u>4,652,052</u>	<u>4,365,167</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

21.3 The total cash outflow for leases during the year was Rs. 3,501.422 million (2022: Rs. 3,202.250 million).

21.4 This includes deferred income of IFRS 15 "Revenue from Contracts with Customers" on account of fee of debit and credit cards, guarantee commission and locker rent.

22. SHARE CAPITAL

22.1 Authorised Capital

2024 (Number of shares)	2023 (Number of shares)	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
<u>2,000,000,000</u>	<u>2,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>20,000,000</u> <u>20,000,000</u>

22.2 Issued, subscribed and paid-up capital

2024 (Number of shares)	2023 (Number of shares)	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
		Fully paid-up ordinary shares of Rs. 10 each	
518,000,000	518,000,000	5,180,000	5,180,000
706,179,687	706,179,687	7,061,797	7,061,797
<u>1,224,179,687</u>	<u>1,224,179,687</u>	<u>12,241,797</u>	<u>12,241,797</u>

22.3 In 2007, the Bank was admitted to the official list of the UK Listing Authority and to the London Stock Exchange Professional Securities Market for trading of Global Depository Receipts (GDRs), each representing four ordinary shares issued by the Bank. The GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

Holders of GDRs are entitled, subject to the provisions of the depository agreement, to receive dividends, if any, and rank pari passu with other equity shareholders in respect of such entitlement. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the ordinary shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated June 25, 2007, the deposited ordinary shares in respect of which the GDRs were issued may be withdrawn by the GDR holders from the depository facility. Upon withdrawal, the holders will rank pari passu with other ordinary shareholders in respect of voting powers. As at December 31, 2024, 242,278 (2023: 242,278) GDRs, representing 969,112 (2023: 969,112) shares are in issue.

22.4 Major shareholders (holding more than 5% of total paid-up capital)

Name of shareholder	2024		2023	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Bestway International Holdings Limited	631,728,895	51.60%	631,728,895	51.60%
Bestway Cement Limited	118,693,799	9.70%	97,885,442	8.00%

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

Note	2024 Rupees in '000
23. SURPLUS ON REVALUATION OF ASSETS - NET	
(Deficit) / Surplus arising on revaluation of:	
- Securities measured at FVOCI - Debt	8.1
- Securities measured at FVOCI - Equity	8.1
- Property and Equipment	23.1
- Non-banking assets acquired in satisfaction of claims	23.2
Deferred tax on (deficit) / surplus on revaluation of:	
- Securities measured at FVOCI - Debt	23.1
- Securities measured at FVOCI - Equity	23.2
- Property and Equipment	
- Non-banking assets acquired in satisfaction of claims	
(Deficit) / Surplus arising on revaluation of:	
- Available for sale securities-Debt	8.1
- Available for sale securities-Equity	8.1
- Property and Equipment	23.1
- Non-banking assets acquired in satisfaction of claims	23.2
Deferred tax on (deficit) / surplus on revaluation of:	
- Available for sale securities-Debt	23.1
- Available for sale securities-Equity	23.2
- Property and Equipment	
- Non-banking assets acquired in satisfaction of claims	
Surplus on revaluation of Property and Equipment	
Surplus on revaluation of property and equipment as at January 01,	39,821,957
Recognised during the year	-
Realised on disposal during the year	-
Other adjustments	5,779
Exchange adjustments	(187)
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax	(77,583)
Related deferred tax liability on incremental depreciation	(77,788)
Surplus on revaluation of property and equipment as at December 31,	39,672,178
Less: Related deferred tax liability on	39,821,957
- Revaluation as at January 01,	-
- Revaluation recognised during the year	-
- Surplus realised on disposal of property and equipment during the year	-
- Other adjustments	-
- Exchange adjustments	-
- Incremental depreciation charged during the year	-
- Revaluation as at December 31,	-
Surplus on revaluation of non-banking assets	
Surplus on revaluation of non-banking assets as at January 01,	-
Revaluation of non-banking assets during the year	-
Other adjustments	-
Realised on disposal during the year	-
Surplus on revaluation of non-banking assets as at December 31,	2,387
Less: Related deferred tax liability on	-
- Revaluation as at January 01,	-
- Revaluation of non-banking assets during the year	-
- Surplus realised on disposal of non-banking assets during the year	-
- Other adjustments	-
- Revaluation as at December 31,	-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
24. CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	352,581,311	286,344,622
Commitments	24.2	1,433,032,657	1,012,745,024
Other contingent liabilities	24.3	15,960,716	16,116,861
		1,801,574,684	1,315,206,507

24.1 Guarantees:

Financial guarantees		124,354,428	124,944,607
Performance guarantees		221,439,705	154,072,480
Other guarantees		6,787,178	7,327,535
		352,581,311	286,344,622

24.2 Commitments:

Documentary credits and short-term trade-related transactions - letters of credit		354,707,969	303,953,368
Commitments in respect of:			
- forward foreign exchange contracts	24.2.2	582,473,911	540,001,109
- forward government securities transactions	24.2.3	319,286,690	19,956,300
- derivatives	24.2.4	-	366,068
- forward lending	24.2.5	168,187,869	144,577,866
- operating leases	24.2.6	172,438	66,511
		1,070,120,908	704,967,854
Commitments for acquisition of: - property and equipment - intangible assets		6,691,082 1,512,698 8,203,780	2,998,928 824,874 3,823,802
		1,433,032,657	1,012,745,024

24.2.1 Commitments to extend credit

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

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
24.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		302,218,129	278,930,255
Sale		280,255,782	261,070,854
		582,473,911	540,001,109

24.2.3 Commitments in respect of forward government securities transactions

Purchase	25.1	296,701,690	16,956,300
Sale	25.1	22,585,000	3,000,000
		319,286,690	19,956,300

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
24.2.4 Commitments in respect of derivatives			
FX options			
Purchase	25.1	-	183,034
Sale	25.1	-	183,034
		-	366,068

24.2.5 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.5.1	73,281,452	84,953,615
Others		94,906,417	59,624,251
		168,187,869	144,577,866

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

24.2.6 Commitments in respect of operating leases

Not later than one year		167,593	66,511
Later than one year and not later than five years		4,845	-
Later than five years		-	-
		172,438	66,511

24.3 Other contingencies

Claims against the Bank not acknowledged as debts	24.3.2	15,960,716	16,116,861
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 financial statements.

24.3.2 This includes penalties amounting to Rs.4.089 million (2023: Rs.4,089 million) were levied by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and has filed a civil suit in the High Court of Sindh challenging the levy of the penalty. The High Court has granted a stay on action being taken against the Bank. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.

24.3.3 For contingencies relating to taxation, refer note 14.1.

25. DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include forwards, futures, swaps and options. Derivatives also include structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorised Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market and offers a wide variety of derivatives products covering both hedging and market making to satisfy customers' needs. Where required, specific approval is sought from the SBP for each transaction.

The Risk management policy related to derivatives is discussed in note 47.7

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

25.1 Product analysis

Counterparties	2024											
	Interest rate swaps		FX options		Forward purchase contracts of Government Securities		Forward sale contracts of Government Securities		Total			
	No. of contracts	Notional principal	Mark to market gain	No. of contracts	Notional principal	Mark to market gain	No. of contracts	Notional principal	Mark to market (loss)/gain	No. of contracts	Notional principal	Mark to market (loss)/gain
(Rupees in '000)										(Rupees in '000)		
With banks for Hedging	-	-	-	-	-	-	-	-	-	-	-	
Market making	-	-	-	-	-	-	-	-	-	-	-	
With FIs other than Banks for Hedging	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)	-	
Market making	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)	-	
With other entities for Hedging	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579	-	
Market making	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579	-	
Total	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579	-	
Hedging	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494	-	
Market making	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494	-	
2023										(Rupees in '000)		
Counterparties	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total			
	No. of contracts	Notional principal	Mark to market gain	No. of contracts	Notional principal	Mark to market gain	No. of contracts	Notional principal	Mark to market gain	No. of contracts	Notional principal	Mark to market gain
	(Rupees in '000)										(Rupees in '000)	
With banks for Hedging	-	-	183,034	-	-	-	-	-	183,034	-	-	
Market making	-	-	183,034	-	-	-	-	-	183,034	-	-	
With FIs other than Banks for Hedging	-	-	-	-	-	-	3,000,000	297	3,000,000	297	-	
Market making	-	-	-	-	-	-	3,000,000	297	3,000,000	297	-	
With other entities for Hedging	-	-	183,034	-	16,956,300	26,320	-	-	17,139,334	26,320	-	
Market making	-	-	183,034	-	16,956,300	26,320	-	-	17,139,334	26,320	-	
Total	-	-	183,034	-	16,956,300	26,320	-	-	183,034	-	-	
Hedging	-	-	183,034	-	16,956,300	26,320	-	-	20,139,334	26,320	-	
Market making	-	-	366,068	-	16,956,300	26,320	3,000,000	297	20,322,368	26,617	-	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

25.2 Maturity analysis of derivatives

Remaining Maturity	No. of contracts	Notional principal	Mark to Market		
			Negative	Positive	Net
(Rupees in '000) -----					
Upto 1 month	22	319,286,690	(5,708)	1,262,202	1,256,494
1 to 3 months	-	-	-	-	-
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
	22	319,286,690	(5,708)	1,262,202	1,256,494
2023					
Remaining Maturity	No. of contracts	Notional principal	Mark to Market		
	No. of contracts	Notional principal	Negative	Positive	Net
			(Rupees in '000) -----		
Upto 1 month	10	3,248,298	-	297	297
1 to 3 months	7	17,074,070	(5,762)	32,082	26,320
3 to 6 months	-	-	-	-	-
6 months to 1 year	-	-	-	-	-
1 to 2 years	-	-	-	-	-
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
	17	20,322,368	(5,762)	32,379	26,617
2024					
(Rupees in '000) -----					

26. MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		113,169,381		112,895,028	
Investments		961,285,297		392,463,446	
Lendings to financial institutions		3,271,180		10,935,014	
Balances with banks		6,856,999		5,080,938	
		1,084,582,857		521,374,426	
27. MARK-UP / RETURN / INTEREST EXPENDED					
On:					
Deposits		202,416,226		171,098,809	
Borrowings		701,158,547		200,874,728	
Subordinated debt		2,130,979		2,236,433	
Cost of foreign currency swaps against foreign currency deposits / borrowings		3,992,583		3,062,556	
Lease liability against right-of-use assets		1,469,697		1,217,778	
		911,168,032		378,490,304	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023		Note	2024	2023
		----- (Rupees in '000) -----				----- (Rupees in '000) -----	
28. FEE AND COMMISSION INCOME				31. OPERATING EXPENSES			
Branch banking customer fees		1,958,183	2,621,641	Total compensation expense	31.1	37,769,981	23,961,511
Consumer finance related fees		1,303,431	1,375,056	Property expense	31.5	1,861,782	1,244,223
Card related fees (debit and credit cards)		3,815,903	3,127,264	Rent and taxes		300,831	272,818
Investment banking fees		277,908	318,860	Insurance		3,466,609	2,751,981
Financial institution rebate / commission		762,725	580,938	Utilities cost		1,894,223	1,465,669
Corporate service charges / facility fee		1,394,957	864,275	Security (including guards)		516,546	463,353
Commission on trade		3,084,229	2,282,755	Repair and maintenance (including janitorial charges)	10.2	1,406,529	1,243,288
Commission on guarantees		1,402,824	827,236	Depreciation on owned property and equipment		2,423,781	2,286,328
Commission on cash management		1,138,065	1,141,040	Depreciation on right-of-use assets	11	3,226	3,012
Commission on remittances including home remittances - net		2,123,851	2,874,755	Depreciation on non-banking assets acquired in satisfaction of claims	14.3.2	41,935	47,972
Commission on bancassurance		1,156,957	1,092,163	Others		11,915,462	9,778,644
Rent on lockers		225,953	221,130	Information technology expenses			
Others		265,368	199,869	Software maintenance		3,769,362	2,995,493
		18,910,354	17,526,982	Hardware maintenance		552,685	540,653
29. GAIN ON SECURITIES - NET				Depreciation	10.2	1,881,892	1,387,249
Realised	29.1	42,557,633	444,894	Amortisation	12.1	1,007,926	997,628
Unrealised - Measured at FVTPL	8.1	35,068	(79,074)	Network charges		1,080,775	1,036,719
		42,592,701	365,820	Consultancy charges		504,872	305,965
				Other operating expenses		8,797,512	7,263,707
29.1 Realised gain / (loss) on:				Legal and professional charges		768,130	1,573,663
Federal Government securities		37,624,519	668,223	Commission paid to branchless banking agents		345,593	316,786
Shares		244,402	613,854	Commission paid to sales force		5,055,630	2,020,315
Foreign securities		4,642,824	(1,188,818)	Outsourced service costs		2,729,108	1,927,209
Other Securities		45,888	351,635	Travelling and conveyance		287,365	288,426
		42,557,633	444,894	Clearing charges		362,669	282,571
30. OTHER INCOME				Depreciation	10.2	2,494,917	1,729,227
Charges recovered		440,601	542,456	Depreciation on Islamic financing against leased assets		79,527	135,236
Rent on properties		107,475	85,022	Training and development		206,308	149,504
Gain on sale of Property and equipment - net		232,084	487,628	Postage and courier charges		504,982	364,494
Gain on sale of subsidiary		7,083,501	-	Communication		291,881	245,042
Gain on sale of Ijarah assets - net		1,016	2,068	Stationery and printing		2,194,702	1,544,682
Loss on trading liabilities - net		(16,549)	(20,670)	Marketing, advertisement and publicity		4,325,076	1,109,573
		7,848,128	1,096,504	Donations	31.3	205,000	62,820
				Auditors' remuneration	31.4	151,330	131,484
				Insurance		136,483	135,825
				Deposit protection premium expense		2,202,917	1,879,217
				Cash transportation and sorting charges		1,265,657	1,100,954
				Entertainment		444,437	283,262
				Vehicle expenses		612,002	271,382
				Subscription		58,866	85,360
				Office running expenses		425,014	296,414
				Banking service charges		7,332,055	5,185,267
				Repairs and maintenance		2,536,221	1,573,811
				Cartage, freight and conveyance		87,850	70,026
				Miscellaneous expenses		1,198,184	539,263
						36,301,904	23,301,813
						94,784,859	64,305,675

Notes to and forming part of the Unconsolidated Financial Statements

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	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
31.1 Total compensation expense			
Non- Executive Directors' fees	41.2	117,870	102,700
Shariah Board's fees and allowances	41.3	12,973	12,641
Managerial Remuneration			
i) Fixed			
ii) Variable - Cash Bonus			
Charge for defined benefit plan			
Contribution to defined contribution plan			
Rent & house maintenance			
Utilities			
Medical			
Conveyance			
Group assurance premium			
Sub-total			
Sign-on bonus		44,700	20,000
Severance allowance		130,775	317,057
Grand Total		37,769,981	23,961,511

		Number of person
Awards		21
Severance allowance		13
		119
31.2	Total outsourced activities is Rs. 3,803.008 million (2023: Rs. 2,739.767 million). This includes outsourced service costs of Rs.2,729.108 million (2023: Rs. 1,927.209 million), disclosed as separate line item in note 31. Out of total outsource cost, Rs. 3,521.182 million (2023: Rs. 2,415.248 million) pertains to the payment to companies incorporated in Pakistan and Rs. 281.826 million (2023: Rs. 324.518 million) pertains to payment to companies incorporated outside Pakistan.Total cost of outsourced activities for the year given to related parties is Nil (2023: Nil).	

The material outsourcing arrangements along with their nature of services are as follows:

Name of service provider	Type of service	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
TCS (Private) Limited	Statement of account printing and dispatching	131,610	123,303
Paradise Press (Private) Limited	Cheque book printing services	235,483	104,031
APEX Printry (Private) Limited	Cheque book printing services	145,096	136,385
Printlink	Cheque book printing services	103,540	123,586
ASC First Solution (Private) Limited	Storage and digital archiving services	6,491	6,349
Raaziq International	Storage and digital archiving services	56,054	50,958
Phoenix Armour (Pvt) Limited	Cash Replenishment	-	20,922
Askari Guards (Pvt) Limited	Cash Replenishment	47,215	33,694
Security Organizing Services	Cash Replenishment	22,256	-
Qadri Enterprises	Key Punch	24,950	21,305
CMS Company	Cash Management Services	224,050	91,364
Transguard Group	Cash Management Services	23,144	30,697
Back Office FZ LLC	Record Management	27,894	50,158
Infofort	Record Management	9,948	10,183
Electronic Document Center	Printing Services	7,450	3,218
National Printing Press	Printing Services	8,719	6,405
		1,073,900	812,558

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
31.3 Details of donations		
Indus Hospital	50,000	9,600
Shaukat Khanum Memorial Cancer Hospital	50,000	-
Dr. Ruth K.M. Pfau Civil Hospital	10,000	10,000
Saylani Welfare International Trust	10,000	10,000
Kiran Foundation	10,000	2,186
Layton Rahmatullah Benevolent Trust	10,000	2,139
Alkhidmat Foundation	10,000	-
Namal Education Foundation	10,000	-
Cancer Foundation Hospital / Roche Pakistan	10,000	-
Patients Aid Foundation	8,900	5,370
The Hunar Foundation	5,000	-
Afzaal Memorial Thalassemia Foundation	5,000	-
Family Educational Services Foundation	3,600	-
SOS Children's Village	3,000	2,000
National Institute of Child Health through OAKS	3,000	-
Education Trust Nasra Schools	2,500	-
Marie Adelaide Leprosy Center	2,000	-
Developments in Literacy (DIL)	1,000	-
Karachi Down Syndrome Program	1,000	-
Habib University	-	9,950
Institute of Business Administration	-	7,387
Sindh Institute of Urology & Transplantation (SIUT)	-	2,188
Million Smiles Foundation	-	2,000
Donations individually not exceeding Rs. 0.5 million		
	205,000	62,820

31.4 Auditors' remuneration

Audit fee	19,440	15,660
Fee for other statutory certifications	20,520	23,145
Fee for audit of foreign branches	84,875	80,310
Special certifications and sundry advisory services	17,280	3,240
Out of pocket expenses	9,215	9,129
	151,330	131,484

31.5 This includes expense in respect of short term leases and low value assets not included in lease liabilities amounting to Rs. 24.769 million (2023: Rs. 52.349 million) and Rs. 0.001 million (2023: Rs. 0.001 million) respectively.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

32. WORKERS' WELFARE FUND

The provision has been made for Provincial Workers' Welfare Fund based on profit for the year. The chargeability of WWF has been challenged before the Court and the matter is still pending.

	Note	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)
33. OTHER CHARGES		43,527	240,111
Penalties imposed by the SBP		31,743	215
Penalties imposed by other regulatory bodies of overseas branches		<u>75,270</u>	<u>240,326</u>

34. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

Credit loss allowance/ Reversal of provision against loans and advances	9.6	11,253,648	(4,898,710)
Credit loss allowance/ Provision for diminution in value of investments	8.3.3	(273,241)	6,527,545
Bad debts written off directly	9.8	54,951	55,861
Credit loss allowance/ Provision against other assets - net	14.4.1	476,252	(29,016)
Credit loss allowance/ Provision against off-balance sheet obligations - net	21.1	1,303,408	(29,304)
Recoveries against written off / charged off bad debts		(422,754)	(477,345)
Credit loss allowance / provision against cash and balances with treasury banks		199,497	-
Other provisions / write-offs		<u>160,014</u>	<u>149,432</u>
		<u>12,751,775</u>	<u>1,298,463</u>

35. TAXATION

Current		85,411,894	52,424,946
Prior years		(11,640,488)	1,997,286
Deferred		<u>(4,107,292)</u>	<u>515,429</u>
		<u>69,664,114</u>	<u>54,937,661</u>

35.1 Relationship between tax expense and accounting profit

Accounting profit for the year		<u>150,191,648</u>	<u>108,118,074</u>
Tax on income @ 44% (2023: 39%)		66,084,325	42,166,049
Super tax @ 10% (2023: 10%)		15,019,165	10,811,807
Prior year charge		(11,640,488)	1,997,286
Tax effect of permanent differences		40,646	117,760
Others		<u>160,466</u>	<u>(155,241)</u>
Tax charge		<u>69,664,114</u>	<u>54,937,661</u>

36. EARNINGS PER SHARE

Profit after taxation for the year		<u>80,527,534</u>	<u>53,180,413</u>
----- (Number of shares) -----			
Weighted average number of ordinary shares		<u>1,224,179,687</u>	<u>1,224,179,687</u>
----- (Rupees) -----			
Basic and diluted earnings per share		<u>65.78</u>	<u>43.44</u>

There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2024 and 2023.

37. CASH AND CASH EQUIVALENTS

	Note	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)
Cash and balances with treasury banks	5	309,745,911	277,330,217
Balances with other banks	6	59,968,246	30,700,751
		<u>369,714,157</u>	<u>308,030,968</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

37.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

		2024	2023
	Lease liability against right-of-use assets	Dividends payable	Unappropriated profit
			(Rupees in '000)
Balance as at January 01,		10,339,867	727,315
Changes from financing cash flows			
Payment of lease liability against right-of-use assets	(3,501,422)	-	-
Dividend paid	-	(53,825,508)	-
Total changes from financing cash flows	(3,501,422)	(53,825,508)	-
Other Changes			
- Liability related			
Cash dividend	-	53,863,908	(53,863,908)
Interest expense on lease liability against right-of-use assets	1,469,697	-	-
Non-cash based	3,700,655	-	-
Total other changes	5,170,352	53,863,908	(53,863,908)
- Equity related			
	-	-	75,327,430
Balance as at December 31,	12,008,797	765,715	111,955,818
		10,339,867	727,315
			90,492,296

38. STAFF STRENGTH

Note		2024			2023		
		Domestic	Overseas	Total	Domestic	Overseas	Total
	Permanent	17,508	337	17,845	13,427	208	13,635
	On contract	1,677	6	1,683	57	5	62
	Bank's own staff strength	19,185	343	19,528	13,484	213	13,697
38.1	Outsourced	226	20	246	1,263	13	1,276
	Total	19,411	363	19,774	14,747	226	14,973

38.1 This excludes employees of outsourced services companies assigned to the Bank to perform services of security guards, admin and janitorial staff.

39. DEFINED BENEFIT PLANS

39.1 General description

The Bank operates the following schemes:

39.1.1 Pension Fund

The Bank operates a funded pension scheme established in 1975. The Pension Scheme was introduced on 1st January 1975 for Clerical and Non-Clerical employees and on the 1st May 1977 for Officers. Those in service at these dates were given an option to join the Pension Scheme or stay in the Bank's old gratuity scheme.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

39.1.2 Gratuity scheme

The Bank also operates a funded gratuity scheme for new employees and for those employees who have not opted for the pension scheme.

39.1.3 Benevolent fund scheme

The Bank also operates a funded benevolent fund scheme which covers all regular employees of the Bank who joined the Bank pre-privatization. Under this scheme, a fixed monthly subscription is made by employees by way of a salary deduction. Employees covered under this scheme, are entitled to receive benevolent grants on death, disability, retirement and other contingencies as monthly grant payment or one-time payment subject to certain conditions as specified in the rules of the fund.

39.1.4 Post retirement medical benefits

The Bank also provides a non-funded post retirement medical benefits to eligible retired employees. The post-retirement medical scheme cover all regular employees of the Bank who joined the Bank pre-privatization.

39.1.5 Compensated absences

The Bank maintains a non-funded scheme for compensated absences.

39.1.6 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

39.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2024	2023
	----- (Number) -----	
- Pension fund	371	447
- Gratuity fund	17,128	12,982
- Post-retirement medical benefit scheme	490	589
- Benevolent fund	552	667
- Employee compensated absences	567	667

In addition to above active employees, pension fund, benevolent fund and post-retirement medical benefit schemes include 5,961 (2023: 6,799), 1,163 (2023: 1,583) and 7,787 (2023: 7,688) members respectively who have retired or whose widows and other beneficiaries are receiving the benefits.

39.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024, using Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2024	2023
	----- Per annum -----	
Discount rate	12.25%	15.50%
Expected rate of salary increase	10.25%	13.50%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	6.25%	9.50%
Expected rate of return on plan assets	12.25%	15.50%

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

39.4 Pension, gratuity, benevolent fund schemes and other benefits

39.4.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2024 are as follows:

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
Note				
	----- (Rupees in '000) -----			
	(8,553,357)	(1,982,123)	(159,458)	(2,921,465)
	20,860,138	2,409,681	431,968	-
	12,306,781	427,558	272,510	(2,921,465)

	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
Note				
	----- (Rupees in '000) -----			
	(7,486,939)	(1,614,165)	(193,311)	(2,590,351)
	11,929,445	1,652,156	306,766	-
	4,442,506	37,991	113,455	(2,590,351)

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
Note				
	----- (Rupees in '000) -----			
	7,486,939	1,614,165	193,311	2,590,351
	7,256	256,074	1,823	288
	1,016,269	256,359	26,791	389,632
	(931,396)	(236,894)	(30,728)	(156,606)
	73,510	-	-	-
	900,779	92,419	(31,739)	97,800
	8,553,357	1,982,123	159,458	2,921,465

	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
Note				
	----- (Rupees in '000) -----			
	7,986,943	1,386,100	235,203	2,628,679
	24,202	221,414	2,445	383
	1,003,809	205,138	30,665	370,420
	(984,419)	(263,320)	(46,028)	(134,437)
	58,355	-	-	-
	(601,951)	64,833	(28,974)	(274,694)
	7,486,939	1,614,165	193,311	2,590,351

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

39.6 Movement in fair value of plan assets

	2024		2023			
	Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
----- (Rupees in '000) -----						
Fair value at the beginning of the year	11,929,445	1,652,156	306,766	10,439,543	1,348,276	300,571
Interest income on plan assets	1,780,969	261,838	43,154	1,443,915	200,013	39,523
Contribution by the Bank	(1,169,284)	147,337	736	(6,829)	266,071	929
Contribution by the employees	-	-	736	-	-	929
Amount paid by the fund to the Bank	(841,332)	(266,092)	(31,091)	(1,002,592)	(267,752)	(53,212)
Re-measurements gains	9,160,340	614,442	111,667	1,055,408	105,548	18,026
Fair value at the end of the year	20,860,138	2,409,681	431,968	11,929,445	1,652,156	306,766

39.7 Movement in (payable) / receivable under defined benefit schemes

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
----- (Rupees in '000) -----				
Opening balance	4,442,506	37,991	113,455	(2,590,351)
Adjustment for mark-up	70,356	2,060	362	-
(Charge) / reversal for the year	683,934	(250,595)	15,276	(389,920)
Contribution by the Bank	(1,169,284)	147,337	736	-
Amount paid by the fund to the Bank	(841,332)	(266,092)	(31,091)	-
Benefits paid by the Bank	931,396	236,894	30,728	156,606
Re-measurement gains / (loss) recognised in OCI	8,189,205	519,963	143,044	(97,800)
Closing balance	12,306,781	427,558	272,510	(2,921,465)

	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
----- (Rupees in '000) -----				
Opening balance	2,452,600	(37,824)	65,368	(2,628,679)
Adjustment for Mark-up	8,380	2,129	777	-
(Charge) / reversal for the year	357,549	(226,539)	7,342	(370,803)
Contribution by the Bank	(6,829)	266,071	929	-
Amount paid by the fund to the Bank	(1,002,592)	(267,752)	(53,212)	-
Benefits paid by the Bank	984,419	263,320	46,028	134,437
Re-measurement gains / (loss) recognised in OCI	1,648,979	38,586	46,223	274,694
Closing balance	4,442,506	37,991	113,455	(2,590,351)

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

39.8 Charge for defined benefit plans

39.8.1 Cost recognised in profit and loss

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
----- (Rupees in '000) -----				
Current service cost	7,256	256,074	1,823	288
Past service cost	-	-	-	-
Net interest on defined benefit asset / (liability)	(764,700)	(5,479)	(16,363)	389,632
Return allocated to other funds	73,510	-	-	-
Employees' contribution	-	-	(736)	-
	(683,934)	250,595	(15,276)	389,920

	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
----- (Rupees in '000) -----				
Current service cost	24,202	221,414	2,445	383
Past service cost	-	-	-	-
Net interest on defined benefit asset	(440,106)	5,125	(8,858)	370,420
Return allocated to other funds	58,355	-	-	-
Employees' contribution	-	-	(929)	-
	(357,549)	226,539	(7,342)	370,803

39.8.1.1 This represents return allocated to those employees who exercised the conversion option offered in the year 2001, as referred in note 4.14.

39.8.2 Re-measurements recognised in OCI during the year

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
----- (Rupees in '000) -----				
Losses / (gains) on obligation	1,597,769	(37,039)	16,578	18,927
- Financial assumptions	(696,990)	129,458	(48,317)	78,873
- Experience adjustment	(9,160,340)	(614,442)	(111,667)	-
Return on plan assets over interest income	70,356	2,060	362	-
Adjustment for mark-up	(8,189,205)	(519,963)	(143,044)	97,800
Total re-measurements recognised in OCI				

	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
----- (Rupees in '000) -----				
Losses / (gains) on obligation	(462,000)	9,079	(6,823)	2,367
- Financial assumptions	(139,951)	55,754	(22,151)	(277,061)
- Experience adjustment	(1,055,408)	(105,548)	(18,026)	-
Return on plan assets over interest income	8,380	2,129	777	-
Adjustment for mark-up	(1,648,979)	(38,586)	(46,223)	(274,694)
Total re-measurements recognised in OCI				

Re-measurement gain recognised in OCI during the year pertaining to other schemes as disclosed in note 39.1.6 is Rs. 51.289 million (2023: Rs. 43.683 million)

Notes to and forming part of the Unconsolidated Financial Statements

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39.9 Components of fair value of plan assets

	2024			2023		
	Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
(Rupees in '000)						
Cash and cash equivalents - net	67,218	46,578	3,880	59,992	47,923	3,921
Ordinary shares	19,980,648	1,086,895	229,043	6,814,050	505,699	106,568
Non-Government debt securities	812,272	1,077,785	12,239	1,873,198	23,481	12,969
Mutual funds units	-	-	-	-	-	-
Pakistan Investment Bonds	-	54,123	154,606	2,926,505	999,397	171,808
Market Treasury Bills	-	-	-	-	1,256	-
National Saving Certificates / Bonds	-	-	32,200	-	-	-
Certificate of Investments	-	-	-	-	-	11,500
Repurchase agreements	-	144,300	-	255,700	74,400	-
	20,860,138	2,409,681	431,968	11,929,445	1,652,156	306,766

39.9.1 The Funds invest in Government Securities and accordingly do not carry any significant credit risk. These are subject to interest rate risk based on market movements. Investment in Non-Govt debt securities are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Trustees of the employee funds.

39.10 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				
Increase in Discount Rate by 1 %	(564,257)	(129,422)	(5,566)	(276,459)
Decrease in Discount Rate by 1 %	646,909	147,174	6,062	332,766
Increase in expected future increment in salary by 1%	-	158,228	909	-
Decrease in expected future increment in salary by 1%	-	(141,159)	(877)	-
Increase in expected future increment in pension by 1%	672,731	-	-	-
Decrease in expected future increment in pension by 1%	(593,692)	-	-	-
Increase in expected future increment in medical benefit by 1%	-	-	-	321,954
Decrease in expected future increment in medical benefit by 1%	-	-	-	(273,318)

39.11 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the pension and gratuity funds according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme. Based on actuarial advice, management estimates that the expected contribution and charge / (reversal) for the year ending December 31, 2025, would be as follows:

	2025			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
(Rupees in '000)				
Expected contribution	-	-	662	-
Expected (reversal) / charge for the year	(1,502,447)	292,864	(30,525)	347,145

39.12 Maturity profile

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
(Rupees in '000)				
The weighted average duration of the obligation (in years)	7.45	6.95	2.82	9.46

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

39.13 Funding Policy

The Bank endeavours to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date, based on various actuarial assumptions.

39.14 The significant risks associated with the staff retirement benefit schemes are as follows:

Asset Volatility

The risk arises due to inclusion of risky assets in the funds portfolio, inflation, interest rate volatility and change in price.

Changes in Bond Yields

The risk arises when bond yield is lower than the expected return on the planned assets (duration based PIB discount rate).

Price Risk

The risk arises when there is volatility in market price of the equity instrument invested by Funds.

Inflation Risk

The salary inflation is the major risk that the Gratuity and Compensated absences liability carries. In pension fund the increase has been determined by the Supreme Court and does not carry this risk as the benefit is practically no longer exposed to future salary increases. Some of the post-retirement medical benefits are capped to a proportion of Pension, thus carrying no salary inflation risk. However, the hospitalization benefit is susceptible to medical inflation risk.

Withdrawal Risk

Withdrawal risks is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

Other Risks

Though, not imminent and generally observable, over long term there are some risks that may crystallise. This includes:

- Retention Risk – The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
- Final Salary Risk – The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to a multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
- Model Risk – The defined benefit gratuity liability is valued by actuary each year. Further, the assets in the Fund are also marked to market. This two-tier valuation gives rise to the model risk.
- Operational Risk related to a separate entity - Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes, and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit Funds. This gives rise to some specific operational risks.
- Compliance Risk – The risk that retirement benefits offered by the Bank do not comply with minimum statutory requirements.
- Legal / Political Risk – The risk that the legal / political environment changes and as a result, the Bank is required to offer additional or different retirement benefits than what the Bank projected. Specifically, in the light of recent Supreme Court decisions, this risk has materialised.

40. OTHER EMPLOYEE BENEFITS

Defined contribution plan

The Bank operates a contributory provident fund scheme for 17,128 (2023: 12,982) employees who are not in the pension scheme. The employer and employee each contribute 8.33% of the basic salary to the funded scheme every month.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total Compensation Expense

Items	2024						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non-Executives				
(Rupees in '000)							
Fees and Allowances etc.	10,860	-	107,010	12,973	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	139,629	343,940	508,858
ii) Variable - Cash Bonus	-	-	-	-	48,000	324,320	406,202
Contribution to defined contribution plan	-	-	-	-	11,350	23,230	38,166
Charge for defined benefit plan	-	-	-	-	3,564	8,665	15,365
Rent & house maintenance	-	-	-	-	4,800	140,995	206,735
Utilities	-	-	-	-	-	62,664	91,882
Medical	-	-	-	-	-	31,332	45,941
Conveyance	-	-	-	-	-	6,251	127,163
Others	-	-	-	-	-	-	42,684
Sub-total	10,860	-	107,010	12,973	213,594	1,104,993	1,484,346
Sign-on bonus	-	-	-	-	-	2,800	-
Total	10,860	-	107,010	12,973	213,594	1,107,793	1,484,346
Number of Persons	1	-	8	3	1	21	159
2023							
Items	2023						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non-Executives				
(Rupees in '000)							
Fees and Allowances etc.	13,670	-	89,030	12,641	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	149,916	236,413	621,088
ii) Variable - Cash Bonus	-	-	-	-	158,895	214,631	252,854
Contribution to defined contribution plan	-	-	-	-	12,230	16,919	46,614
Charge for defined benefit plan	-	-	-	-	4,649	7,886	28,022
Rent & house maintenance	-	-	-	-	14,031	97,068	252,955
Utilities	-	-	-	-	2,393	43,141	112,424
Medical	-	-	-	-	319	21,571	56,212
Conveyance	-	-	-	-	9,564	79,284	246,704
Others	-	-	-	-	34,572	21,774	56,277
Sub-total	13,670	-	89,030	12,641	386,569	738,687	1,673,150
Awards	-	-	-	-	-	20,000	-
Total	13,670	-	89,030	12,641	386,569	758,687	1,673,150
Number of Persons	1	-	8	3	2	22	141

The total amount of deferred bonus as at December 31, 2024 for the President / CEO, Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 363.459 million (2023: Rs. 443.554 million). The deferred bonus is held in a trust fund.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

41.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	Meeting Fees and Allowances Paid							Total Amount Paid
		For Board Meetings	Board Audit Committee (BAC)	Board Human Resource & Compensation Committee (HRCC)	Board Risk & Compliance Committee (BRCC)	Board IT Committee (BITC)	Board Nomination Committee (BNC)	Board International Committee (BIC)	
(Rupees in '000)									
1	Sir Mohammed Anwar Pervez, OBE, HPK	4,800	-	2,400	-	-	960	2,400	300 10,860
2	Lord Zameer M. Choudrey, CBE, SI Pk	4,800	-	3,200	3,200	-	800	4,000	450 16,450
3	The Honorable Haider Zameer Choudrey	4,800	3,200	-	-	3,840	800	3,200	350 16,190
4	Mr. Rizwan Pervez	4,800	3,200	-	-	3,200	-	3,200	450 14,850
5	Mr. Daniel Michael Howlett	4,800	-	-	3,840	3,200	-	-	15,040
6	Ms. Shazia Syed	4,800	3,840	3,200	-	-	3,200	-	15,040
7	Mr. Tariq Rashid	4,800	3,200	3,840	-	-	3,200	-	15,040
8	Mr. Muhammad Irfan A.sheikh	4,800	-	-	3,200	3,200	-	3,200	- 14,400
Total Amount Paid		38,400	13,440	12,640	10,240	13,440	2,560	25,600	1,550 117,870

Sr. No.	Name of Director	Meeting Fees and Allowances Paid							Total Amount Paid
		For Board Meetings	Board Audit Committee (BAC)	Board Human Resource & Compensation Committee (HRCC)	Board Risk & Compliance Committee (BRCC)	Board IT Committee (BITC)	Board Nomination Committee (BNC)	Board Digital Banking Committee (BDC)	
(Rupees in '000)									
1	Sir Mohammed Anwar Pervez, OBE, HPK	6,660	-	3,950	-	-	1,710	800	550 13,670
2	Lord Zameer M. Choudrey, CBE, SI Pk	5,550	-	1,600	3,150	1,550	1,550	800	600 14,800
3	The Honorable Haider Zameer Choudrey	5,550	3,150	-	-	3,310	1,550	800	600 14,960
4	Mr. Rizwan Pervez	5,550	3,150	2,350	-	1,600	-	800	600 14,050
5	Mr. Daniel Michael Howlett	4,000	-	-	1,920	1,600	-	960	- 8,480
6	Ms. Shazia Syed	5,550	3,780	1,600	1,550	-	-	800	- 13,280
7	Mr. Amar Zafar Khan *	1,550	-	-	-	-	-	-	1,550
8	Mr. Tariq Rashid	5,550	800	4,740	-	2,820	-	800	- 14,710
9	Mr. Muhammad Irfan A.sheikh	3,200	800	-	1,600	800	-	800	- 7,200
Total Amount Paid		43,160	11,680	14,240	8,220	11,680	4,810	6,560	2,350 102,700

* Mr. Amar Zafar Khan retired from the Board with effect from March 29, 2023.

41.3 Remuneration paid to Shariah Board Members

Items	2024				2023			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
(Rupees in '000)								
Meeting fees and allowances	5,616	3,737	3,620	12,973	5,400	2,501	4,740	12,641
Total number of persons	1	1	2		1	1	1	

42. FAIR VALUE MEASUREMENTS

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Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

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.

42.1 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).

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:

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

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

42.2 Fair value of financial assets

The following table provides the fair values of those of the Bank's financial assets that are recognised or disclosed at fair value in these unconsolidated financial statements:

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	5,426,802,954	-	5,426,802,954	-	5,426,802,954
- Foreign Bonds - Market Treasury Bills	14,911,986	-	14,911,986	-	14,911,986
- Foreign bonds - sovereign	93,826,601	-	93,826,601	-	93,826,601
- Foreign bonds - others	1,238,358	-	1,238,358	-	1,238,358
- Ordinary shares of listed companies	20,452,691	20,452,691	-	-	20,452,691
- Non-Government debt securities	2,164,861	-	2,164,861	-	2,164,861
- Real Estate Investment Trust units	951,870	951,870	-	-	951,870
	5,560,349,321	21,404,561	5,538,944,760	-	5,560,349,321

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

Financial assets - disclosed but not measured at fair value

Investments					
- Federal Government Securities	277,953,188	-	278,216,586	-	278,216,586
- Foreign Bonds - Market Treasury Bills	8,042,379	-	8,042,379	-	8,042,379
- Foreign Bonds - sovereign	15,796,704	-	14,949,083	-	14,949,083
- Foreign Bonds - others	1,466,872	-	1,348,952	-	1,348,952
- Non-Government debt securities	19,339,444	-	19,556,848	-	19,556,848
	322,598,587	-	322,113,848	-	322,113,848
	5,882,947,908	21,404,561	5,861,058,608	-	5,882,463,169

Off-balance sheet financial instruments - measured at fair value

Forward purchase and sale of foreign exchange contracts					
FX options - purchased and sold					
Forward purchase and sale of Government Securities					
	319,286,690	-	1,256,494	-	1,256,494

On balance sheet financial instruments

Financial assets - measured at fair value

Investments					
- Federal Government Securities	3,878,565,908	-	3,878,565,908	-	3,878,565,908
- Foreign Bonds - Market Treasury Bills	67,785,996	-	67,785,996	-	67,785,996
- Foreign Bonds - sovereign	56,224,631	-	56,224,631	-	56,224,631
- Foreign Bonds - others	1,253,562	-	1,253,562	-	1,253,562
- Ordinary shares of listed companies	10,765,935	10,765,935	-	-	10,765,935
- Non-Government debt securities	2,250,702	-	2,250,702	-	2,250,702
- Real Estate Investment Trust units	616,232	616,232	-	-	616,232
	4,017,462,966	11,382,167	4,006,080,799	-	4,017,462,966

Financial assets - disclosed but not measured at fair value

- Federal Government Securities	303,809,670	-	280,259,649	-	280,259,649
- Foreign Bonds - Market Treasury Bills	15,875,336	-	15,889,922	-	15,889,922
- Foreign Bonds - sovereign	20,187,556	-	19,111,088	-	19,111,088
- Foreign Bonds - others	1,494,294	-	1,366,160	-	1,366,160
- Non-Government debt securities	21,471,010	-	21,014,103	-	21,014,103
	362,837,866	-	337,640,922	-	337,640,922
	4,380,300,832	11,382,167	4,343,721,721	-	4,355,103,888

Off-balance sheet financial instruments - measured at fair value

Forward purchase and sale of foreign exchange contracts					
FX options - purchased and sold					
Forward purchase and sale of Government Securities					
	19,956,300	-	26,617	-	26,617

42.3 Fair Value of non-financial assets

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

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

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

Carrying value	Fair value		
	Level 1	Level 2	Level 3
(Rupees in '000)			

277,953,188	-	278,216,586	-	278,216,586	
8,042,379	-	8,042,379	-	8,042,379	
15,796,704	-	14,949,083	-	14,949,083	
1,466,872	-	1,348,952	-	1,348,952	
19,339,444	-	19,556,848	-	19,556,848	
	322,598,587	-	322,113,848	-	322,113,848
	5,882,947,908	21,404,561	5,861,058,608	-	5,882,463,169

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

43. SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2024						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
Profit & Loss							
Net mark-up / return / profit	61,540,701	200,057,676	(146,184,327)	38,235,548	21,275,103	(1,509,876)	173,414,825
Inter segment (expense) / revenue - net	(50,874,024)	(247,139,518)	289,412,290	-	-	8,601,252	-
Non mark-up / return / interest income	8,343,496	46,721,140	10,439,334	2,147,707	11,890,673	7,951,773	87,494,123
Total Income	19,010,173	(360,702)	153,667,297	40,383,255	33,165,776	15,043,149	260,908,948
Segment direct expenses	1,903,390	664,029	55,082,933	8,171,042	7,860,993	24,283,138	97,965,525
Inter segment expense allocation	402,004	913,915	9,608,813	-	-	(10,924,732)	-
Total expenses	2,305,394	1,577,944	64,691,746	8,171,042	7,860,993	13,358,406	97,965,525
Credit loss allowance - net	2,671,196	221,697	(167,806)	(8,250)	7,971,599	2,063,339	12,751,775
Profit / (loss) before tax	14,033,583	(2,160,343)	89,143,357	32,220,463	17,333,184	(378,596)	150,191,648
Balance Sheet							
Cash & Bank balances	29,906	99,428,160	64,494,602	44,862,676	160,898,813	-	369,714,157
Investments	10,156,363	5,613,070,387	-	119,366,357	140,744,551	3,556,845	5,886,894,503
Net inter segment lending	-	-	1,513,980,697	216,760,034	-	63,438,769	1,794,179,500
Lendings to financial institutions	-	18,492,483	-	-	-	-	18,492,483
Advances - performing	912,361,408	2,238	57,221,149	147,626,192	316,182,001	1,996,657	1,435,389,645
Advances - non-performing net of credit loss allowance	1,328,491	-	298,848	260,774	6,204,186	-	8,092,299
Others	24,878,319	138,388,839	51,935,147	81,332,932	11,129,453	36,884,357	344,549,047
Total Assets	948,754,487	5,869,382,107	1,687,930,443	610,208,965	635,159,004	105,876,628	9,857,311,634
Borrowings	46,800,297	4,767,131,383	5,583,815	8,003,110	27,854,911	-	4,855,373,516
Subordinated debt	-	-	-	-	10,000,000	10,000,000	-
Deposits & other accounts	129,324,679	-	1,495,019,950	519,488,251	496,378,609	-	2,640,211,489
Net inter segment borrowing	753,056,630	1,032,301,065	-	-	8,821,805	-	1,794,179,500
Others	19,538,871	53,577,825	90,825,364	17,915,365	17,577,342	41,890,111	241,324,878
Total Liabilities	948,720,477	5,853,010,273	1,591,429,129	545,406,726	550,632,667	51,890,111	9,541,089,383
Equity	34,010	16,371,834	96,501,314	64,802,239	84,526,337	53,986,517	316,222,251
Total Equity & liabilities	948,754,487	5,869,382,107	1,687,930,443	610,208,965	635,159,004	105,876,628	9,857,311,634
Contingencies and Commitments	748,634,121	505,243,486	93,104,492	10,536,687	442,550,988	1,504,910	1,801,574,684
2023							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
Profit and Loss							
Net mark-up / return / profit	62,359,198	165,148,422	(121,897,300)	20,401,647	18,978,272	(2,106,117)	142,884,122
Inter segment (expense) / revenue - net	(56,002,151)	(237,721,792)	282,189,337	-	-	11,534,606	-
Non mark-up / return / interest income	6,459,446	11,553,893	11,528,592	256,665	2,293,380	1,117,589	33,209,565
Total Income	12,816,493	(61,019,477)	171,820,629	20,658,312	21,271,652	10,546,078	176,093,687
Segment direct expenses	1,755,992	662,195	43,123,087	4,271,579	7,917,826	8,946,471	66,677,150
Inter segment expense allocation	443,919	108,914	9,504,655	-	588,849	(10,646,337)	-
Total expenses	2,199,911	771,109	52,627,742	4,271,579	8,506,675	(1,699,866)	66,677,150
(Reversal) / provisions - net	(1,384,871)	546,630	(752,586)	12,640	2,256,970	619,680	1,298,463
Profit / (loss) before tax	12,001,453	(62,337,216)	119,945,473	16,374,093	10,508,007	11,626,264	108,118,074
Balance Sheet							
Cash & Bank balances	11,358	91,246,445	101,463,285	27,886,564	87,423,316	-	308,030,968
Investments	12,055,059	3,829,326,862	-	331,496,374	199,730,588	12,607,788	4,385,216,671
Net inter segment lending	-	-	1,501,428,974	-	-	146,476,492	1,647,905,466
Lendings to financial institutions	-	21,947,852	-	12,500,000	-	-	34,447,852
Advances - performing	391,683,285	9,872	50,956,184	47,108,009	107,411,872	3,188,071	600,357,293
Advances - non-performing net of provision	2,710,229	-	614,905	79,176	9,792,924	10,999	13,208,233
Others	18,344,061	92,057,395	38,605,116	21,064,320	15,071,413	48,594,180	233,736,485
Total Assets	424,803,992	4,034,588,426	1,693,068,464	440,134,443	419,430,113	210,877,530	7,222,902,968

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

2023

Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
(Rupees in '000)						
Borrowings	57,979,951	2,739,257,686	4,506,465	13,726,452	-	2,815,470,554
Subordinated debt	105,887,403	199,712	1,542,125,514	378,100,209	10,000,000	10,000,000
Deposits & other accounts	245,388,446	1,305,152,330	-	324,227,985	-	2,350,540,823
Net inter segment borrowing	2,062,665	8,066,357	24,745,131	9,588,237	94,288,601	1,647,905,466
Others	411,318,465	4,052,676,085	1,571,377,110	401,414,898	515,881,276	17,734,603
Total Liabilities	13,485,527	(18,087,659)	121,691,354	38,719,545	(96,451,163)	6,970,402,437
Equity	424,803,992	4,034,588,426	1,693,068,464	440,134,443	419,430,113	210,877,530
Total Equity & liabilities	424,803,992	4,034,588,426	1,693,068,464	440,134,443	419,430,113	210,877,530
Contingencies and Commitments	666,470,041	317,073,549	36,229,803	6,642,138	288,041,327	749,649
2024						

43.2 Geographical segment analysis

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Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023			
	Pakistan	Middle East	Export Processing Zones	Total
----- (Rupees in '000) -----				
Balance Sheet				
Cash & Bank balances	220,607,652	87,237,156	186,160	308,030,968
Investments	4,185,486,083	196,285,002	3,445,586	4,385,216,671
<i>Net inter segment lending</i>	1,647,905,466	-	-	1,647,905,466
Lendings to financial institutions	34,447,852	-	-	34,447,852
Advances - performing	492,945,421	105,933,631	1,478,241	600,357,293
Advances - non-performing net of provision	3,415,309	9,792,924	-	13,208,233
Others	218,665,072	14,687,435	383,978	233,736,485
Total Assets	6,803,472,855	413,936,148	5,493,965	7,222,902,968
Borrowings	2,815,470,554	-	-	2,815,470,554
Subordinated debt	10,000,000	-	-	10,000,000
Deposits & other accounts	2,026,312,838	319,856,028	4,371,957	2,350,540,823
<i>Net inter segment borrowing</i>	1,550,540,776	96,858,410	506,280	1,647,905,466
Others	52,196,993	90,719,656	3,568,945	146,485,594
Total Liabilities	6,454,521,161	507,434,094	8,447,182	6,970,402,437
Equity	348,951,694	(93,497,946)	(2,953,217)	252,500,531
Total Equity & liabilities	6,803,472,855	413,936,148	5,493,965	7,222,902,968
Contingencies and Commitments	1,027,165,180	287,920,806	120,521	1,315,206,507

44. TRUST ACTIVITIES

The Bank acts as a custodian for securities held in Investor Portfolio Securities (IPS) accounts. These are not assets of the Bank and, therefore, are not included in these unconsolidated financial statements. Assets held under trust in IPS accounts are shown in the table below:

Category	Number of IPS Accounts	2024			
		Securities held (Face Value)			Total
		Pakistan Investment Bonds	GoP Ijara Sukuks	Market Treasury Bills	
----- (Rupees in '000) -----					
Asset Management Companies	2	-	1,006,800	-	1,006,800
Corporates	37	132,351,400	-	163,621,760	295,973,160
Individuals	199	215,800	17,500	5,282,750	5,516,050
Insurance Companies	5	472,645,700	1,897,500	73,505,000	548,048,200
NGO / Charitable Organisation	4	2,754,000	-	12,126,745	14,880,745
Pension & Employee Funds	36	63,018,800	838,000	43,246,890	107,103,690
Others	12	117,743,700	-	30,818,460	148,562,160
Total	295	788,729,400	3,759,800	328,601,605	1,121,090,805

Category	Number of IPS Accounts	2023			
		Securities held (Face Value)			Total
		Pakistan Investment Bonds	GoP Ijara Sukuks	Market Treasury Bills	
----- (Rupees in '000) -----					
Asset Management Companies	3	-	8,284,500	-	8,284,500
Corporates	27	32,321,700	-	105,059,490	137,381,190
Individuals	246	262,500	21,000	7,532,275	7,815,775
Insurance Companies	6	540,345,800	2,393,500	64,025,500	606,764,800
NGO / Charitable Organisation	4	1,634,000	-	5,691,640	7,325,640
Pension & Employee Funds	34	57,118,600	325,000	30,799,880	88,243,480
Others	14	11,318,400	-	17,370,360	28,688,760
Total	334	643,001,000	11,024,000	230,479,145	884,504,145

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

45. 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 persons 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 are as follows:

	2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- (Rupees in '000) -----						
Statement of financial position						
Balances with other banks						
In current accounts	-	-	-	-	-	391,556
In deposit accounts	-	-	-	-	-	-
	-	-	-	-	-	391,556
Lendings to financial institutions						
Opening balance	-	-	-	-	-	804,102
Addition during the year	-	-	-	-	-	2,191,560
Repaid during the year	-	-	-	-	-	(2,995,662)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	3,955,223	1,657,486	5,287,396
Adoption Impact of IFRS 9	-	-	-	-	-	-
Investment made during the year	-	-	-	1,000,000	-	885,450
Investment disposed / written off during the year	-	-	-	(2,855,223)	-	(2,500,000)
Transfer in / (out) - net	-	-	-	-	-	(37,406)
Closing balance	-	-	-	2,100,000	1,657,486	3,635,440
Credit loss allowance for diminution in value of investments	-	-	-	-	1,417,485	-
Advances						
Opening balance	-	1,286	529,196	-	-	392
Addition during the year	-	7,566	365,352	-	-	231,103,164
Repaid during the year	-	(8,315)	(488,089)	-	-	(6,136)
Transfer in / (out) - net	-	-	189,824	-	-	-
Closing balance	-	537	596,283	-	-	231,097,420
Credit loss allowance held against advances	-	-	-	-	-	-
Property and equipment / CWIP	-	-	-	-	-	197,026
Other Assets						
Interest / mark-up accrued	-	-	133	-	-	5,094,682
Receivable from staff retirement fund	-	-	-	-	-	13,006,849
Prepaid insurance	-	-	-	-	144,558	-
Unrealised gain on forward foreign exchange contracts	-	-	-	-	-	134
Other receivable	-	-	-	1,658	-	12,478
Provision written off	-	-	-	-	-	-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)						
Borrowings						
Opening balance	-	-	-	3,320	-	402,800
Borrowings during the year	-	-	-	-	500,000	243,259,002
Settled during the year	-	-	-	(3,320)	(500,000)	(149,201,102)
Closing balance	-	-	-	-	-	94,460,700
Deposits and other accounts						
Opening balance	14,362	5,149,234	114,762	1,055,328	566,903	14,917,301
Received during the year	71,539,502	44,412,648	2,145,718	97,445,145	84,366,733	1,393,847,209
Withdrawn during the year	(71,550,659)	(42,298,845)	(2,101,517)	(98,108,394)	(84,337,211)	(1,368,907,854)
Transfer in / (out) - net	-	-	(6,893)	(56,579)	-	779,016
Closing balance	3,205	7,263,037	152,070	335,500	596,425	40,635,672
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	580	41,605	2,264	6,192	5,370	652,728
Dividend payable	-	70	4	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	-	-	3,219
Unearned income	-	-	-	-	-	-
Other payable	-	4,310	-	-	-	21,604
Contingencies and Commitments						
Letter of guarantee	-	-	-	-	-	21,463
Forward Government securities sale	-	-	-	-	-	2,585,000
Profit and loss account						
Income						
Mark-up / return / interest earned	-	-	31,903	-	-	5,116,983
Commission / charges recovered	-	282	2,623	1,910	19,251	16,362
Dividend income	-	-	-	-	54,613	891,983
Net gain on sale of securities	-	-	-	-	-	-
Other income	-	-	-	3,633	-	78,256
Gain on sale of subsidiary	-	-	-	7,083,501	-	-
Gain on sale of property and equipment	-	36	47	-	2,806	-
Reversal of provision	-	-	-	-	-	-
Switch revenue	-	-	-	-	-	453,338
Management fee	-	-	-	37,083	-	-
Expense						
Mark-up / return / interest paid	64,931	294,892	20,328	122,486	66,690	3,114,972
Remuneration paid	-	-	1,268,666	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	117,870	-	-	-	-
Charge for defined contribution plans	-	-	34,580	-	-	657,313
Charge for defined benefit plans	-	-	10,748	-	-	130,567
Provision	-	-	-	-	-	-
Other expenses	-	-	3,997	-	-	365,806
Clearing charges	-	-	-	-	-	210,344
Donations	-	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	3,396	-	-	21,072

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)						
Other Information						
Dividend paid	27,796,071	989,492	33,061	-	-	7,491,134
Insurance premium paid	-	-	-	-	838,586	-
Insurance claims settled	-	-	-	-	379,205	-
Statement of financial position						
Balances with other banks						
In current accounts	-	-	-	647,251	-	-
In deposit accounts	-	-	-	647,251	-	-
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	12,674,229
Raided during the year	-	-	-	-	-	(11,870,127)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	804,102
Investments						
Opening balance	-	-	-	2,955,223	2,024,126	5,300,368
Investment made during the year	-	-	-	1,000,000	225,000	-
Investment disposed / written off during the year	-	-	-	-	(366,640)	(58,518)
Transfer in / (out) - net	-	-	-	-	(225,000)	45,546
Closing balance	-	-	-	3,955,223	1,657,486	5,287,396
Provision for diminution in value of investments	-	-	-	-	1,417,485	1,160,263
Advances						
Opening balance	-	480	318,625	-	-	17,808,043
Addition during the year	-	5,664	544,583	-	-	14,944,269
Raided during the year	-	(4,992)	(497,605)	-	-	(33,077,402)
Transfer out - net	-	134	163,593	-	-	325,482
Closing balance	-	1,286	529,196	-	-	392
Provision held against advances	-	-	-	-	-	-
Property and equipment / CWIP						29,000
Other Assets						
Interest / mark-up accrued	-	-	8,612	-	-	120,906
Receivable from staff retirement fund	-	-	-	-	-	4,593,951
Prepaid insurance	-	-	-	-	100,000	-
Other receivable	-	-	-	-	60,217	-
Provision written off	-	-	-	-	-	-
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the year	-	-	-	3,320	-	27,041,450
Settled during the year	-	-	-	-	-	(26,638,650)
Closing balance	-	-	-	3,320	-	402,800

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Deposits and other accounts						
Opening balance						
14,327	13,924,363	68,837	70,757	483,935	17,181,731	
Received during the year	123,898,655	64,480,148	1,619,139	20,241,079	93,425,031	780,514,685
Withdrawn during the year	(123,898,620)	(73,338,287)	(1,609,785)	(20,140,705)	(93,342,063)	(781,066,806)
Transfer in	-	83,010	36,571	884,197	-	(1,712,309)
Closing balance	14,362	5,149,234	114,762	1,055,328	566,903	14,917,301
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	-	17,676	188	-	33	49,967
Dividend payable	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-
Unearned income	-	-	-	536	-	47,262
Other payable	-	4,310	-	-	5,000	14,583
Contingencies and Commitments						
Letter of guarantee	-	-	-	-	-	-
Forward Government securities sale	-	-	-	-	-	-
Profit and loss account						
Income						
Mark-up / return / interest earned	-	-	34,178	-	-	2,247,937
Commission / charges recovered	-	174	1,501	1,325	16,219	23,975
Dividend income	-	-	-	85,571	15,021	610,556
Net gain on sale of securities	-	-	-	-	32,413	-
Other income	-	-	-	2,846	-	46,186
Gain on sale of property and equipment	-	-	7,072	-	1,235	-
Gain on wind-up of subsidiary	-	-	-	-	-	-
Reversal of provision	-	-	-	-	-	20,203
Switch revenue	-	-	-	-	-	351,280
Management fee	-	-	-	76,909	-	-
Expense						
Mark-up / return / interest paid	7,416	361,179	11,476	22,718	51,941	1,375,693
Remuneration paid	-	-	1,086,391	-	-	-
Post employment benefits	-	-	-	-	-	-
Directors' fees and allowances	-	102,700	-	-	-	-
Charge for defined contribution plans	-	-	29,150	-	-	523,293
Charge for defined benefit plans	-	-	12,535	18,872	-	410,532
Provision	-	-	-	-	1,417,485	227,626
Other expenses	-	26	17,180	-	500	240,736
Clearing charges	-	-	-	-	-	170,828
Donations	-	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	-	3,864	-	31,034
Other Information						
Dividend paid	26,532,614	881,245	21,066	-	-	5,086,556
Insurance premium paid	-	-	-	-	690,432	-
Insurance claims settled	-	-	-	-	588,634	-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

46.	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	Note	2024 ----- (Rupees in '000)-----	2023 ----- (Rupees in '000)-----
	Minimum Capital Requirement (MCR):			
	Paid-up capital (net of losses)		12,241,797	12,241,797
	Capital Adequacy Ratio (CAR):			
	Eligible Common Equity Tier 1 (CET 1) Capital	46.2	231,378,975	143,456,256
	Eligible Additional Tier 1 (ADT 1) Capital		9,934,770	9,934,770
	Total Eligible Tier 1 Capital		241,313,745	153,391,026
	Eligible Tier 2 Capital		79,934,771	49,594,306
	Total Eligible Capital (Tier 1 + Tier 2)		321,248,516	202,985,332
	Risk Weighted Assets (RWAs):			
	Credit Risk		982,317,606	709,252,566
	Market Risk		268,034,475	259,291,125
	Operational Risk		331,068,883	252,952,334
	Total		1,581,420,964	1,221,496,025
	Common Equity Tier 1 Capital Adequacy Ratio		14.63%	11.74%
	Tier 1 Capital Adequacy Ratio		15.26%	12.56%
	Total Capital Adequacy Ratio		20.31%	16.62%
	The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs.12,241.797 million (2023: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.			
	In order to dampen the effects of COVID-19, the State Bank of Pakistan under BPRD Circular Letter No. 12 of 2020 has given a regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013, for the time being, from its existing level of 2.5% to 1.5%, till further instructions.			
	Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2024. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 20.31% whereas CET 1 and Tier 1 ratios stood at 14.63% and 15.26% respectively.			
	Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/751777/2024 dated August 29, 2024. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.0%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.			
	Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardised Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are applied against the Bank's exposures based on eligible collateral under comprehensive approach.			
	The Capital Adequacy Ratio excluding the transition benefit of ECL (net of tax) on adoption of IFRS 9 would be lower by 29bps as at December 31, 2024.			
			2024 ----- (Rupees in '000)-----	2023 ----- (Rupees in '000)-----
	Leverage Ratio (LR):			
	Eligible Tier-1 Capital		241,313,745	153,391,026
	Total Exposures		7,852,713,980	6,245,545,091
	Leverage Ratio		3.07%	2.46%
	Liquidity Coverage Ratio (LCR):			
	Total High Quality Liquid Assets		1,809,400,194	1,194,192,309
	Total Net Cash Outflow		721,237,268	436,543,979
	Liquidity Coverage Ratio		250.87%	273.56%
	Net Stable Funding Ratio (NSFR):			
	Total Available Stable Funding		2,163,819,529	1,912,608,898
	Total Required Stable Funding		2,027,714,826	1,310,982,494
	Net Stable Funding Ratio		106.71%	145.89%

- 46.1 The full disclosures on the CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS as per SBP instructions issued from time to time are placed on the website. The link to the full disclosure is available at <https://www.ulbdigital.com/Investor-Relations/CAR-Statements.aspx>.
- 46.2 The SBP through its BPRD circular letter no. 2 of 2025 dated January 24, 2025 has instructed to treat Foreign Exchange Translation Reserve as part of Common Equity Tier-1 (CET-1) capital with effect from December 31, 2024. The foreign exchange translation had been reported as TIER II capital for all periods prior to December 31, 2024.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

47. RISK MANAGEMENT

The Bank has an integrated risk management structure in place covering domestic and international operations. The Board Risk and Compliance Committee (BRCC), a sub-committee of the Board of Directors (BoD); oversees the entire risk management process of the Bank. Management Risk Committee (MRC) oversees all risks collectively at senior management level. The Committee is chaired by the President and comprises of Heads of all major areas such as Risk, Finance, SAM and Business Groups. The Risk and Credit Policy Group led by Group Executive Risk and Credit Policy (GE-R&CP) is responsible for the development and implementation of all risk policies approved by the BoD in line with the guidelines issued by SBP and respective overseas central banks. The group is organized into various functions such as Credit Risk Management, Credit Policy & Research, Market & Treasury Risk and Basel, Financial Institution Risk, Consumer Risk, Operational Risk, Credit Administration Division, Environmental, Social & Governance Risk and Information Security Risk. The role of the Risk and Credit Policy Group, interalia, includes:

- Determining guidelines relating to the Bank's risk appetite.
- Reviewing risks on an aggregate and enterprise level
- Recommending risk management policies in accordance with the Prudential Regulations, Basel II / III framework, Regulatory framework of foreign countries where the bank operates and international best practices.
- Reviewing policies / manuals and ensuring that these are in accordance with BRCC / BoD approved Risk Management Policy.
- Approving credits and granting approval authority to qualified and experienced individuals.
- Portfolio reviews focusing on quality assessment, risk profiles, industry concentrations etc.
- Identify problem credits and level of provisioning required.
- To establish an extensive Information Security (IS) Program and governance structure, to manage the security of the information assets.
- Ensuring development of an effective MIS for timely identification, control and reporting of risks across the Bank.
- Assessing the position of Bank's Risk Weighted Assets (RWAs) in line with the applicable standards under Basel for computation of capital requirement(s) for the Bank.

The latter half of 2024 marked a period of stability for the global economy, as Central Banks around the globe began reducing their rates, signalling a potential shift in the global economic cycle and monetary policy approach.

The year marked a return to macroeconomic stability, with declining inflation, stable exchange rate, a primary balance surplus, and a minimal current account deficit. Consequently, State Bank of Pakistan cumulatively decreased 900 basis points in its policy rate in the year 2024, in response to falling inflation and to stimulate economic activity.

The banking sector has been resilient and has grown tremendously in the past year and has managed to expand its asset base, largely weighed by investments, while advances have also shown substantial growth. Bank lending to the private sector surged, while the public sector continued to avail additional financing. Profitability witnessed a significant growth on back of Net Interest Income.

47.1 Credit risk

Credit risk is the risk that a customer or counterparty may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer's or counterparty's willingness or ability to meet such an obligation is impaired, resulting in an economic loss to the Bank.

The credit risk management process is driven by the Bank's Risk Management Policy, Credit Policy for domestic operations, Collateral Management Policy, Credit Policy of respective overseas operation, which provide guidance in relation to credit initiation, approval, documentation and disbursement, credit maintenance and remedial management process.

Individual credit authorities are delegated to credit officers by the Group Executive - Risk & Credit Policy (authorized by BoD), according to their seasoning / maturity. Approvals for Consumer loans are centralized, while approval authorities for overseas operations, Corporate, Commercial, SME and Agri exposures are delegated at a Country / Regional level. Furthermore, credit authorities are also delegated to business teams in various regions for Commercial, SME and Agri lending. All credit policy functions globally are centrally organized.

Concentration of credit risk exists if clients are engaged in similar activities or are located in the same geographical region or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. The Bank manages, limits and controls concentrations of credit risk to individual counterparties and groups, and to industries, where appropriate. Limits are also applied to portfolios or sectors where the Bank considers it appropriate to restrict credit risk concentrations, to areas of higher risk, or to control the rate of portfolio growth. To manage cross border exposure, the bank has a Country Risk Policy in place which provides the framework for managing Country and FI related risks.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

The Risk Management function of the Bank regularly conducts assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the continuously evolving business and economic environment. The Bank has been continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the ongoing economic crisis.

IFRS 9 became applicable in the current year for domestic operations and has been applicable for some of the international branches of the Bank. This standard requires the estimation of Expected Credit Losses (ECL) based on various parameters such as probability of default, loss given default, exposure at default, significant increase in credit risk as well as current and forecasted macro-economic variables as detailed in note 4.2.6.

47.1.1 Lendings to financial institutions

Credit risk by public / private sector	2024				
	Gross lendings	Non-performing lendings			Credit loss allowance held
		Stage 1	Stage 2	Stage 3	
Public / Government		(Rupees in '000)			
Private	18,492,483	-	-	-	-
	18,492,483	-	-	-	-

Credit risk by public / private sector	2023				
	Gross lendings	Non-performing lendings			Provision held
		Stage 1	Stage 2	Stage 3	
Public / Government		(Rupees in '000)			
Private	34,447,852	-	-	-	-
	34,447,852	-	-	-	-

47.1.2 Investment in debt securities

Credit risk by industry sector	2024				
	Gross investments	Non-performing investments			Credit loss allowance held
		Stage 1	Stage 2	Stage 3	
Chemical and pharmaceuticals	528,106	28,108	135	-	28,108
Financial	5,769,429,669	360,000	30,121	1,556,327	360,000
Food	912	912	-	-	912
Production and transmission of energy	18,396,008	-	-	808,278	-
Metal and allied	78,125	-	15	-	15
Textile	229,263	229,263	-	-	229,263
Others	2,823,628	-	948	-	948
	5,791,485,711	618,283	31,219	2,364,605	618,283
					3,014,107

Credit risk by industry sector	2023				
	Gross investments	Non-performing investments			Provision held
		Stage 1	Stage 2	Stage 3	
Chemical and pharmaceuticals	541,190	49,811	49,811	-	-
Financial	4,362,309,996	360,000	360,000	-	-
Food	912	912	912	-	-
Production and transmission of energy	17,979,314	-	-	-	-
Metal and allied	140,625	-	-	-	-
Textile	314,978	229,263	229,263	-	-
Others	2,878,619	1,397	1,397	-	-
	4,384,165,634	641,383	641,383	-	-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2024					
	Gross investments	Non-performing investments	Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
Credit risk by public / private sector						
Public / Government	5,780,277,708	-	898	-	618,283	619,181
Private	11,208,003	618,283	30,321	2,364,605	-	2,394,926
	5,791,485,711	618,283	31,219	2,364,605	618,283	3,014,107
2023						
	Gross investments	Non-performing investments	Provision held			
	(Rupees in '000)					
Credit risk by public / private sector						
Public / Government	4,373,572,371	-	-			
Private	10,593,263	641,383	641,383			
	4,384,165,634	641,383	641,383			
47.1.3 Advances						
	2024					
Credit risk by industry sector	Gross advances	Non-performing advances	Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)					
Agriculture	275,734,417	660,312	118,864	61,123	551,904	731,891
Airlines	3,299,910	541,988	5,425	-	541,988	547,413
Automobile and transportation equipment	41,490,727	6,527,855	26,339	655,641	6,527,855	7,209,835
Education and medical	116,358,274	14,427,837	3,000	1,784	14,427,837	14,432,621
Cables	820,927	406,751	2,661	-	406,751	409,412
Cement	39,427,138	-	7,121	17,116	-	24,237
Chemical and pharmaceuticals	110,732,085	112,625	16,678	29,652	112,625	158,955
Construction	33,479,000	6,081,446	20,698	222,381	6,076,997	6,320,076
Electronics and electrical appliances	19,158,986	13,043,157	9,505	26,257	10,305,162	10,340,924
Engineering	240,160	6,000	117	15,660	6,000	21,777
Fertilizer	4,700,728	22,271	14,198	220	19,112	33,530
Financial	135,942,642	2,668,316	772,401	439,623	2,668,316	3,880,340
Food, tobacco and beverages	6,811,367	1,668,358	26,959	24	1,650,358	1,677,341
Glass and allied	432,433	-	3,860	-	-	3,860
Hotel and tourism	8,522,263	770,670	20,426	14,599	770,670	805,695
Individuals	93,359,602	5,635,275	1,374,529	189,153	4,787,328	6,351,010
Paper and allied	1,435,163	18,064	2,896	2,093	18,064	23,053
Production and transmission of energy	152,060,404	2,251,178	631,355	872,635	1,706,657	3,210,647
Shoes and leather garments	1,941,913	875,612	3,825	1,992	875,612	881,429
Sugar	62,488,619	13,248	253,972	-	13,248	267,220
Metal and allied	9,411,152	3,547,124	40,471	82	2,604,869	2,645,422
Telecommunication	76,991,849	3,222,056	148,336	177	3,222,056	3,370,569
Textile composite	48,962,873	3,332,141	98,701	1,499,408	3,332,141	4,930,250
Textile	54,541,500	5,573,926	121,118	278,840	5,573,926	5,973,884
Textile spinning	22,134,021	2,584,881	80,251	157,708	2,584,881	2,822,840
Textile weaving	2,172,353	133,991	4,076	79,626	133,991	217,693
Wholesale and retail trade	26,611,853	8,686,562	21,736	3,470	8,657,355	8,682,561
Others	215,865,002	33,180,306	2,180,070	3,166,914	30,323,948	35,670,932
	1,565,127,361	115,991,950	6,009,588	7,736,178	107,899,651	121,645,417

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

	2023				
	Gross advances	Non-performing advances	Specific Provision held		
Credit risk by public / private sector					
Public / Government	470,275,453	999,450	1,689,157	444,979	
Private	1,094,851,908	114,992,500	4,320,431	7,291,199	
	1,565,127,361	115,991,950	6,009,588	7,736,178	
2024					
Credit risk by public / private sector	Gross advances	Non-performing advances	Credit loss allowance held		
			Stage 1	Stage 2	
			(Rupees in '000)	Total	
Credit risk by public / private sector					
Public / Government	470,275,453	999,450	1,689,157	444,979	
Private	1,094,851,908	114,992,500	4,320,431	7,291,199	
	1,565,127,361	115,991,950	6,009,588	7,736,178	
2023					
Credit risk by public / private sector	Gross advances	Non-performing advances	Specific Provision held		
			(Rupees in '000)		
Credit risk by public / private sector					
Public / Government	219,470,755	964,604	22,349		
Private	497,596,916	104,575,916	92,309,938		
	717,067,671	105,540,520	92,332,287		

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
47.1.4 Contingencies and Commitments		
Credit risk by industry sector		
Agri business	47,675,276	61,910,577
Airlines	701,407	146,972
Automobile and transportation equipment	34,334,323	8,104,503
Cables	590,684	761,688
Cement	24,576,331	10,970,043
Chemical and pharmaceuticals	114,013,140	7,836,473
Construction	55,620,268	20,447,024
Contractors	16,592,159	19,344,346
Electronics and electrical appliances	15,917,539	6,012,816
Engineering	6,312,074	6,948,442
Fertilizer dealers	28,121,284	19,636,147
Financial	681,377,492	622,151,757
Food, tobacco and beverages	21,983,965	13,526,395
Glass and allied	676,722	136,874
Hotel and tourism	2,375,535	1,064,119
Individuals	23,376,647	19,453,910
Paper and allied	4,478,131	3,497,866
Polyester and fiber	3,707,328	4,214,793
Production and transmission of energy	261,949,358	220,094,251
Shoes and leather garments	1,703,028	1,374,174
Sugar	4,864,721	801,482
Telecommunication	16,862,904	10,195,604
Textile	84,184,116	57,665,189
Wholesale traders	8,139,301	4,597,270
Others	341,440,951	194,313,792
	1,801,574,684	1,315,206,507
Credit risk by public / private sector		
Public / Government	402,453,384	439,325,265
Private	1,399,121,300	875,881,242
	1,801,574,684	1,315,206,507
47.1.5 Concentration of Advances		
The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 846,033 million (2023: Rs. 478,848 million) are as follows:		

	2024	2023
	----- (Rupees in '000) -----	
Funded	650,326,358	166,962,464
Non Funded	195,706,719	311,886,407
Total Exposure	846,033,077	478,848,871

The sanctioned limits against these top 10 exposures aggregated to Rs. 1,037,771 million (2023: Rs. 531,971 million).

None of the exposure against these top 10 exposures is classified.

For the purpose of this note, exposure means outstanding funded facilities and utilised non-funded facilities as at the reporting date.

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2024

47.1.6 Advances - Province / Region-wise Disbursement & Utilisation

Province / Region	Disburse- ments	Utilisation				
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad
(Rupees in '000)						
Punjab	754,018,770	754,018,770	653,255,392	-	-	-
Sindh	653,255,392	-	653,255,392	580,446	-	-
KPK including FATA	580,446	-	-	2,494,308	-	-
Balochistan	2,494,308	-	-	-	-	-
Islamabad	153,608,772	-	-	-	153,608,772	-
AJK including Gilgit-Baltistan	42,682	-	-	-	-	42,682
Total	1,564,000,370	754,018,770	653,255,392	580,446	2,494,308	153,608,772
2023						
Province / Region	Disburse- ments	Utilisation				
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad
(Rupees in '000)						
Punjab	348,177,061	348,177,061	279,441,191	-	-	-
Sindh	279,441,191	-	279,441,191	1,424,469	-	-
KPK including FATA	1,424,469	-	-	-	114,525	-
Balochistan	114,525	-	-	-	-	-
Islamabad	56,846,157	-	-	-	-	56,846,157
AJK including Gilgit-Baltistan	88,965	-	-	-	-	88,965
Total	686,092,368	348,177,061	279,441,191	1,424,469	114,525	56,846,157

47.2 Market Risk

Market risk is the risk of changes in market conditions that may adversely impact the value of assets or liabilities, following a negative impact on earnings. Market risk mainly arises from trading activities carried out by Treasury and Capital Market (TCM) like lending / borrowing, Investments and client facilitating activities.

To ensure effective management of Market Risk, a robust Risk Management Policy, which includes management of market risk, has been formulated and sanctioned by the Board of Directors. This policy delineates the appropriate risk metrics, control mechanisms, and methodologies employed for proactive market risk management.

The Bank carries out market risk management through effective risk measurement tools including Value at Risk (VaR), Price Value per Basis Point (PVBP), Duration, Beta, and Expected Shortfall on regular basis. Bank also ascertains the impact of changes in market factors on Bank's earnings through regular stress testing and Internal Capital Adequacy Assessment Processes (ICAAP).

47.2.1 Balance sheet split by trading and banking books

	Banking book	Trading book	Total	Banking book	Trading book	Total
Cash and balances with treasury banks	309,745,911	-	309,745,911	277,330,217	-	277,330,217
Balances with other banks	59,968,246	-	59,968,246	30,700,751	-	30,700,751
Lendings to financial institutions	18,492,483	-	18,492,483	34,447,852	-	34,447,852
Investments	1,647,791,198	4,239,103,305	5,886,894,503	1,325,708,609	3,059,508,062	4,385,216,671
Advances	1,443,481,944	-	1,443,481,944	613,565,526	-	613,565,526
Property and equipment	85,246,731	-	85,246,731	65,087,643	-	65,087,643
Right-of-use assets	9,896,084	-	9,896,084	8,497,029	-	8,497,029
Intangible assets	2,481,475	-	2,481,475	2,458,834	-	2,458,834
Deferred tax assets	-	-	-	-	-	-
Other assets	246,924,757	-	246,924,757	157,692,979	-	157,692,979
	3,824,028,829	4,239,103,305	8,063,132,134	2,515		

Notes to and forming part of the Unconsolidated Financial Statements

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47.2.2 Foreign Exchange Risk

Foreign exchange (FX) risk arises from the fluctuation in the value of assets and liabilities due to the changes in foreign exchange rates.

The FX risk and associated concentration risk is managed through approved currency wise net open position limits, tenor and currency wise Gap limits and an overall Foreign Exchange Exposure Limit (FEEL).

The currency risk is effectively monitored against the applicable regulatory limits. Market risk monitors the FX exposure to ensure that it remains within the limits prescribed by SBP and internal limits approved by GALCO.

	2024				2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
(Rupees in '000)								
United States Dollar	390,743,192	207,749,537	(183,932,859)	(939,204)	254,928,806	130,642,988	(125,560,342)	(1,274,524)
Great Britain Pound	2,141,638	16,222,269	14,090,143	9,512	3,944,508	15,836,808	11,909,072	16,772
Japanese Yen	5,480	221,517	212,403	(3,634)	9,038	219,538	211,086	586
Euro	2,742,496	18,579,385	15,853,031	16,142	4,115,991	15,446,741	11,172,637	(158,113)
UAE Dirham	271,660,686	404,871,579	132,592,756	(618,137)	203,362,212	275,837,544	73,244,044	768,712
Bahraini Dinar	13,696,018	42,480,832	28,001,813	(783,001)	13,118,985	43,475,886	32,157,881	1,800,980
Qatari Riyal	36,000,718	55,174,415	19,218,594	44,897	39,308,930	52,195,508	12,837,243	(49,335)
Other Currencies	29,183,092	25,109,030	(4,058,452)	15,610	15,446,888	17,509,585	1,891,669	(171,028)

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
<hr style="border-top: 1px dashed black;"/>				
Impact of 1% change in foreign exchange rates on				
- Profit and loss account				
- Other comprehensive income	22,578	-	(9,341)	-

47.2.3 Equity Position Risk

Equity risk is the risk that the fair value of an equity instrument will fluctuate due to changes in the prices of individual stocks or market indices.

To manage equity risk, The Bank has a well-defined criterion for identifying the Investible Universe based on the Market Capitalization, Liquidity & Average Daily Traded Volumes.

The Bank has an active and regular monitoring mechanism for utilization against approved portfolio limits, scrip wise limits, sector limits and timely escalation of Management Action Trigger (MAT) levels.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>				
Impact of 5% change in equity prices on,				
- Profit and loss account				
Other comprehensive income				
	47,594	1,022,635	30,812	538,207
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>				

47.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB) - Basel II Specific

Interest rate risk is the risk that fair value of a financial instrument will fluctuate as a result of changes in interest rates, including changes in the shape of yield curves. Interest rate risk is inherent in the overall business of the Bank and arises from mismatches between the contractual maturities and the re-pricing of on and off-balance sheet assets and liabilities.

Interest rate risk is monitored and managed by performing periodic gap analysis, sensitivity analysis and stress testing. In case of any distressed event the results and corresponding action plan is presented at the relevant management / BoD committee.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
<hr style="border-top: 1px dashed black;"/>				
Impact of 1% change in interest rates on			(Rupees in '000)	
- Profit and loss account			201,828	194,691
- Other assets/liabilities	22,207,769	8,887,146	22,655,407	17,922,812

Notes to and forming part of the Unconsolidated Financial Statements For the year ended December 31, 2024

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Effective yield / interest rate	Total	Exposure to yield / interest rate risk						Non-interest bearing financial instruments		
		Up to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
%										
On-balance sheet financial instruments										
(Rupees in '000)										
Assets										
Cash and balances with treasury banks	1.25%	309,745,911	27,531,895	-	-	-	-	-	-	282,214,016
Balances with other banks	5.00%	59,968,246	9,478,017	2,693,859	-	-	-	-	-	47,796,370
Lendings to financial institutions	20.03%	18,492,483	18,492,483	-	-	-	-	-	-	-
Investments	18.13%	5,886,894,503	23,152,612	588,311,866	3,490,053,762	321,878,483	551,133,261	470,536,563	353,309,225	69,977,894
Advances	15.10%	1,443,481,944	298,801,812	906,265,964	131,789,813	52,364,062	5,106,073	2,435,941	8,963,938	19,868,152
Other assets	233,385,308	-	-	-	-	-	-	-	-	17,886,189
	7,951,968,395	377,456,819	1,497,271,689	3,621,843,575	374,242,545	566,239,334	472,972,794	362,273,163	89,846,046	233,385,308
Liabilities										
Bills payable	44,221,818	-	-	-	-	-	-	-	-	44,221,818
Borrowings	4,855,373,516	4,721,822,352	64,748,742	39,272,296	269,549	1,688,052	2,426,323	6,574,226	17,587,110	784,866
Deposits and other accounts	2,640,211,489	89,404,109	630,161,994	275,658,080	72,164,680	1,772,020	6,490,400	2,756,029	2,296,841	1,509,507,336
Lease liabilities	12,008,797	-	-	-	-	-	-	-	-	12,008,797
Subordinated debt	10,000,000	10,000,000	-	-	-	-	-	-	-	-
Other liabilities	119,761,926	-	-	-	-	-	-	-	-	119,761,926
	7,681,577,546	4,821,226,461	744,910,736	314,930,376	72,434,229	3,460,072	8,916,723	9,330,255	19,883,951	200,000
On-balance sheet gap										
	270,390,849	(4,443,769,642)	752,360,953	3,306,913,199	301,808,316	552,779,262	464,056,071	352,942,908	69,962,095	(200,000)
Off-balance sheet financial instruments										
FX Options - Purchase	-	-	-	-	-	-	-	-	-	-
FX Options - Sale	-	-	-	-	-	-	-	-	-	-
Forward Government Securities - Purchase	296,701,690	265,441,250	15,417,840	15,842,600	-	-	-	-	-	-
Forward Government Securities - Sale	(22,585,000)	(22,585,000)	-	-	-	-	-	-	-	-
Foreign currency forward - Purchase	302,218,120	111,262,471	96,020,496	92,427,041	2,508,121	-	-	-	-	-
Foreign currency forward - Sale	(280,255,782)	(92,556,232)	(93,157,410)	(94,024,477)	(508,663)	-	-	-	-	-
Off-balance sheet Gap	296,079,037	261,553,489	18,280,926	14,245,164	1,989,458	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap										
	(4,182,216,153)	770,641,879	3,321,158,363	303,807,774	552,779,262	464,056,071	352,942,908	69,962,095	(200,000)	(1,086,462,313)
Cumulative Yield / Interest Rate Risk Sensitivity Gap										
	(4,182,216,153)	(3,441,574,274)	(90,415,911)	213,391,863	766,171,125	1,230,227,196	1,583,170,104	1,653,132,199	1,652,932,199	566,469,886

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	Effective yield/ interest rate %	Exposed to yield / interest rate risk										Non-interest bearing financial instruments
		Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	1.08%	277,330,217	19,968,836	2,818,607	-	1,192,117	-	-	-	-	-	257,361,381
Balances with other banks	4.54%	30,700,751	3,024,366	-	-	-	-	-	-	-	-	23,665,661
Lending to financial institutions	19.55%	34,447,852	34,447,852	-	947,163,120	1,944,137,583	231,257,197	490,679,482	240,250,344	78,475,176	73,375	16,298,006
Investments	17.28%	4,385,216,671	105,204,180	331,678,208	122,315,819	4,832,552	4,272,567	5,026,415	10,321,880	17,876,446	1,502,447	13,914,272
Advances	16.59%	613,565,526	118,985,597	314,457,531	-	-	-	-	-	-	-	153,826,657
Other assets	153,826,657	-	-	-	-	-	-	-	-	-	-	465,065,977
Liabilities												
Bills payable	20.14%	21,651,784	-	30,201,166	5,109,196	254,135	907,970	2,511,768	7,795,661	21,895,986	129,225	21,651,784
Borrowings	8.05%	2,815,470,554	2,746,071,703	969,076,775	53,999,015	103,296,075	6,555,810	1,750,009	7,392,800	3,575,826	-	593,744
Deposits and other accounts	12.65%	2,350,540,823	87,017,290	-	-	-	-	-	-	-	-	1,117,877,223
Lease liabilities	22.36%	10,339,867	-	10,000,000	-	-	-	-	-	-	-	10,339,867
Subordinated debt	64,887,789	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	5,272,890,817	2,843,088,993	999,277,941	59,108,211	103,550,210	7,463,780	4,261,777	15,188,461	25,471,812	129,225	1,215,350,407	64,887,789
On-balance sheet Gap		222,196,857	(2,561,448,162)	(350,323,595)	1,010,370,728	1,846,662,042	228,065,984	491,444,120	235,383,763	70,879,810	1,446,597	(750,284,430)
Off-balance sheet financial instruments												
FX Options - Purchase	183,034	123,349	59,685	-	-	-	-	-	-	-	-	-
FX Options - Sale	(183,034)	(123,349)	(59,685)	-	-	-	-	-	-	-	-	-
Forward Government Securities - Purchase	16,956,300	1,597	16,954,703	-	-	-	-	-	-	-	-	-
Forward Government Securities - Sale	(3,000,000)	(3,000,000)	-	-	-	-	-	-	-	-	-	-
Foreign currency forward - Purchase	278,930,255	110,724,095	120,086,940	45,090,510	3,028,710	-	-	-	-	-	-	-
Foreign currency forward - Sale	(261,070,854)	(100,103,190)	(106,388,768)	(51,840,917)	(2,737,979)	-	-	-	-	-	-	-
Off-balance sheet Gap	31,815,701	7,622,502	30,652,875	(6,750,407)	290,731	-	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap		(2,553,825,660)	(319,670,720)	1,003,620,321	1,846,952,773	228,065,984	491,444,120	235,383,763	70,879,810	1,446,597	(750,284,430)	
Cumulative Yield / Interest Rate Risk Sensitivity Gap		(2,553,825,660)	(2,873,496,380)	(1,869,876,059)	(22,923,286)	205,142,698	696,566,818	931,970,581	1,002,850,391	1,004,296,988	254,012,558	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

47.2.5.1 Reconciliation of Assets and Liabilities exposed to yield / interest rate risk with Total Assets and Liabilities

	2024	2023	----- (Rupees in '000) -----	
Total financial assets as per note 45.3.5	7,951,968,395	5,495,087,674		
Add: Non financial assets				
Property and equipment	85,246,731	65,087,643	Total financial liabilities as per note 45.3.5	7,681,577,546
Right-of-use assets	9,896,084	8,497,029	Add: Non financial liabilities	5,272,890,817
Intangible assets	2,481,475	2,458,834	Other liabilities	26,373,276
Deferred tax assets	-	-	Deferred tax liabilities	47,684,265
Other assets	13,539,449	3,866,322	Total liabilities as per statement of financial position	38,959,061
Total assets as per statement of financial position	8,063,132,134	5,574,997,502		1,921,889
			Total liabilities as per statement of financial position	7,746,909,883
				5,322,496,971

47.3 Operational risk

Operational risk is recognized as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

In compliance with the Regulatory Guidelines, an Operational Risk Division is established within Risk & Credit Policy Group. Operational Risk Division is primarily responsible for the oversight of operational risk management across the Bank including International locations. The implementation of operational risk management framework is supported by operational risk management system and designated operational risk coordinators within different units across the Bank. The framework is in line with regulatory guidelines, international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.

In accordance with the Operational Risk framework, a database covering losses, control breaches and near misses is being maintained by the division. Major risk events are analysed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. Quarterly updates on Operational Risk events are being presented to the Senior Management and Board Risk & Compliance Committee of the Bank. Periodic workshops are conducted for Risk & Control Self-Assessment and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key Risk Indicators are also defined for monitoring of risk exposures. New products, systems, activities and processes, are subject to comprehensive operational risk assessments, before implementation.

Business Continuity Plans have been implemented across the Bank, clearly defining the roles and responsibilities of respective stakeholders, and covering recovery strategy, IT and structural backups, scenario and impact analyses and testing directives. Business Continuity Plans (BCP) for respective areas are in place and tested under domain of Operations Group.

47.4 Liquidity risk

Liquidity risk is defined as the risk that a bank, though solvent, either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can secure them only at excessive costs.

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UBL actively manages the risk through a set of qualitative and quantitative risk management techniques. The Global Assets and Liabilities Management Committee (GALCO) of the Bank is responsible for the oversight of liquidity management and meets at least on a monthly basis or more frequently, if required. A centralized approach is adopted, based on an integrated framework incorporating an assessment of all material known and expected cash flows and the availability of collateral which could be used to secure additional funding if required. The framework entails careful monitoring and control of the daily liquidity position, and regular liquidity stress testing under a variety of scenarios. These encompass both normal and stressed market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the Bank's business.

It is the Bank's policy to maintain adequate liquidity at all times, in order to meet all obligations, repay depositors and fulfill commitments to lend under both normal and stressed conditions, without incurring unacceptable losses or incurring damage to the business franchises. Liquidity risk measures comprises of various risk management tools including concentration ratios, Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and liquidity gaps.

The Bank has a comprehensive Contingency Funding Plan in place which clearly defines and identifies the trigger events that could cause a liquidity crisis and describes the actions to be taken to manage the crisis and return the Bank to business as usual.

47.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Bank

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	309,745,911	-	24,880,044	-	284,865,867	-	-	-	-	-	-	-	-	-
Balances with other banks	59,988,246	9,951,821	9,388,184	-	40,628,241	-	-	-	-	-	-	-	-	-
Lending to financial institutions	18,492,483	18,492,483	3,714,376	98,121,826	1,588,208	8,527,921	440,035,183	170,915,331	160,831,307	600,926,620	481,939,250	1,020,777,992	133,072,297	154,667,947
Investments	5,886,894,503	236,801,157	25,681,958	48,884,976	439,093,785	33,752,061	30,375,024	123,579,099	20,439,326	27,556,175	49,355,415	8,116,837	65,676,165	2,239,123
Advances	1,443,481,944	124	-	38,197	44,563	561,367	656,090	655,898	1,931,852	253,323	370,609	2,114,638	1,436,837	849,976
Property and equipment	85,246,731	6,370	23	-	-	108,225	196,238	193,673	547,536	55,263	41,360	41,548	567,144	636,532
Right-of-use assets	2,481,475	-	-	-	-	-	-	-	-	-	-	-	-	41,028
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax asset	246,924,757	20,680,568	671,116	698,789	18,111,266	4,319,669	7,459,116	31,234,116	7,105,639	5,564,069	12,887,564	18,174,298	34,758,793	85,289,724
Other assets	8,063,132,134	267,697,038	79,151,982	53,342,704	881,490,819	40,513,688	47,213,089	597,628,559	199,306,942	287,504,094	646,106,786	566,252,099	1,199,730,533	3,207,173,801
Liabilities														
Bills payable	44,221,818	-	117,295	44,104,523	52,330,404	2,910,379	39,813,986	173,230	96,320	1,688,052	2,426,323	6,574,226	17,787,110	-
Borrowings	4,855,373,516	49,933,586	1,763,525,433	5,106,493	2,462,902,390	18,696,910	12,645,373	21,273,402	11,937,751	5,794,882	9,351,179	4,894,292	9,634,027	-
Deposits and other accounts	2,640,211,498	51,105,412	7,452,647	4,150,184	291,199	469,156	424,696	1,123,670	968,594	759,314	2,446,406	1,732,666	1,979,187	1,597,395
Lease liabilities	12,008,797	23,832	102,776	-	-	-	-	-	-	-	-	-	-	10,000,000
Subordinated debt	10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	38,959,061	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	146,135,202	1,450,198	2,662,116	842,021	15,389,628	3,835,838	14,136,795	86,488,159	4,987,203	4,421,864	5,296,136	5,617,205	718,590	279,449
Net assets	316,222,251	164,884,011	(1,694,708,285)	43,124,100	(4,593,163,927)	(34,818,620)	17,095,846	448,329,342	148,699,217	18,076,778	1,072,380	29,559,664	19,051,373	14,166,295
Share capital	12,241,797	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	114,734,831	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets	77,289,805	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	111,985,818	-	-	-	-	-	-	-	-	-	-	-	-	-
	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251	316,222,251

Notes to and forming part of the Unconsolidated Financial Statements

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	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 Years
	(Rupees in '000)													
Assets														
Cash and balances with treasury banks	277,330,217	8,384,948	8,068,190	2,616,640	266,645,387	-	11,379,611	-	2,818,606	-	-	-	-	-
Balances with other banks	30,700,751	-	-	34,447,852	-	9,293,961	8,195	19,095,883	11,651,957	8,562,239	1,212,001	-	5,637,212	-
Lending to financial institutions	34,447,852	-	-	15,752,275	21,137,117	50,818,604	29,159,016	31,595,306	52,590,351	48,939,350	321,770,174	545,891,684	874,306,946	468,726,942
Investments	4,355,216,671	-	-	-	-	850,045	-	600,279	1,006,207	570,373	27,314,419	48,188,819	35,703,048	125,582,323
Advances	613,565,526	57,290,409	-	30,791	35,892	33,699	149,467	424,639	425,726	424,639	36,094	1,857,803	2,836,028	52,346,167
Property and equipment	65,087,643	-	-	2,456	14,602	41,373	75,355	74,781	20,863	20,863	182,104	1,613,043	1,297,551	1,864,797
Right-of-use assets	8,497,029	-	-	-	-	-	-	-	-	-	-	-	-	2,042,723
Intangible assets	2,458,834	-	-	-	-	-	-	-	-	-	-	-	-	30,022
Deferred tax assets	157,692,979	7,615,634	21,162,205	3,860,312	10,325,640	29,089,588	9,804,534	58,274,536	495,916	444,372	5,029,618	1,652,120	6,482,650	3,447,85

Notes to and forming part of the Unconsolidated Financial Statements

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47.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

Assets and Liabilities having contractual maturity dates are bucketed as per their respective maturities. The maturity profile of non-contractual deposits and bills payable is estimated using an Exponentially Weighted Moving Average model based on historical data. The methodology and the assumptions used to derive the maturity profile of non-contractual liabilities has been approved by GALCO.

	2024									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
Assets										
Cash and balances with treasury banks	309,745,911	159,380,948	27,088,108	26,541,760	-	36,515,233	53,487,507	485,042	769,165	4,172,146
Balances with other banks	59,968,246	59,968,246	-	-	-	-	-	-	-	1,306,002
Lendings to financial institutions	18,492,483	18,492,483	-	-	-	-	-	-	-	-
Investments	5,886,894,503	7,272,517	10,131,755	440,394,005	345,369,984	600,180,249	482,353,507	1,016,389,696	2,902,748,356	82,054,434
Advances	1,443,481,944	756,332,965	70,075,547	133,225,987	150,174,382	43,884,322	68,219,763	102,241,206	105,126,389	14,201,383
Property and equipment	85,246,731	582,537	1,270,066	2,369,972	507,013	2,806,074	3,918,068	8,1,436,837	4,755,769	60,912,356
Right-of-use assets	9,896,984	197,356	389,910	547,536	1,025,600	1,885,084	567,147	631,119	2,174,638	2,239,123
Intangible assets	2,481,475	235	2,878	306,184	82,909	-	-	864,882	26,121	-
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Other assets	246,924,757	27,334,393	22,640,578	23,717,996	13,348,967	13,745,847	19,658,166	32,343,931	24,700,565	69,434,314
Net assets	8,063,132,134	1,029,561,680	131,598,842	627,103,440	547,024,088	716,556,230	576,702,502	1,162,908,394	3,043,768,469	227,908,489
Liabilities										
Bills payable	44,221,818	14,679,381	10,746,051	18,790,575	5,811	-	-	-	-	-
Borrowings	4,855,373,516	4,722,607,219	64,748,741	39,272,296	269,549	1,688,052	2,426,323	6,574,226	17,587,110	200,000
Deposits and other accounts	2,640,211,489	498,546,393	376,108,847	348,756,425	483,116,013	673,413,151	43,335,761	61,199,049	151,088,866	4,646,984
Lease liabilities	12,008,797	537,712	893,852	1,123,670	1,727,908	2,446,406	1,702,666	1,979,187	1,515,830	81,566
Subordinated debt	10,000,000	-	-	-	-	-	-	-	10,000,000	-
Deferred tax liabilities	38,956,061	-	-	-	9,739,764	9,739,765	9,739,766	9,739,766	282,557	4,044,969
Other liabilities	146,135,202	61,505,464	26,928,041	11,574,330	21,987,547	9,230,287	5,948,678	-	-	4,533,329
Net assets	7,746,909,883	5,297,976,169	479,425,532	419,517,296	516,846,592	696,517,661	63,153,194	79,774,785	184,236,775	9,461,879
	316,222,251	(4,268,414,489)	(347,826,690)	207,586,144	30,177,496	20,038,569	513,549,308	1,083,133,609	2,859,531,694	218,446,610
Share capital	12,241,797									
Reserves	114,734,331									
Surplus on revaluation of assets	77,289,305									
Unappropriated profit	111,955,818									
	316,222,251									

Share capital

Reserves

Surplus on revaluation of assets

Unappropriated profit

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	2023									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
Assets										
Cash and balances with treasury banks	277,330,217	142,975,648	10,675,676	10,462,587	15,145,941	21,069,986	16,167,569	23,868,881	35,644,777	1,319,152
Balances with other banks	30,700,751	26,690,027	2,818,606	-	1,192,118	-	-	-	-	-
Lendings to financial institutions	34,447,852	34,447,852	-	-	-	-	-	-	-	-
Investments	4,385,216,671	12,371,663	19,577,931	47,056,957	1,776,405,169	645,002,683	47,914,630	568,891,456	859,212,495	450,113,269
Advances	613,565,526	152,797,081	60,360,031	48,530,289	34,967,323	34,967,323	35,868,287	108,899,642	94,134,929	6,585,048
Property and equipment	65,087,643	826,308	674,267	985,384	533,157	2,146,231	2,359,000	4,985,318	1,937,069	29,793,334
Right-of-use assets	8,497,029	104,978	298,934	425,726	849,278	1,613,043	1,297,551	1,864,797	1,910,304	132,418
Intangible assets	2,458,834	75,445	150,135	204,415	389,202	863,636	604,914	169,984	1,103	-
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Other assets	157,692,979	40,092,612	41,656,298	57,498,309	1,398,828	5,662,730	1,843,915	5,636,735	2,427,175	1,476,377
Net assets	5,574,997,502	410,381,614	136,211,878	165,163,667	1,830,881,016	724,272,939	627,032,672	1,004,637,852	586,468,626	89,947,238
Liabilities										
Bills payable	21,651,784	9,072,570	6,885,863	5,598,163	95,188	-	-	-	-	-
Borrowings	2,815,470,554	2,746,665,448	30,201,166	5,109,196	254,135	907,970	2,511,768	7,795,661	21,895,986	129,224
Deposits and other accounts	2,350,540,823	251,236,580	189,677,475	197,576,759	316,650,054	300,271,431	226,658,322	355,915,376	510,948,145	1,06,681
Lease liabilities	10,339,867	184,807	190,418	374,635	765,155	1,468,705	1,372,413	2,373,973	3,350,637	259,124
Subordinated debt	10,000,000	-	-	-	-	-	-	-	10,000,000	-
Deferred tax liabilities	1,921,889	-	-	-	480,472	480,472	480,472	480,472	-	-
Other liabilities	112,572,054	26,339,336	13,082,836	18,137,171	44,126,591	5,780,322	572,334	1,506,830	2,067,330	59,304
Net assets	5,322,496,971	3,033,498,741	240,037,758	226,795,924	362,371,595	308,908,900	231,595,309	368,072,313	548,262,098	2

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47.5 Information Security Risk

Information security risk is the probability of exposure or loss resulting from a cyberattack or data breach on the Bank. It is the potential for unauthorized use, disruption, modification or destruction of information such incidents can violate privacy, disrupt business, damage assets and facilitate other crimes like frauds.

UBL has a dedicated Information Security Division, functioning within Risk and Credit Policy Group which manages information security risks to protect the technology and information assets by preventing, detecting and responding to threats, both internal and external.

Offensive security unit within the information security division manages Penetration Testing by simulating the real world hacking scenarios. This unit remains responsible for establishing, implementing, maintaining and continually improving an information / cyber security management system through control design and controls validation, primarily in the domain of applications / network penetration testing, and also supporting the other domains of information security i.e., security monitoring and threat hunting.

Moreover, to overcome social engineering frauds, extensive awareness campaigns are launched to provide specific training and guidance on information security related matters such as phishing, identity theft, online transaction frauds, etc. through various mechanisms such as social media, website, email advisories, SMS, webinars, phishing simulation exercises, new joiner's orientation, and targeted awareness sessions for executive leadership. These initiatives by Governance, Risk and Compliance Unit are focused on elevating level of awareness for both internal as well as external customers to better equip them to counter security challenges. This unit manages the security compliance efforts, risk management and the development and implementation of information security policies, procedures, guidelines and standards. Cyber & Infrastructure Security unit ensures that the IT Infrastructure function and services are resilient, secure, well-designed, accessible, and adaptable to the organization's changing demands. This unit is responsible for the continuous improvement of information / cyber security architecture that protects against both internal and external threats.

Significant progress has been made in securing the international territories as well by deploying 24/7 Security Operation Center (SOC) at UBL. This unit deals with security issues. The unit continuously shares awareness news, alerts, announcements, advisories and threats intelligence research reports to relevant stakeholder for securing the bank's assets.

Application Security in Information security (IS) manages IS Risk Analysis on software applications, APIs, Mobile Apps, Digital Channels, Cloud Computing, ATM including review of security aspects of assets, enterprise architecture design controls of the applications in accordance with applicable policies, standards & controls.

Further, The Payment Card Industry Data Security Standard (PCI-DSS) program was initiated which aims to enhance security for customer card data by setting guidelines for any company that accepts, stores, processes, or transmits card information. This compliance framework is an industry-mandated set of standards intended to keep customer card data safe when it is used by merchants and service providers.

Moving ahead, Bank's main focus remains on the continuous improvement of UBL's security posture and to effectively prevent, monitor and rapidly respond to emerging threats and vulnerabilities.

47.6 Financial Crime Compliance (FCC) risk management and Pakistan FATF & APG action plan

The Bank monitors key risks on an ongoing basis to strengthen risk management in an effort to meet challenges emanating from a volatile market environment and the complexity driven by the changing regulatory frameworks. By utilizing comprehensive risk management processes and sophisticated control systems, the Bank aims to minimize the negative impact that may arise from varied degrees of risk exposures.

In response to changing landscape around FCC risks across the globe and in response to Financial Action Task Force (FATF) & Asia Pacific Group (APG) action plan and State Bank of Pakistan's AML / CFT / CPF Regulations, the Bank embarked upon a comprehensive Financial Crime Compliance Transformation Program under the guidance of Board of Directors (BOD), specifically geared towards uplifting FCC Framework and fortifying controls across Process, People and Technology (Regtech) work streams in line with international best practices and Standards. Targeted investments were done across these work streams, brief highlights are as under:

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- Under FCC Process Workstream; the Bank uplifted the framework at design level with key deliverables as:

- FCC Strategy
- Bank's FCC Risk Appetite Statement
- Target Operating Model (TOM) across three lines of defense
- FCC Policies & Standards
- Enterprise Wide FCC Risk Assessment Methodologies/Internal Risk Assessment Review (EWRA/IRAR) with focus on AML, CFT, Sanctions / CPF & Transnational Risks etc.
- Management Information (MI) Suite.

- The Bank rolled out comprehensive role based FCC training modules and staff capacity assessment carried out under FCC Transformation People Workstream.
- On Regtech work stream, the Bank upgraded and implemented best in class Transaction Monitoring and payments screening systems. These systems were independently reviewed by a reputed international third party expert.
- Effective risk governance sets a solid foundation for comprehensive risk management discipline. The Bank's risk governance framework is based on "three line of defense" governance model, wherein each line has a specific role with defined responsibilities and work in close collaboration to identify, assess and mitigate risks. Key management and board committee covering FCC and compliance matters is Compliance Committee of Management (CCM) and Board Risk & Compliance Committee (BRCC).

Moreover, FCC Transformation & Controls Fortification Programme is an ongoing initiative that is managed by Compliance Governance team in consultation with FCC teams across first and second line of defence.

47.7 Derivative Risk

The Bank engages in a range of risks that necessitate continuous monitoring and evaluation.

Credit risk

Credit risk refers to the risk of non-performance or default by a party to a derivatives transaction, resulting in an adverse impact on the Bank's profitability. Credit risk associated with derivatives transactions is categorized into settlement risk and pre-settlement risk. Credit proposals for derivatives transactions are approved by the Credit Committee. The credit exposure of each counterparty is estimated and monitored against approved counterparty limits by Market & Treasury Risk (M&TR) on a daily basis.

Market risk

The Bank, as a policy, hedges all options transactions. In addition, the Bank does not carry any exchange risk on its Cross Currency Swaps portfolio as it hedges the exposure in the interbank market. To manage the interest rate risk of Interest Rate Derivatives, the Bank has implemented various limits which are monitored and reported by M&TR on a daily basis.

Liquidity risk

Derivatives transactions, usually being non-funded in nature, do not carry a specific funding liquidity risk.

The liquidity risk arises from the fact that in Pakistan, interest rate derivatives generally have a uni-directional demand, and no perfect hedge is available. The Bank mitigates its risk by limiting the portfolio in terms of tenor, notional and sensitivity limits, and can also hedge its risk by taking on and off balance sheet positions in the interbank market, where available.

Operational risk

The staff involved in the trading, settlement and risk management of derivatives is carefully trained to deal with the complexities involved in the process. Adequate systems and controls are in place to carry out derivatives transactions smoothly. Each transaction is processed in accordance with the product program or a transaction memo, which contains detailed guidance on the accounting and operational aspects of the transaction to further mitigate operational risk. In addition, M&TR and the Compliance and Control Department are assigned the responsibility of monitoring any deviation from policies and procedures. The Bank's Audit and Inspection Group also reviews this function, with a regular review of systems, transactional processes, accounting practices and end-user roles and responsibilities.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2024

The Bank uses FX and Derivatives module of Treasury System which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures, carry out stress tests and sensitivity analysis.

M&TR prepares various reports on a periodic basis which are reviewed by senior management. These reports provide details of the derivatives business profile such as outstanding positions, profitability, risk exposures and the status of compliance with limits.

48. 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 appear 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.

49. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

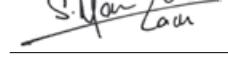
The Board of Directors, in its meeting held on February 19, 2025 has proposed a final cash dividend of Rs.11.0 per share for the year 2024. This is in addition to Rs. 33.0 already paid during the year bringing the total dividend for the year to Rs.44.0 per share (2023: Rs. 44.0 per share). This appropriation is expected to be approved by the shareholders in forthcoming Annual General Meeting. The unconsolidated financial statements for the year ended December 31, 2024 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2025.

50. GENERAL

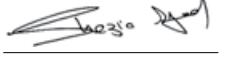
- 50.1** Comparative information has been reclassified, rearranged or additionally incorporated in these unconsolidated financial statements for the purposes of better presentation.
- 50.2** Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

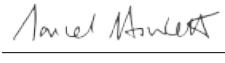
51. DATE OF AUTHORISATION

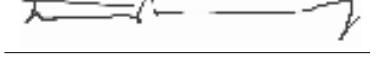
These unconsolidated financial statements were authorised for issue on February 19, 2025 by the Board of Directors of the Bank.


Syed Manzoor Hussain Zaidi
Chief Financial Officer


Muhammad Jawaid Iqbal
President & Chief Executive Officer


Shazia Syed
Director


Daniel Michael Howlett
Director


Sir Mohammed Anwar Pervez, OBE, HPK
Chairman

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
1	Farkhanda Jabeen	Farkhanda Jabeen	31202-0281818-0	Abdul Rauf	1,707	-	-	1,707	-	529
2	H No 187 St No 49 Sector G-14/4. Arslan Aslam	Arslan Aslam	34403-7898101-3	Aslam	1,722	-	-	1,722	-	543
3	Mohallah Najaftabad Phinanwal Po Khas Pind Dadan Khan	Abdul Hameed Abro	41303-3673797-7	Arbab Jamoon Abro	25,132	-	-	25,132	-	7,893
4	House No 89, Street No 2, Bath Island, Clifton, Karachi	Umer Farooq	37405-6789718-7	Farooq	2,667	47	-	2,714	-	1,248
5	H No Cb-3030 Muhammadi Colony St No 7 Jan Colony Tenth Bhatta	Sheeraz Majeed	42000-0420811-9	Abdul Majeed	197	639	-	835	-	88
6	H No A-201 Amber Tower Pechs Block 6, Sharah-E-Faisal,Karachi	Zeeshan Ali	36502-1343746-1	Zeeshan Ali	91	617	-	708	-	693
7	Mazhar Mahmood	Mazhar Mahmood	34101-5410054-7	Muhammad Ibrahim	180	1,083	-	1,263	-	1,118
8	O/S AL Meraj Bakers Islamia College Road Gujranwala	Zulfiqar Ali Shah	42201-1936374-1	Ali Hussain Shah	125	607	-	733	-	641
9	A-126-13-D Gujshan-E-Iqbal Karachi Abdul Salam	Abdul Razzaq	71501-9796453-3	Abdul Razzaq	136	566	-	702	-	604
10	H No 243 2Nd Floor Akhter Colony Karachi	Muhammad Shahzad Ashraf	33106-0367673-7	Ashraf	292	614	-	906	-	57
11	H No B-1/360 Block No 1 St No 4 Mumtazabad Tandilianwala Near Zikriya Hospital	Waseem Ahmed	42000-7560070-5	Naseem Ahmed	118	504	-	623	-	537
	A Gujshan-E-Iqbal Karachi Flat No B-39 Sunny Heights Block 10-									587

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Rs. in thousands

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
12	Rehman Nasir	Rehman Nasir	35202-2942675-1	Muhammad Nasir Amin	213	446	-	659	13	516
13	The Asian Crouse Industry Room No 4 1st Floor Asif Centr Davis Road Lahore	Rehman Nasir	42201-0548448-3	Ravaid	268	609	-	877	-	684
14	Muhammad Ravaid FI NO C-52 Bhawani Madina Apartment Jhangir Road Gurumanidir Manzoor Ahmed	Muhammad Ravaid	42101-9996477-3	Jameel	233	427	-	660	33	504
15	H No A 209 Siria Colony Nazimabad No 1	Manzoor Ahmed	35202-8617884-3	Abdul Latif Piracha	183	619	-	802	33	682
16	Muhammad Rashid Latif Paracha Piracha Business Network 402 Imitiaz Plaza 85 The Mall Lahore Syed Azhar Kazmi	Muhammad Rashid Latif Paracha	61101-2389248-7	Syed Shoukat	233	760	-	993	-	834
17	Abbas Ali Mashallah Steel Works Opp Aik Minar Wali Masjid Makhdoom Rasheed Road Multan	Abbas Ali	36302-1150370-3	Muhammad Hussain	205	839	-	1,044	-	830
18	Faisal Tanvir Malik Union Bank 2nd Floor Lda Plaza, Egerton Road, Lahore Imran Mehdi	Faisal Tanvir Malik	35202-3022185-5	Tanvir Ali Malik	206	1,004	-	1,211	-	1,027
19	457 D-1 Johar Town Near Stirring Foundation School Lahore Muhammad Zeeshan Khan H No B-75 Block 13/D/2 Gulshan-E-Iqbal Karachi	Imran Mehdi	35201-2188468-5	Ch Muhammad Mansha	206	939	-	1,144	-	952
20	Iqbal Haleem Qureshi Ftc Management, Finance&Trade Centre, Block D Mezzanine Floor Shahrah-E-Faisal Karachi	Iqbal Haleem Qureshi	42000-0511492-3	Aklaq Hussain Khan	117	615	-	733	-	658
21	502 Sana Residency Allama Iqbal Road Pechs Karachi	Muhammad Zeeshan Khan	41409-1833057-7	Haji Ghulam Nabi Qureshi	180	640	-	820	-	597
22	Irfan Shahzad Hbl Habib Bank Limited Dep't Osd Hbl Plaza II Chundrigar Road Karachi	Irfan Shahzad	42101-5166426-5	Sultan Ahmed Khan	97	434	-	531	-	463
23	Mian Muhammad Shujja Ashraf H No 93-A Lane No 5 Gulistan Colony Rawalpindi	Mian Muhammad Shujja Ashraf	37405-0376822-9	Mian M Ashraf	104	480	-	584	-	514
24	Muhammad Anis FI NO Gk-6/21 6Th Floor Sonia Arcade Kharadar/Kharadar	Muhammad Anis	42301-4268486-5	Anis	481	1,296	-	1,776	181	1,484
25	Saleem Raza Merchant 502 Sana Residency Allama Iqbal Road Pechs Karachi	Saleem Raza Merchant	42201-1500918-9	Akber Ali Merchant	366	617	-	983	-	745
26	Chak Junday Wala Adda Noor Pur Zafar Iqbal Shehzad	Zafar Iqbal	36402-3784584-9	Said Muhammad	109	952	-	1,061	-	970
27	House Building Finance Corp Of No 26-D 3Rd Flr Kasmi Plaz Blue Area Islamabad	Shenbaz	38201-1371790-1	Allah Yar Khan	104	499	-	603	-	523
28	Mohammad Abid Seven Star Function 54-D Block 6 Nursay Commercial Area ,Karachi	Mohammad Abid	34402-1699443-7	Mohammad Yasin	168	653	-	821	-	607
29	Sajid Muzaffar In Print 12 Mezzanine Floor Mall Square Zamzama Boulevard Phase V Dha, Karachi	Sajid Muzaffar	42301-177036-7	Muzaffar Hussain	213	926	-	1,139	-	964
30	Muhammad Humayun Asim Munif Hunayun Telecommunication Shop No H-2 Hassan Square Block 13-A Gultshah-E-Iqbals Karachi	Muhammad Humayun Asim Munif	42201-1565157-3	M Asim Munif	110	937	-	1,047	-	945
31	Mohammad Akhter Malaik M. Akther Grain Merchant Shop 8 68 Miles Road Jam Sahab ,Nawabshah	Mohammad Akhter Malaik	45402-0968956-3	Muham Ali Mallaik	223	856	-	1,079	-	900
32	Faizana Ans Plot No Gk6/21 Flat No 201 Sounia Arched G Alana Road Khar ,Karachi	Faizana Ans	42301-7919726-0	Muhammad Ans	483	1,301	-	1,784	183	1,423

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Rs. in thousands

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
22	Irfan Shahzad Hbl Habib Bank Limited Dep't Osd Hbl Plaza II Chundrigar Road Karachi	Irfan Shahzad	42101-5166426-5	Sultan Ahmed Khan	97	434	-	531	-	463
23	Mian Muhammad Shujja Ashraf H No 93-A Lane No 5 Gulistan Colony Rawalpindi	Mian Muhammad Shujja Ashraf	37405-0376822-9	Mian M Ashraf	104	480	-	584	-	514
24	Muhammad Anis FI NO Gk-6/21 6Th Floor Sonia Arcade Kharadar/Kharadar	Muhammad Anis	42301-4268486-5	Anis	481	1,296	-	1,776	181	1,484
25	Saleem Raza Merchant 502 Sana Residency Allama Iqbal Road Pechs Karachi	Saleem Raza Merchant	42201-1500918-9	Akber Ali Merchant	366	617	-	983	-	745
26	Chak Junday Wala Adda Noor Pur Zafar Iqbal Shehzad	Zafar Iqbal	36402-3784584-9	Said Muhammad	109	952	-	1,061	-	970
27	House Building Finance Corp Of No 26-D 3Rd Flr Kasmi Plaz Blue Area Islamabad	Shenbaz	38201-1371790-1	Allah Yar Khan	104	499	-	603	-	523
28	Mohammad Abid Seven Star Function 54-D Block 6 Nursay Commercial Area ,Karachi	Mohammad Abid	34402-1699443-7	Mohammad Yasin	168	653	-	821	-	607
29	Sajid Muzaffar In Print 12 Mezzanine Floor Mall Square Zamzama Boulevard Phase V Dha, Karachi	Sajid Muzaffar	42301-177036-7	Muzaffar Hussain	213	926	-	1,139	-	964
30	Muhammad Humayun Asim Munif Hunayun Telecommunication Shop No H-2 Hassan Square Block 13-A Gultshah-E-Iqbals Karachi	Muhammad Humayun Asim Munif	42201-1565157-3	M Asim Munif	110	937	-	1,047	-	945
31	Mohammad Akhter Malaik M. Akther Grain Merchant Shop 8 68 Miles Road Jam Sahab ,Nawabshah	Mohammad Akhter Malaik	45402-0968956-3	Muham Ali Mallaik	223	856	-	1,079	-	900
32	Faizana Ans Plot No Gk6/21 Flat No 201 Sounia Arched G Alana Road Khar ,Karachi	Faizana Ans	42301-7919726-0	Muhammad Ans	483	1,301	-	1,784	183	1,423

Financial Statements

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
33	Naveed Rais	Naveed Rais	42101-1374789-9	Rais	188	494	-	682	75	542
	H No 9 Orangi Abad Block No 66 Chota Maidan Nazimabad									61
34	Javed Iqbal	Javed Iqbal	42201-9596840-9	Shahid Iqbal	96	466	-	562	-	490
	Bank Al Falah 6th Flr Business Avenue Bldg Main Shahrah-E-Faisal U Phone Office,Karachi									46
35	Muhammad Ali Khan	Muhammad Ali Khan	42301-5334391-7	Khan	4,871	-	-	4,871	-	2,455
	Flat No C-1,Ground Floor,Martine Castle Appt,Bath Island,Clifton									131
36	Khawaja Muhammad Bilal Sethi House # 77/2 Main Khayaban E Rahat Off 19th Street Phase 6 Dha Near Bahat Comm Market	Khawaja Muhammad Bilal Sethi	42201-1827486-7	Khawaja Mohammad Anwer	18,947	324	-	19,271	-	695
	Garden Sharq Pur Road Lhr									5
37	Waqas Ahmad Yousaf	Waqas Ahmad Yousaf	35402-2785033-5	Muhammad Yousaf	2,518	20	-	2,537	-	902
	H No 88 Block F Phase II Al Rehman Niaz Baig Lahore,Lahore									157
38	Haroon Nazir	Haroon Nazir	35202-3104937-7	Nazir Ul Haq Sheikh	399	1,846	-	2,245	-	1,942
	97-Eden Canal Villas Near Thokhar Niaz Baig Lahore,Lahore									195
39	Mustafa Salim	Mustafa Salim	42201-6808516-3	Mohammad Abdul Salim	101	454	-	555	-	473
	H No B-53 Block 18 Gulshan-E-Iqbal Karachi									43
40	Dr Nayab Tarique	Dr Nayab Tarique	42201-284658-6	M. Tariq Ashraf Mughal	185	813	-	998	-	850
	Suit Dewan Farooq Medical Complex F									82
41	Muhammad Raheel Khan	Muhammad Raheel Khan	42101-60-8893-9	Muhammad Khan	228	873	-	1,101	-	935
	H No L-63 Sir Syed Town Sector 11-C/2 North Karachi,Karachi									93
42	Sardar Ifthikhar A Khan	Sardar Ifthikhar A Khan	37405-3090138-5	Sardar M Saifdar Khan	7,273	-	-	7,273	-	12,127
	H No 6 Zakiya Town Bosan Road Multan									58
										12,185

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

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Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
43	Muhammad Arif Chatha	Muhammad Arif Chatha	36302-0438004-9	M Bashir Chatta	-	-	-	-	-	966
	H No-102-A Teachers Colony Mps Roadmuntan									3
44	Masood Ahmad Ahmad	Masood Ahmad Ahmad	36302-0482757-1	Abdul Khalil Q	-	-	-	-	-	1,081
	H No 214 Upper Story Green Avenue Broad Way Street Near Chattha Bakhtawar									3
45	Nasir Javed Javed	Nasir Javed Javed	36303-1396114-1	Bashir Ahmad	2,939	609	616	4,164	-	609
	H No 192 Model Town									6
46	Istiqeq Ahmed	Istiqeq Ahmed	32202-2969303-7	Dilshad Muhammad	2,431	821	479	3,732	-	821
	Chak # 105 Tda Po Chak #,103 Mt Teh Karor Lat Ehsn Dist Layyah									46
47	Muhammad Saleem Anjum	Muhammad Saleem Anjum	36302-7137001-3	Muhammad Sadique	243	697	75	1,015	-	660
	M/S Shelton House 2-Shadiman Colony Opp High Court Multan									74
48	Muhammad Usman Zahid	Muhammad Usman Zahid	37405-6171458-9	Zahid Rasool Khan	255	547	104	907	100	547
	Ufone Franchise 93-1/S Lower Mall Bhatti Chowk Lahore									61
49	Muhammad Faizal	Muhammad Faizal	34101-5995870-7	Sheikh Shaifat Ali	357	669	115	1,141	102	644
	Akber Ali Manzil/St No 14 Abadi Hakimray Haqzabadi Road Gujranwala									74
50	Mohammad Ali	Mohammad Ali	41303-5526718-7	Noor Ahmed	198	810	79	1,087	-	799
	M/S Simlim Computers Shop No B-4 Mezz Floor Shelter Shopping Cntr Cantt,Hyderabad									79
51	Wali Jan	Wali Jan	42201-6880837-9	Sakhi Jan	276	1,166	113	1,554	-	1,140
	H No A-407 Ghousia Colony Pib Colony,Karachi									113
52	Muhammad Qasim	Muhammad Qasim	42201-8396828-3	Sohrab	-	-	-	-	-	1,252
	F1 No B-13 Ashraf Square Block 17 Gulshan-E-Iqbal,Karachi									1,468
53	Shakeel Ahmad	Shakeel Ahmad	11201-0356954-1	Ghulam Qasim	153	677	78	907	-	652
	H No 268 St No 2 G-8/2 Islamabad									61
										713



Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated

Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Rs. in thousands

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
54	Nida Ather		42201-7440156-4	Ather Mahmood	193	845	81	1,119	-	805
	F1 No C-401 Phase 1 Haroon Royal City Block 17 Gulistan-E-Johar Karachi	Nida Ather								81
55	Fareed Ullah		137-5602864-0	Kaleem Ullah	171	783	83	1,036	-	627
	Apartment No 02 Ground Floor Block No.18 Pha Apartments Sector G-34 Islamabad	Fareed Ullah								627
56	Muhammad Shahid		34301-1666131-1	Shahid	370	807	89	1,266	107	805
	House No Bv9, 5-70 Street No. 2 Power House	Muhammad Shahid								84
57	Minza Shahrukh Baig	Mirza Shahrukh Baig	31202-1229972-9	Baig	123	801	127	1,051	-	797
	H No 579-C Satellite Town Near UBL Bank									89
58	Zia Haider	Zia Haider	36602-1755798-9	Haider	475	1,273	183	1,931	185	1,269
	Chak No 200-Wb Tibba Sultan Pur									140
59	Ajeet Kumar	Ajeet Kumar	43206-8936769-3	Lachman Das	6,750	1,762	384	8,896	-	1,559
	Flat # 603 Green Belt Residency Blk 2 Clifton									7
60	Ghulam Qadeer	Ghulam Qadeer	45203-8819889-1	Amit Bux	1,610	386	209	2,205	-	385
	Daya Mohalla Punj Hatti Near Police Chowki									135
61	Jawaid Ahmed Shaikh	Jawaid Ahmed Shaikh	41304-7836316-5	Abdul Khalilq Shaikh	690	382	556	1,627	-	382
	Abdul Khalilq House Pir Mohalla Tando M Khan									335
62	Mohammad Shahid	Mohammad Shahid	42301-0924101-3	Muhammad Kamil	127	649	61	837	-	616
	Muhammed Oil Mill Plot No G3/1 Chelaram Compound Nishat Road Garden West Karachi									61
63	Mohammad Imran Ayub	Mohammad Imran Ayub	42201-7278872-1	Muhammad Ayub	8	538	53	599	-	533
	Ibl Nic Building Abbasi Shaheed Road Karachi									49
64	Ghulam Mustafa	Ghulam Mustafa	41201-5336163-1	Mustafa	309	641	72	1,022	89	615
	Majeed Colony Mohalla Butt									72
65	Mohammad Nadeem	Mohammad Nadeem	41304-2359288-9	Muhammad Sibtain	467	1,104	120	1,692	167	1,073
	Fateh Apparel Limited Unit # 4, Latifabad, Hyderabad									120
										1,361

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Rs. in thousands

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
66	Imran Akhtar Thakur	Imran Akhtar Thakur	34603-2240260-9	Thakur	15	876	122	1,013	-	875
	Gill Gao Shalla Thakur House Mohallah Islamabad Sialkot									93
67	Sajid Sohail	Sajid Sohail	35202-4578054-7	Abdul Latif	147	705	109	961	-	704
	Noor Trading Co, 57-Lg Hafeez Centre, Main Boulevard, Gulberg Iii, Lahore									70
68	Muhammad Aslam	Muhammad Aslam	32103-1668065-7	Allah Baksh	1,628	662	346	2,636	-	661
	Po Bohar Jhok Borhe Wala D75 1st Floor Latifabad Unit7 Hyderabad									186
69	Sarwar Hussain Jaffary	Sarwar Hussain Jaffary	41304-3189571-7	Asghar Hussain	1,117	386	382	1,885	-	386
	Peeral Rosool Buksh	Peeral Rosool Buksh	52202-7743780-3	Rasool Buksh	712	456	321	1,490	-	456
70	B-427 Manilla Centre Block 13-D Gulshan-E-Iqbal Karachi									130
	Nadeem Ahmed Dar	Nadeem Ahmed Dar	34603-7151408-9	Mohd Yousaf Dar	10	1,073	105	1,188	-	1,072
71	Dar Doppata Bazar Kalan Sialkot Sialkot									105
	Syed Muhammad Hassan Naqvi H No 141-Block L Dha Phase 1 Defence Lahore Lahore									1,177
72	Syed Manzoor Hussain	Syed Manzoor Hussain	35201-6588691-7	Sed Mohammad Ali Naqvi	200	545	105	849	50	540
	H No F-8 Razvia Society Nazimabad Mohalla Iarkana									61
73	Mohammad Sharif	Mohammad Sharif	42101-0254842-5	Hussain	352	1,136	210	1,699	134	1,135
	Neeroti St Near Post Office Lahore Mohalla Iarkana									129
74	Syed Shahid Hussain	Syed Shahid Hussain	43203-8577848-7	Ilahi Bux Birohi	414	1,763	163	2,340	-	1,672
	Gem Net Pvt Ltd Off No 208 2ndflr Block-47 W Dousal Arcad Jimmah Avenue Blue Area Islamabad Riaz Ahmad									163
75	Riaz Ahmad	Riaz Ahmad	42101-1896577-3	Syed Aai Hussain	154	577	59	790	-	545
	Sirsyed Colony Rawalpindi									-
76	H No D-202 Sector 1 Khayaban E Avenue Blue Area Islamabad									926
	Riaz Ahmad	Riaz Ahmad	37405-1808841-9	Gulzar Ahmed	933	116	1049	-		926
77	Sheikh Abdul Moheed	Sheikh Abdul Moheed	37301-6156792-3	Sheikh Abdul Majeed	18	1,001	95	1,114	-	1,001
	H No Bu-254/E Madihi Muhala Jhelum									94
										1,095

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Principal	Interest / Mark-up	Others	Total	At the beginning	Principal	Interest / Mark-up	Others	Total	Written-off
78	Shabbir Ahmed	The Onoges Enterprises Sh No 4-A Mezzanine Floor Al Rehman Chamber Islamabad	61101-1980796-7	Mohammad Sharif	255	1,056	112	1,423	-	1,026	-	98	1,123	
79	Mian Adnan Bashir	Mian Adnan Bashir	61101-8541904-3	Mian MB Asghar	214	768	124	1,106	-	766	-	77	844	
80	Muhammad Muzammil Khan	Muhammad Muzammil Khan	41304-5656426-1	Rustum Khan Ghouri	419	1,716	245	2,379	-	1,579	-	174	1,752	
81	Muhammad Yaseen	Muhammad Yaseen	42301-7711136-3	Ahmed	184	852	80	1,115	-	833	-	80	913	
82	Hasan Mahmood	Hasan Mahmood	42101-6409677-7	Shahid Mahmood	500	1,408	206	2,114	-	1,204	-	148	1,352	
83	Habib Kibria	Habib Kibria	37405-0558038-5	Sh Abdul Halim	-	601	96	697	-	600	-	64	665	
84	Ali Bin Ahmed	Ali Bin Ahmed	37301-7699713-5	Madbool Ahmed	161	601	84	846	-	600	-	59	659	
85	Dina Dina	Istampura Near Farred Super Mkt												
85	Wakeel Akhtar	Friends Paint And Electronics Plot#23 Main Bazar Guzar Qiny Sector 8/C Korangi Karachi	42201-0586796-3	Shah Doran	-	529	45	574	-	469	-	45	514	
86	Shahana Faiz	F1 No A-7 Rays Arcade Block N North Nazimabad, Karachi	42101-1788931-8	Faiz Uddin Ahmed	152	703	130	985	-	694	-	63	757	
87	Athar Ali	Burrqq And G Store Shop #6 Al Raheem Athar Ali Shopping Cntr Phase II Gari Khata Hyderabad	41303-6195119-3	Asgar Ali	449	1,942	244	2,835	-	1,926	-	198	2,124	

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Principal	Interest / Mark-up	Others	Total	At the beginning	Principal	Interest / Mark-up	Others	Total	Written-off
88	Kashif	Kashif	33303-9387747-3	Faqir Muhammad	433	1,168	159	1,760	172	1,163	-	129	1,464	
89	Imtiaz Hussain Shah	Imtiaz Hussain Shah	35202-2198207-5	Manzoor Hussain	479	1,365	191	2,035	35	1,361	-	150	1,545	
90	Naim Riaz	Naim Riaz	38403-6643863-1	Muhammad Islam	100	678	72	850	-	674	-	66	740	
91	Altaf Hussain	Altaf Hussain	38403-2253845-9	Shamshad Hussain	150	522	53	724	-	514	-	53	567	
92	Kauser Ali	Kauser Ali	33203-7799385-5	Abdul Hameed	639	1,167	162	1,968	-	1,121	-	130	1,251	
93	James Carter Alan Ducas	James Carter Alan Ducas	554411604	James Grant Ducas										
	Aqeel Ahmad Khan	Aqeel Ahmad Khan	37405-9769944-1	Malik Javed Ahmed Khan										
	Abdul Aziz Khalid	Abdul Aziz Khalid	61101-980069-5	Khalid Iqbal										
	Muhammad Zubair	Muhammad Zubair	42201-5744071-7	Abdul Aziz										
	Faiz Ashra Masood	Faiz Ashra Masood	42301-3551103-7	Airshad Masood										
	Zafar Iqbal Chaudhry	Zafar Iqbal Chaudhry	35200-5-408747-9	Chaudhry Abdul Ghafoor										
	Nauman Kamet Dar	Nauman Kamet Dar	61101-4-909597-5	Bashir Uddin Ahmed										
	Musata Arafat	Musata Arafat	35202-6144255-9	Muhammad Ashraf										
	Hasan Raza Ur Rahim	Hasan Raza Ur Rahim	42201-6103761-3	Jamshed Reza Ur Rahim										
	Farrukh Saeed	Farrukh Saeed	35202-2671433-7	Muhammad Saeed										
94	United Textile Printing Industries (Pvt) Ltd.	Khalid Mahmood	33100-4152249-1	James Grant Ducas										
	Muhammad Asif Sheikh	Muhammad Asif Sheikh	33100-0603537-3	Malik Javed Ahmed Khan										
	Hajji Ghulam Rasool	Hajji Ghulam Rasool	33100-8127121-1	Khalid Iqbal										
	Umer Iqbal	Umer Iqbal	35202-2634080-9	Ghulam Rasool										
95	Tahir Omer Industries Ltd.	Rana Iqbal Hussain	35201-741346-7	Muhammad Ikram										
	Shahra-E-Nazia Pakistan, Opposite Expo Center Gulberg Lahore	Rana Tahir Iqbal	35202-6206421-3	Rana Iqbal Hussain										
96	Divine Developers (Pvt.) Ltd.	Muhammad Amjad Aziz	37405-6141172-2	Abdul Aziz										
	Saima Ibrahim	Saima Ibrahim	37405-6141172-2	Muhammad Amjad Aziz										
	Defense Road, Lahore Cantt	Defense Road, Lahore Cantt	40,222	120,222	-	-	-	-	-	-	-	-	37,691	37,691

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up	Others	Total
97	First Dawood Properties Ltd. (Formerly First Dawood Investment Bank Ltd.)	Christopher John Aitken Andrew Muhammad Rizwan-Ul Haque, Khursheed Abu Khalir Abu Khursheed Muhammad. Iqbal Ahmed Asad Ali Sheikh Farhat Ali	Not Applicable 42301-0842091-9 42301-1393323-7 42301-1111134-5 42501-33489087-5 42201-7176373-7 42201-47744835-2	Ronald D'Aitken Muhammad Enamul Haque Matur Rehman Muhammad Arif Shafi Ahmed Rahmat Ali Sheikh Ali Afzal Jan	131,500	36,134	-	167,634	-	36,134	-	36,134
98	Macca Industries	Mr. Tariq Amtee Khan Mr. Waris Amer Khan Baloch House, Nawaz Chowk, Gajra Road Jhang	33202-6476639-9 33202-1247990-9	Ameer Khan Ameer Khan	91,918	-	36,742	128,660	-	-	35,935	35,935
99	Shafiq Sons	Malik Muhammad Shafiq	31202-2616036-1	Haji Muhammad Saeed Malik	15,000	2,041	18,319	35,360	-	2,041	18,319	20,360
100	Niaz Fabrics (Pvt.) Ltd. Room No: 11, 2nd Floor, Raja Chamber, 35-Queens Road, Lahore	Dr. Ghulam Rasool Firdousi Mrs. Mobila Farukh	35202-22787371-1 35202-1325618-2	Barkat Ali Farrukh Niaz	24,375	-	11,823	36,198	-	-	11,425	11,425
101	Muhammad Waheed Malik Shop No: 31-B, Fruit Market, Lahore	Muhammad Waheed Malik	35202-0321866-1	Malik Muhammad Ijaz	13,000	5,971	4,774	23,745	-	5,971	4,774	10,745
102	Efief Industries Ltd Project Located At Alliabad, Khanewal Road Kabirwala	Brig. (Retd) Mian Muhammad Mahmud Mian Humayun Mahmud Mian Akbar Mahmud Amer Saeed Fahim Ahmed Saeed Nadeem Ahmed Saeed	37405-0229737-3 37405-0376083-1 61101-71722178-1 42301-0721668-1 27638-63886483-1 42301-0721667-1	Mian Muhammad Nazir Brig. Muhammad Nazir Brig. Muhammad Mahmud Brig. Muhammad Mahmud Not Available Mr. Saeed Ahmed.	1,859	10,447	-	12,306	-	9,106	-	9,106
103	Aftan Electronics Shop No: 130, Irfan Chamber, Temple Road, Lahore	Abdul Ghaffor	35200-1467721-9	Altah Din	19,299	-	9,430	28,729	-	-	8,929	8,929
104	Baarak Enterprises											
	Flat No. 5, Yaqoon Street, Ali Al Haq Road, Model Town, Khadam Ali Road, Sialkot	Mr. Shah Faisal	35200-0540484-9	Haji Bahadar Khan	30,000	-	7,898	37,898	-	-	7,898	7,898
105	Hasnain Seeds & Cotton Ginners	Muhammad Hasnain Mustafa	329-91-885168	Ghulam Mustafa	8,871	-	6,221	15,093	-	-	6,221	6,221
106	Altai Rice Traders	Mr. Altai Hussain	35402-4765529-9	Mr. Agra	18,000	-	5,306	23,306	-	-	5,306	5,306

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up	Others	Total
107	Top-In-Town Sports Co.	(Late) Mr. Muhammad Yasin Bhatti Mr. Shahbaaz Ahmed Mr. Muhammad Shahzad Akhtar	34603-2214649-3 34603-2210543-9 34603-2210303-5	Mr. Muhammad Akhtar Bhatti Mr. Muhammad Akhtar Bhatti Mr. Muhammad Akhtar Bhatti	40,956	-	6,111	47,067	-	-	5,111	5,111
108	M. Abdulla Enterprise	Paper Market, Opposite Sheikhpura Road, Gujranwala	34101-8320842-7	Babu Muhammad Sharif	8,000	-	3,856	11,856	-	-	3,386	3,386
109	Liaquat Sons	Mrs. Reshma Liaquat	42000-4620755-2	Widow Of Liaquat Hussain	8,610	2,657	-	11,267	-	-	2,657	2,657
110	Intizar Market Nazimabad # 2 Karachi	Raja Nasar Ahmed	37401-8355021-9	Raja Munir Ahmed	9,874	156	2,304	12,334	-	30	2,304	2,334
111	Raja Nasar Ahmed	House No: 3, Street No: 2, Lane 9, Sector 9, Dha Phase-II, Islamabad	294-86-179297	Bagga	1,622	68	1,857	3,546	-	-	1,796	1,796
112	Haji Ahmed Ali And Sons, Ghalla Mandi, Farroogabadi, Teh & Distt Sheikhpura	Mr. Ahmed Ali	42101-7122111-7 42101-8699404-5	Syed Badarul Hasan Rizvi Syed Hasan Abbas Rizvi	5,975	1,179	-	7,153	-	-	1,153	1,153
113	Ghulam Muhammad Sons	Office # 20 & 5, First Floor , Namco Centre, Campbell Street Karachi	35404-2029647-7	Mr. Muhammad Mansha	10,000	-	1,364	11,364	-	-	864	864
114	Hajat Traders	Hayat Traders Near Alhamar Marriage Hall Liqatabad No.1 Faisalabad	33203-7793885-5	Abdul Hameed	5,000	-	1,524	6,524	-	-	824	824
115	Blouch Traders	Haji Pur Road Fazilpur Distt. Rajanpur	32403-5977484-7	Fiaz Muhammad Khan	1,500	14	906	2,420	-	-	770	770
116	Allah Waris And Co.	Mr. Zafar Ullah Oogay Road, Kalleke Mandi, District Hafizabad	34301-9917049-5 34301-2934078-7	Mr. Ahmed Khan Mr. Hatim Ali	5,000	-	772	5,772	-	-	522	522
117	Ali Farooq	H-30 Aa Dha Homes St-3 Phase V , Lahore	35202-8438856-7	Khawaja Asad Farooq	78	-	0	78	482	72	6	560

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Rs. in thousands

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
118	Shakeel Ahmed		42201-7918085-3	Naseer Ahmed	-	-	-	-	480	60
	H No B-189 St No 6 Sec 1A4 Shahi	Shakeel Ahmed								24
	Navaz Bhutto Colony North Karachi,									564
119	Muhammad Ramzan	Muhammad Ramzan	45105-0245612-9	Abdul Majeed	-	-	-	-	480	60
	H No E-47 Sec No 1A 4 Shanawaz									24
	Bhutto Colony N/R Atta Milli Wali Gali									564
120	Kamran Ahmed Qureshi	Kamran Ahmed Qureshi	42000-5016612-5	Abdul Saleem Qureshi	-	-	-	-	426	178
	H No L 293 Sec 5C4 North Karachi									1
	Makki Masjid, Karachi									605
121	Jawwad Nadeem	Jawwad Nadeem	42101-4643749-5	Muhammad Nadeem	-	-	-	-	435	171
	H No R 154 Sec 5C2 North Karachi									606
	Bilal Public School, Karachi									
122	Akber Ali	Akber Ali	42101-8241989-3	Muhammad Hussain	-	-	-	-	444	174
	H No L 354 Sec 5C1 North Karachi Al									618
	Watqar Pakwan, Karachi									
123	Hasimmat Ali	Hasimmat Ali	42101-2173840-1	Aladin	-	-	-	-	443	175
	Plot No Rs-6 St-4 1St Flr Sec 5C1									618
	North Khi Near Noor Madarsa									
124	Farzana Saadat	Farzana Saadat	42201-0524800-6	Sadat Ali	-	-	-	-	453	168
	H No L 461 Second Flr Sec No 5C 1									621
	North Khi N/R Al Asif Bakery , Karachi									
125	M Shoaib Khalid	M Shoaib Khalid	35202-2884382-1	Khalid Mahmood	484	44	22	549	484	62
	H No 68 Dha Rehtbar Phase II Block M									572
	Lahore									
126	Abdul Waheed	Abdul Waheed	42000-9822028-9	Abdul Rahim	203	66	0	269	395	118
	H No Sd 6 Askari III School Road Cant									528
	Karachi									
127	Akmal Hussain	Akmal Hussain	37301-2193172-9	M Ashraf	502	32	-	535	450	77
	Post Office Khass Mairai Dina , Jhelum									535
128	Muhammad Akram	Muhammad Akram	35202-2444502-3	Muhammad Sharif	490	58	38	586	490	-
	H-39-A Shahab Street Muhallah									508
	Ghuishan Abbas Colony Sch-2, Lahore									

Annexure 'I' as referred to in note 9.8 of the Bank's Unconsolidated and Consolidated Financial Statements

Statement showing written-off advances or any other financial relief of Five Hundred Thousand Rupees or above provided during the year ended December 31, 2024

Rs. in thousands

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Written-off		
					Principal	Interest / Mark-up	Others	Total	Principal	Interest / Mark-up
129	Muhammad Yasin	Muhammad Yasin	42401-2041562-7	Rehmat Ullah	457	51	6	514	457	51
	H # 245 Blk # 15 Tara Chand Rd									514
	Kemari Near Agha Khan Daigonicostic Laboratory, Karachi									

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

ISLAMIC BANKING BUSINESS

The Bank operates 496 (2023: 209) Islamic Banking branches and 558 (2023: 501) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION		Note	2024	2023
----- (Rupees in '000) -----				
ASSETS				
Cash and balances with treasury banks			44,290,715	26,348,889
Balances with other banks			571,962	1,537,675
Due from financial institutions	1		-	12,500,000
Investments	2		119,366,357	331,496,374
Islamic financing and related assets - net	3		147,886,966	47,187,185
Property and Equipment			6,029,227	1,235,419
Right-of-use assets			3,181,023	1,524,770
Intangible assets			-	-
Due from Head Office	4		284,069,490	8,009,487
Other assets			4,813,226	8,629,655
Total Assets			610,208,966	438,469,454
LIABILITIES				
Bills payable			8,607,107	2,573,006
Due to financial institutions			8,003,110	13,726,453
Deposits and other accounts	5		519,488,249	378,100,209
Lease Liabilities			3,788,556	1,754,938
Other liabilities			5,519,705	5,647,031
			545,406,727	401,801,637
			64,802,239	36,667,817
NET ASSETS				
REPRESENTED BY				
Islamic Banking Fund			2,181,000	2,181,000
Reserves			-	-
Surplus on revaluation of assets			572,058	3,087,953
Unappropriated profit	7		62,049,181	31,398,864
			64,802,239	36,667,817
CONTINGENCIES AND COMMITMENTS	8			
PROFIT AND LOSS ACCOUNT				
Profit / return earned	9		68,039,934	50,273,992
Profit / return expensed	10		(29,808,386)	(29,872,345)
Net profit / return			38,231,548	20,401,647
Other income				
Fee and commission income			588,210	366,049
Foreign exchange income / (loss)			38,684	(207,058)
Gain on securities - net			1,439,053	-
Other income			85,760	97,674
Total other income			2,151,707	256,665
Total Income			40,383,255	20,658,312
Other expenses				
Operating expenses			7,358,957	3,884,840
Workers Welfare Fund			812,085	386,739
Total other expenses			8,171,042	4,271,579
Profit before credit loss allowance			32,212,213	16,386,733
Credit loss allowance / provisions and write-offs - net			(8,250)	12,640
Profit before taxation			32,220,463	16,374,093
Taxation			17,399,050	8,023,306
Profit after taxation			14,821,413	8,350,787

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

1. Due from Financial Institutions

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

2.1. Bai Muajjal with Government of Pakistan

	2024 Note ----- (Rupees in '000)-----	2023 ----- (Rupees in '000)-----
Bai Muajjal Investment	69,340,000	-
Less: Deferred Income	(21,721,852)	-
Bai Muajjal Investment-net	<u><u>47,618,148</u></u>	<u><u>-</u></u>
	2024 ----- (Rupees in '000)-----	2023 ----- (Rupees in '000)-----
3. Islamic financing and related assets		
Ijarah	3.1 183,651	210,375
Murabaha	3.2 165,372	326,733
Musharakah	73,230,869	3,672,838
Diminishing Musharakah	45,705,613	26,340,035
Mera Pakistan Mera Ghar (MPMG)	4,839,643	5,159,709
Istisna	240,064	349,612
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility	3,692,614	300,000
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme	8,710,000	3,649,999
Islamic Export Refinance scheme - Istisna	608,058	603,250
Advances against Islamic assets	17,910	8,612
Advances against Ijarah	8,689,619	1,646,484
Advances for Diminishing Musharakah	-	56,537
Advances for Murabaha	4,335	14,236
Advances against Mera Pakistan Mera Ghar	1,312,312	414,006
Advances for Istisna	256,000	50,000
Advances against Istisna - Under SBP's Islamic Export Refinance scheme	-	3,705,624
Advances against Diminishing Musharakah ITERF	111,700	156,060
Inventory related to Islamic financing	149,956,982	2,189,222
Istisna	47,414,027	749,917
Profit and other receivables against financings	147,886,966	47,187,185
Gross Islamic financing and related assets		
Less: credit loss allowance / provision against Islamic financings		
- Stage 1	(1,668,457)	-
- Stage 2	(213,344)	-
- Stage 3	(188,215)	-
- Specific	-	(143,029)
- General	-	(83,813)
Islamic financing and related assets - net of expected credit loss allowance	<u><u>147,886,966</u></u>	<u><u>47,187,185</u></u>

3.1 Ijarah

	2024					
	Cost		Accumulated Depreciation			Book Value as at December 31, 2024
	At January 1, 2024	Additions / (deletions)	At December 31, 2024	At January 1, 2024	Charge for the year	
(Rupees in '000)						
Plant & Machinery	230,385	-	86,579	124,787	1,264 (130,215)	(4,164)
						90,743
Vehicles	259,661	81,858	263,353	154,884	75,399 (59,838)	170,445
Total	<u><u>490,046</u></u>	<u><u>(140,114)</u></u>	<u><u>349,932</u></u>	<u><u>279,671</u></u>	<u><u>(113,390)</u></u>	<u><u>166,281</u></u>
						<u><u>183,651</u></u>
2023						
	Cost		Accumulated Depreciation			Book Value as at December 31, 2023
	At January 1, 2023	Additions / (deletions)	At December 31, 2023	At January 1, 2023	Charge for the year	
(Rupees in '000)						
Plant & Machinery	514,914	-	230,385	367,847	14,976 (258,036)	124,787
						105,598
Vehicles	266,406	106,649	259,661	129,819	119,685 (94,620)	154,884
Total	<u><u>781,320</u></u>	<u><u>(291,274)</u></u>	<u><u>490,046</u></u>	<u><u>497,666</u></u>	<u><u>(217,995)</u></u>	<u><u>279,671</u></u>
						<u><u>210,375</u></u>

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

Future Ijarah payments receivable

Not later than 1 year	Later than 1 year and less than 5 years	Over Five years	Total	2024			2023		
				Note	2024 ----- (Rupees in '000)-----	2023 ----- (Rupees in '000)-----	Note	2024 ----- (Rupees in '000)-----	2023 ----- (Rupees in '000)-----
----- (Rupees in '000) -----									

Ijarah rental receivables

98,885	93,874	-	192,759	117,950	113,164	-	231,114
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3.2 Murabaha

Murabaha financing Advances for Murabaha

3.2.1	Murabaha receivable - gross	3.2.2	326,733
	Less: Deferred Murabaha income	3.2.4	(9,852)
	Less: Profit receivable shown in other assets	(2,669)	(9,282)
	Murabaha financings	150,499	307,599

The movement in Murabaha financing during the year is as follows:

Opening balance	326,733	507,528
Sales during the year	2,066,993	3,154,627
Adjusted during the year	(2,228,354)	(3,335,422)
Closing balance	165,372	326,733

3.2.3 Murabaha sale price

Murabaha purchase price	165,372	326,733
	(150,499)	(307,599)
	14,873	19,134

3.2.4 Deferred Murabaha income

Opening balance	9,852	7,846

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

	2024	2023
	----- (Rupees in '000) -----	
6. Charity Fund		
Opening balance	21,399	6,922
Additions during the period		
Received from customers on account of delayed payment	12,456	19,082
Profit on charity saving account	4,882	2,595
	17,338	21,677
Payments / utilisation during the year		
Health	(21,500)	(4,200)
Others	-	(3,000)
	(21,500)	(7,200)
Closing balance	17,237	21,399
7. Islamic Banking Business Unappropriated Profit		
Opening balance	31,398,864	15,024,771
Impact of adoption of IFRS 9	(1,570,146)	-
Add: Islamic Banking profit for the year	32,220,463	16,374,093
	62,049,181	31,398,864
Less: Taxation	(17,399,050)	(8,023,306)
Closing balance	44,650,131	23,375,558
8. Contingencies and commitments		
- Guarantees	321,847	228,481
- Commitments	10,214,840	6,413,657
	10,536,687	6,642,138
9. Profit / Return earned on financing, investments and placement		
Profit earned on:		
Financing	9,796,010	10,977,717
Investments	57,866,298	38,657,364
Placements	246,481	418,360
Rental Income from Ijarah	131,145	220,551
	68,039,934	50,273,992
10. Profit on Deposits and other dues expensed		
Deposits and other accounts	24,963,329	21,046,458
Due to Financial Institutions	4,531,023	8,662,756
Return expense on leases	314,034	163,131
	29,808,386	29,872,345
11. 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.

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

General Pools

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)

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.

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 Dec 31, 2024 is Rs.9,512.41 million (29.64% of distributable profit of Mudarabah Pool) of this, an amount of Rs.2,417.06 million (25.41% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 19.06% per annum and the rate of profit paid on average deposits was 14.84% 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.

Annexure 'II' as referred to in notes 2 and 9.10 of the Bank's Unconsolidated and Consolidated Financial Statements

The Bank managed following pools during the year.

	2024								
	No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharkah share / Wakala 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	12	Mudarabaha	Monthly	12.79%	46.74%	627,358	8.16%	15.01%	94,139
Special Pools	126	Mudarabaha	Monthly	18.73%	13.03%	2,285,933	17.34%	41.26%	943,137
IERS Pools	24	Musharkah	Monthly	16.77%	56.16%	809,014	16.77%	0.00%	-
FCY Pools	12	Mudarabaha	Monthly	2.13%	50.00%	4,594	1.06%	0.00%	-
General Pools	12	Mudarabaha	Monthly	20.06%	50.00%	6,594,524	11.94%	20.92%	1,379,787
Treasury Pools	273	Musharkah	Monthly	17.22%	13.61%	621,363	15.70%	0.00%	-

	2023								
	No of Pools	Nature of Pool	Profit rate and weightages announcement period	Average profit rate earned	Profit Sharing ratio	Mudarib fee / Musharkah share / Wakala 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	12	Mudarabaha	Monthly	12.27%	35.00%	317,307	8.58%	13.99%	44,397
Special Pools	136	Mudarabaha	Monthly	20.05%	21.10%	1,123,263	17.65%	50.88%	571,511
IERS Pools	24	Musharkah	Monthly	16.76%	68.99%	1,754,701	14.99%	0.00%	-
FCY Pools	24	Mudarabaha	Monthly	2.14%	50.00%	10,766	1.06%	0.00%	-
General Pools	12	Mudarabaha	Monthly	20.43%	50.00%	10,043,312	15.97%	56.32%	5,656,190
Treasury Pools	5	Mudarabaha	Monthly	18.67%	6.27%	21,442	17.71%	5.35%	1,148
Treasury Pools	3	Wakala	Monthly	21.24%	6.01%	1,653	20.33%	0.00%	-
Treasury Pools	503	Musharkah	Monthly	19.95%	10.87%	905,230	19.35%	0.00%	-

2024 2023
----- (Rupees in '000) -----

11.1 Deployment of Mudarabah based deposits by class of business

Chemical and pharmaceuticals	11,119,892	5,934,303
Agri business	64,330,828	12,974
Textile	6,937,944	5,931,200
Financial	800,000	2,329,054
Food industries	-	52,926
Plastic	197,855	291,051
Individuals	26,446,650	15,287,661
Production and transmission of energy	18,216,021	19,682,190
Government of Pakistan Securities	110,166,197	321,835,785
Others	31,107,952	9,090,932
	269,323,339	380,448,076

Annexure 'III' as referred to in Note 10.6 of the Bank's Unconsolidated and Consolidated Financial Statements

Disposals of property and equipment to related parties during the year 2024

Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
----- (Rupees in '000) -----					
Electrical and Office Appliances					
Generators	1,516	1,516	-	455	Insurance
Air Conditioners	1,459	1,284	175	649	Insurance
Electrical Equipment	2,389	2,076	313	1,119	Insurance
	5,364	4,876	488	2,223	
Furniture and Fixture					
Table	326	274	52	161	Insurance
Chair	490	223	267	379	UBL Insurers Limited
Sofa Set	215	99	116	161	UBL Insurers Limited
Others	336	329	7	142	UBL Insurers Limited
	1,367	925	442	843	
IT Equipments					
ATM	439	306	133	182	UBL Insurers Limited
Desktop Computer	709	463	246	455	UBL Insurers Limited
Laptop	834	622	212	375	UBL Insurers Limited
Telecom Devices	183	183	-	55	UBL Insurers Limited
Telecom Devices	360	360	-	36	As per Policy
Telecom Devices	358	358	-	36	As per Policy
Laptop	115	103	12	23	As per Policy
Other IT Equipment	656	564	92	286	Insurance
	3,654	2,959	695	1,448	
Total	10,385	8,760	1,625	4,514	

INDEPENDENT AUDITOR'S REPORT

To the members of United Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **United Bank Limited (the bank) and its subsidiaries (the group)**, which comprise the consolidated statement of financial position as at **31 December 2024**, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, notes to the consolidated financial statements including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and gives the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Expected credit loss against advances <p>As disclosed in Note 9 to the consolidated financial statements, the Group's advances represent 17.9% of its total assets as of 31 December 2024.</p> <p>During the year, the Group has adopted IFRS 9 - "Financial Instruments" (as applicable in Pakistan), which requires a forward-looking approach to estimate the Expected Credit Loss ("ECL") against advances and other financial instruments. As allowed under IFRS 9, the Group has adopted the requirements of the standard retrospectively, without restating the previous year's financial information. The adoption of IFRS 9 has resulted in a transition adjustment to the retained earnings as of 1 January 2024 of Rs. 4,327.814 million. The impact of transition is explained in Note 2.6.1.3 to the consolidated financial statements.</p> <p>In view of the significance of this area in terms of its impact on the consolidated financial statements, and level of involvement of management's estimates and judgments, we identified adequacy and completeness of ECL against advances as a key audit matter.</p> <p>The accounting policy and disclosures related to the ECL against advances are included in Notes 4.2 and 9.4 respectively to the consolidated financial statements.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> • We reviewed the management's process of assessment of allowance for ECL against advances including the Group's accounting policy and ECL model methodology adopted during the year. • We performed procedures to test: <ul style="list-style-type: none"> ◦ the governance of ECL models and their validation, including relevant approvals. ◦ completeness and accuracy of critical data inputs into the ECL models and calculations. ◦ timely identification of SICR and the determination of individually impaired exposures. ◦ the management's assessment of recoverable cash flows, including the impact of collateral, if any, and ECL computation for exposures. • Where required, we involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL models. • We also assessed adequacy of disclosures as included in Note 9.4 to the consolidated financial statements regarding the ECL made against advances in accordance with the requirements of the applicable financial reporting framework.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Chartered Accountants

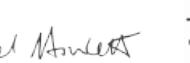
Place: Karachi

Date:

UDIN:

Consolidated Statement of Financial Position

As at December 31, 2024

	Note	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)						
ASSETS									
Cash and balances with treasury banks	5	310,836,376	277,355,760						
Balances with other banks	6	59,968,246	33,430,371						
Lendings to financial institutions	7	18,492,483	39,316,270						
Investments	8	5,889,765,841	4,435,750,870						
Advances	9	1,443,481,944	872,040,932						
Property and Equipment	10	85,591,999	76,460,159						
Right-of-use of assets	11	10,231,121	8,611,473						
Intangible assets	12	2,792,016	2,552,398						
Deferred tax assets	13	-	-						
Other assets	14	247,937,251	159,156,653						
		8,069,097,277	5,904,674,886						
LIABILITIES									
Bills payable	16	44,221,818	21,734,531						
Borrowings	17	4,855,373,516	2,823,887,914						
Deposits and other accounts	18	2,639,875,985	2,634,716,102						
Lease liabilities	19	12,381,018	10,474,561						
Subordinated debt	20	10,000,000	10,000,000						
Deferred tax liabilities	13	39,311,263	2,079,220						
Other liabilities	21	147,125,664	115,909,963						
		7,748,289,264	5,618,802,291						
NET ASSETS		<u>320,808,013</u>	<u>285,872,595</u>						
REPRESENTED BY:									
Share capital	22	12,241,797	12,241,797						
Reserves		114,734,831	116,771,416						
Surplus on revaluation of assets - net	23	77,309,424	44,575,947						
Unappropriated profit		116,472,051	97,379,056						
Total equity attributable to the equity holders of the Bank		320,758,103	270,968,216						
Non-controlling interest	24	49,910	14,904,379						
		<u>320,808,013</u>	<u>285,872,595</u>						
CONTINGENCIES AND COMMITMENTS	25								
The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.									
	Syed Manzoor Hussain Zaidi Chief Financial Officer		Muhammad Jawaid Iqbal President & Chief Executive Officer		Shazia Syed Director		Daniel Michael Howlett Director		Sir Mohammed Anwar Pervez, OBE, HPk Chairman

Consolidated Profit and Loss Account

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
Mark-up / return / interest earned	27	1,084,641,497	535,211,524
Mark-up / return / interest expensed	28	911,093,616	386,236,455
Net mark-up / interest income		173,547,881	148,975,069
Non mark-up / interest income			
Fee and commission income	29	21,535,329	19,751,084
Dividend income		1,741,707	1,614,470
Foreign exchange income		12,559,992	12,715,845
Gain / (Loss) on derivatives		1,230,801	(65,266)
Gain on securities - net	30	42,592,701	532,782
Capital gain on derecognition of financial assets measured at amortised cost		2,894,427	-
Other income	31	1,139,575	1,523,109
Total non mark-up / interest income		83,694,532	36,072,024
Total income		257,242,413	185,047,093
Non mark-up / interest expenses			
Operating expenses	32	97,104,258	70,093,696
Workers' Welfare Fund	33	3,145,755	2,158,813
Other charges	34	75,270	240,326
Total non mark-up / interest expenses		100,325,283	72,492,835
Share of gain / (loss) of associates	8.5.1	895,183	(989,536)
Profit before credit loss allowance		157,812,313	111,564,722
Credit loss allowance / provisions and write-offs - net	35	12,775,474	980,157
Profit before taxation from continuing operations		145,036,839	110,584,565
Taxation	36	70,198,005	54,113,644
Profit after taxation from continuing operations		74,838,834	56,470,921
Discontinued operations			
Profit from discontinued operations - net of tax		938,610	-
		75,777,444	56,470,921
Attributable to:			
Equity holders of the Bank			
from continuing operations		74,823,735	55,145,075
from discontinued operations		332,118	-
		75,155,853	55,145,075
Non-controlling interest			
from continuing operations		24.1	15,099
from discontinued operation			606,492
		621,591	1,325,846
		75,777,444	56,470,921
		----- (Rupees) -----	
Earnings per share for profit from continuing operations attributable to the equity holders of the Bank			
Basic and diluted		61.12	45.05
Earnings per share for profit attributable to the equity holders of the Bank			
Basic and diluted	38	61.39	45.05

The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2024

		2024	2023
		----- (Rupees in '000) -----	
Profit after taxation for the year attributable to:			
Equity holders of the Bank		75,155,853	55,145,075
Non-controlling interest		621,591	1,325,846
		75,777,444	56,470,921
Other comprehensive income			
<i>Items that may be reclassified to profit and loss account in subsequent periods</i>			
Effect of translation of net investment in foreign branches and subsidiaries			
Equity holders of the Bank		(1,382,628)	19,564,664
Non-controlling interest		(217,940)	2,739,248
		(1,600,568)	22,303,912
Less: Reserve reclassified to profit and loss on disposal of subsidiary		(8,706,711)	-
		(10,307,279)	22,303,912
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax			
Equity holders of the Bank		33,607,524	23,880,646
Non-controlling interest		405,717	922,755
		34,013,241	24,803,401
		23,705,962	47,107,313
<i>Items that will not be reclassified to profit and loss account in subsequent periods</i>			
Remeasurement gain on defined benefit obligations - net of tax			
Equity holders of the Bank		4,197,565	1,122,792
Non-controlling interest		370	49,480
		4,197,935	1,172,272
Movement in surplus on revaluation of investment in equity investments - net of tax			
Equity holders of the Bank		4,856,315	1,688,431
Non-controlling interest		-	-
		4,856,315	1,688,431
Movement in surplus on revaluation of property and equipment - net of tax			
Equity holders of the Bank		252,545	915,183
Non-controlling interest		(74,091)	741,749
		178,454	1,656,932
Movement in surplus on revaluation of non-banking assets - net of tax			
Equity holders of the Bank		1,146	-
		9,233,850	4,517,635
Total comprehensive income for the year		108,717,256	108,095,869
Attributable to:			
Equity holders of the Bank		107,981,609	102,316,791
Non-controlling interest		735,647	5,779,078
		108,717,256	108,095,869

The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

Attributable to equity holders of the Bank									
Share Capital	Statutory reserve	Capital reserve - Exchange translation	Surplus / (deficit) on revaluation of Investments Property and Equipment Non-Banking Assets			Unappropriated profit	Sub-total	Non-controlling Interest	Total
(Rupees in '000)									
Balance as at January 01, 2023	12,241,797	41,560,081	50,328,629	(22,788,440)	42,442,737	-	96,282,169	220,066,973	9,125,301
Total comprehensive income for the year ended December 31, 2023									229,192,274
Profit after taxation for the year ended December 31, 2023	-	-	19,564,664	25,569,077	915,183	-	55,145,075 1,122,792	55,145,075 47,171,716	1,325,846 4,453,232
Other comprehensive income - net of tax									51,624,948
Total comprehensive income for the year ended December 31, 2023	-	-	19,564,664	25,569,077	915,183	-	56,267,867	102,316,791	5,779,078
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(1,474,233)	-	1,474,233	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(88,377)	-	88,377	-	-
Transfer to statutory reserve	-	5,318,042	-	-	-	-	(5,318,042)	-	-
Transfer from statutory reserve on liquidation of subsidiary	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend - December 31, 2022 declared subsequent to the year end at Rs. 9.0 per share	-	-	-	-	-	(11,017,617)	(11,017,617)	-	(11,017,617)
Interim cash dividend - March 31, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - June 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - September 30, 2023 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Balance as at December 31, 2023	12,241,797	46,878,123	69,893,293	2,780,637	41,795,310	-	97,379,056	270,968,216	14,904,379
Effect of reclassification on adoption of IFRS 9 - ECL (net of tax)	-	-	-	(2,973,630)	-	-	2,973,630	-	-
Effect of adoption of IFRS 9 - ECL (net of tax)	-	-	-	-	-	-	(4,327,814)	(4,327,814)	-
Balance as at January 01, 2024 - Restated	12,241,797	46,878,123	69,893,293	(192,993)	41,795,310	-	96,024,872	266,640,402	14,904,379
Total comprehensive income for the year ended December 31, 2024									285,872,595
Profit after taxation for the year ended December 31, 2024	-	-	(10,089,339)	38,463,839	252,545	1,146	75,155,853 4,197,565	75,155,853 32,825,756	621,591 114,056
Other comprehensive income - net of tax									32,939,812
Total comprehensive income for the year ended December 31, 2024	-	-	(10,089,339)	38,463,839	252,545	1,146	79,353,418	107,981,609	735,647
Transfer from surplus on revaluation upon disposal to unappropriated profit - net of tax	-	-	-	-	(22,930)	-	22,930	-	-
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(78,513)	-	78,513	-	-
Transfer to statutory reserve	-	8,052,754	-	-	-	-	(8,052,754)	-	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	48,249	-	-	(48,249)	-	-
Derecognition of subsidiary	-	-	-	535,734	(3,492,963)	-	2,957,229	-	(15,590,116)
Transactions with owners, recorded directly in equity									
Final cash dividend - December 31, 2023 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - March 31, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - June 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - September 30, 2024 declared at Rs. 11.0 per share	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Balance as at December 31, 2024	12,241,797	54,930,877	59,803,954	38,854,829	38,453,449	1,146	116,472,051	320,758,103	49,910
									320,808,013

The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Consolidated Cash Flow Statement

For the year ended December 31, 2024

Note	2024	2023
----- (Rupees in '000) -----		
	145,036,839	110,584,565
	(1,741,707)	(1,614,470)
	(895,183)	989,536
	142,399,949	109,959,631
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including discontinued operations		
Less: Dividend income		
(Less) / Add: Share of gain / loss of associates		
Adjustments:		
Depreciation on property and equipment	5,849,218	4,524,584
Depreciation on right-of-use assets	2,520,644	2,336,379
Depreciation on non-banking assets acquired in satisfaction of claims	3,226	3,012
Depreciation on Islamic financing against leased assets (ijarah)	79,527	135,236
Amortisation	1,022,553	1,085,264
Workers' Welfare Fund - charge	3,145,755	2,158,813
Provision for retirement benefits	91,706	650,477
Credit loss allowance against loans and advances - net	11,253,648	(4,893,500)
Credit loss allowance against off - balance sheet obligations - net	1,303,408	(29,304)
Credit loss allowance for diminution in value of investments - net	(15,723,998)	6,110,045
Interest expense on lease liability against right-of-use assets	1,504,645	1,236,242
Gain on sale of operating property and equipment - net	(234,287)	(487,633)
Transfer of exchange translation reserve to profit and loss on derecognition of subsidiary	(8,706,711)	-
Gain on sale of ijarah assets - net	(1,016)	(2,068)
Bad debts written off directly	54,951	149,845
Unrealised gain on revaluation of investments classified as FVPL	(35,068)	79,074
Credit loss allowance against other assets	476,252	(29,016)
Other provisions / write-offs	160,014	149,432
	2,764,467	13,176,882
	145,164,416	123,136,513
(Increase) / decrease in operating assets		
Lendings to financial institutions	20,823,787	46,526,451
Securities classified as FVPL	55,025,621	(51,489,494)
Advances	(582,847,466)	228,743,108
Other assets (excluding advance taxation)	(79,237,101)	(72,368,543)
	(586,235,159)	151,411,522
Increase / (decrease) in operating liabilities		
Bills payable	22,487,287	(11,295,902)
Borrowings	2,031,485,602	2,257,653,694
Deposits and other accounts	5,159,883	596,706,389
Other liabilities	27,144,404	18,975,940
	2,086,277,176	2,862,040,121
	1,645,206,433	3,136,588,156
	(5,669,400)	(689,109)
	(83,561,332)	(45,909,594)
	1,555,975,701	3,089,989,453
Net cash flow generated from / (used in) operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(1,453,132,892)	(2,959,185,607)
Net investments in amortized cost securities	40,239,285	63,738,624
Net investments in associates	(811,921)	2,031,927
Investment in property and equipment and intangible assets	(16,615,615)	(8,913,174)
Dividend income received	1,741,707	1,614,470
Sale proceeds from disposal of property and equipment and intangible assets	358,842	2,020,722
Sale proceeds from sale of ijarah assets	19,344	47,335
Effect of translation of net investment in overseas branches and subsidiaries	(10,307,279)	22,303,912
Net cash flow used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Lease obligation	-	(3,556)
Payment of lease liability against right-of-use assets	(3,623,173)	(3,343,300)
Dividends paid	(53,825,508)	(59,235,966)
Net cash flow used in financing activities		
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	60,018,491	151,064,840
Effect of exchange rate changes on cash and cash equivalents	312,451,157	135,606,095
Cash and cash equivalents at the end of the year		
	310,786,131	159,721,291
	370,804,622	310,786,131</

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

1. STATUS AND NATURE OF BUSINESS

The "Group" consists of:

- Holding company

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 1,474 (2023: 1,356) branches inside Pakistan including 496 (2023: 209) Islamic Banking branches and 2 (2023: 2) branches in Export Processing Zones. The Bank also operates 8 (2023: 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), both of which have been 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.

- Subsidiary companies

- UBL Fund Managers Limited, Pakistan - 98.87% shareholding (2023: 98.87% shareholding)

UBL Fund Managers Limited (UBL FM or the Company) was incorporated as an unlisted public limited company in Pakistan on April 03, 2001. The Company is licensed to carry out Asset Management and Investment Advisory Services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The principal activities of the Company are floating and managing mutual funds and providing investment advisory services. The registered office of the Company is situated at STSM Building, Beaumont Road, Civil Lines, Karachi.

- Al Ameen Financial Services (Private) Limited - effective shareholding 98.87% (2023: 98.87% effective shareholding)

UBL Fund Managers has incorporated a wholly owned subsidiary Al Ameen Islamic Financial Services (Private) Limited (the Company) on February 27, 2015. The registered office of the Company is situated at STSM Building, Beaumont Road, Civil Lines, Karachi. The principal activities of the Company are providing financial related services including but not limited to distribution of the financial products and the investments including units of collective investment schemes (CIS), Voluntary Pension Scheme (VPS).

- UBL Currency Exchange (Private) Limited - shareholding 100% (2023: 100% shareholding)

UBL Currency Exchange (Private) Limited, was incorporated in Pakistan on November 08, 2023 under the Companies Act, 2017 ('the Act'). The company obtained license for commencement of business on April 30, 2024 from State Bank of Pakistan. The registered office of the Company is situated at 2nd Floor, UBL Head Office, I.I. Chundrigar Road, Karachi.

2. BASIS OF PRESENTATION

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

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

2.3 Key financial figures of the Islamic banking branches are disclosed in annexure II to these consolidated financial statements.

2.4 The Group has prepared its consolidated financial statements on the basis that it will continue to operate as a going concern.

2.5 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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 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 financial statements.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

1. STATUS AND NATURE OF BUSINESS

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these consolidated financial statements.

2.6.1 IFRS 9 - Financial Instruments

The Bank has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) retrospectively with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and other reserves at the beginning of the current period without restating the comparative figures. Therefore, the comparative information for 2023 is not comparable for 2024. The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 2.6.1.3.

2.6.1.2 Scope of IFRS 9 application

IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 01, 2018. The requirements of this standard were already incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted in accordance with the financial reporting regimes of their respective jurisdictions. The results of those overseas operations where IFRS 9 is not applicable will be directly incorporated in the Bank's financial statements as per the respective jurisdiction's regulations, for the year ending December 31, 2024. As per the SBP IFRS 9 application instructions, all overseas jurisdictions will be subject to the IFRS 9 requirements from next financial year.

Upon implementation of IFRS 9, the Banking Industry sought certain technical clarifications from SBP and also identified practical difficulties with respect to (i) valuation of unquoted equity securities, (ii) recognition of interest income/expense on financial instruments using the Effective Interest Method (EIR), and (iii) Revenue recognition of Islamic financial instruments. With respect to (i) and (ii), the SBP has allowed temporary extension in timeline with directions to implement IFRS 9 requirements from 1 January 2025 and 1 January 2026, respectively. Accordingly, the Bank has continued to apply previous accounting practices in such areas for the purposes of preparation of these financial statements. Further, with respect to (iii), the SBP has allowed Banks to continue the existing accounting practice until further instructions. The income for the year would have been higher by approximately Rs1,295.667 million, if the same had not been applied.

2.6.1.3 Transition disclosures

This note sets out the impact of adopting IFRS 9 on the statement of financial position, unappropriated profit and surplus on revaluation of investments of the bank.

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024:

	Carrying amount as per current accounting policy as at Dec 31, 2023	Classification under IFRS 9					
		At FVTPL	At FVOCI - with recycling	At FVOCI - without recycling	At Amortized Cost	Remeasurement under IFRS 9	IFRS 9 carrying amount as at Jan 01, 2024
(Rupees in '000)							
Cash and balances with banks	308,030,968	-	-	-	308,030,968	(1,182)	308,029,786
Lendings to financial institutions	34,447,852	-	-	-	34,447,852	-	34,447,852
Advances	613,565,526	-	-	-	613,565,526	(12,222,808)	601,342,718
Investments in financial assets							
Held for trading	78,956,749	78,956,749	-	-	-	-	78,956,749
Held to maturity	362,838,478	-	-	-	362,838,478	(344)	362,838,134
Available for sale	3,939,226,221	3,018,999	3,925,259,062	10,948,160	-	(7,157)	3,939,219,064
Other assets	150,395,306	4,266,717	-	-	146,128,589	4,253,114	154,648,420
Total Financial Assets	5,487,461,100	86,242,465	3,925,259,062	10,948,160	1,465,011,413	(7,978,377)	5,479,482,723
Borrowings	2,815,470,554	-	-	-	2,815,470,554	-	2,815,470,554
Bills payable	21,651,784	-	-	-	21,651,784	-	21,651,784
Deposits	2,350,540,823	-	-	-	2,350,540,823	-	2,350,540,823
Subordinated debt	10,000,000	-	-	-	10,000,000	-	10,000,000
Other liabilities	88,722,556	2,741,100	-	-	85,981,456	1,037,902	89,760,458
Total financial liabilities	5,286,385,717	2,741,100	-	-	5,283,644,617	1,037,902	5,287,423,619
Net Financial Assets	201,075,383	83,501,365	3,925,259,062	10,948,160	(3,818,633,204)	(9,016,279)	192,059,104
Deferred tax assets	(1,921,889)	-	-	-	-	4,688,465	2,766,576
Effect on net assets on adoption of IFRS 9							(4,327,814)

The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

(B) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate investments in listed securities including REIT units and strategic investments in unquoted securities as FVOCI amounting to Rs. 10,228.156 million and Rs. 720.004 million, respectively. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(C) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- (i) Those previously classified as available for sale and now classified as measured at FVOCI; and
- (ii) Those previously classified as held to maturity and now classified as measured at amortised cost.
- (iii) Those previously classified as held for trading and now classified as measured at FVTPL.

The impact of transition to IFRS 9 on unappropriated profit and surplus on revaluation of investments is as follows:

	Unappropriated profit	Surplus / (Deficit) on revaluation Investments	Total
----- Rupees in '000' -----			
Balance as at December 31, 2023	97,379,056	2,780,637	100,159,693
Recognition of IFRS 9 ECL - net of tax	(4,327,814)	-	(4,327,814)
Available for sale equity instruments reclassified as FVOCI under IFRS 9 - net of tax	2,973,630	(2,973,630)	-
Balance under IFRS 9 as at January 01, 2024 - as restated	96,024,872	(192,993)	95,831,879

2.7

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2025:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Lack of exchangeability – Amendments to IAS 21	January 01, 2025
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 17 - Insurance Contracts	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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

IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

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

IFRS 18 - Presentation and Disclosure in Financial Statements

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

2.8

Critical accounting estimates and judgments

The preparation of these consolidated 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Significant accounting estimates and areas where judgments were made by management in the application of accounting policies are as follows:

- i) Fair valuation of financial assets (notes 4.2.2.2, 4.2.2.3, 4.2.2.4 and 8).
- ii) Expected credit loss allowance against financial assets (notes 4.2.6, 8.3, 9.4 and 9.6).
- iii) Income taxes (notes 4.19 and 36).
- iv) Defined benefit plans (notes 4.21 and 41).
- v) Fair value of derivatives (note 4.4 and 26).
- vi) Revaluation and depreciation of property and equipment (notes 4.15 and 10).
- vii) Amortisation of intangible assets (note 4.17 and 12).
- viii) Incremental borrowing rate for leases (notes 4.16).
- ix) Valuation of non-banking assets acquired in satisfaction of claims (note 4.18).

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Certain class of property and equipment and non-banking assets acquired in satisfaction of claims, which have been stated at revalued amounts less accumulated depreciation.
- Investments classified as FVTPL and FVOCI which are measured at fair value.
- Certain derivative financial instruments, including forward exchange contracts have been stated at fair value.
- Net obligations in respect of defined benefit schemes are carried at their present values.
- Right of use assets and related lease liabilities are carried at present value.

3.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Bank's functional currency.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements, are consistent with those of the previous financial year, except as disclosed in notes 4.1 and 4.2.

4.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for annual financial statements of banking companies. The new format has revised the disclosure requirements of the Bank for the year ended December 31, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

4.2 Financial Instruments - policies applicable from January 01, 2024

Financial instruments carried on the balance sheet include Cash and balances with treasury banks, Balances with other banks, Lendings to financial institutions, Investments, Advances, certain Other assets, Bills payable, Borrowings, Deposits, Subordinated debt and certain Other liabilities.

4.2.1 Initial recognition

Date of initial recognition

Advances are recognised when funds are transferred to the customers' accounts. The Bank recognises Deposits and Bills payable when funds are transferred to the Bank. Other financial assets and liabilities, are initially recognised on the trade date. This includes regular way trades.

Initial measurement

On initial recognition, financial assets and financial liabilities at fair value through profit or loss (FVTPL) are initially measured at their fair value. The initial measurement of other financial instruments is based on their fair value, but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the financial instrument. Other assets and Other liabilities are measured at the transaction price.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit and loss account when the inputs become observable, or when the instrument is derecognised.

4.2.2 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Debt instruments at 'fair value through other comprehensive income' FVOCI
- Equity instruments at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

4.2.2.1 Financial assets at amortised cost

The Bank classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below:

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board/Board Committees
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b) The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

4.2.2.2 Debt instruments at FVOCI

The Bank applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

Market value of investment in Government securities is determined based on the relevant PKRV, PKFRV and PKISRV rates / price.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

4.2.2.3 Equity instruments at FVOCI

Upon initial recognition, the Bank elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of 'Equity' under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

4.2.2.4 Financial assets and financial liabilities at FVTPL

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or

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These include Bills payable, Borrowings, Deposits, Subordinated debts and certain items within Other Liabilities.

4.2.3 Derecognition of financial assets

4.2.3.1 Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers qualitative factors such as change in currency of the loan, introduction of an equity feature, change in counterparty, or if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.2.3.2 Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The difference between the carrying value (including impairment) of a financial asset and the consideration received is recognized in profit and loss account.

4.2.4 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in profit or loss account.

4.2.5 Write-offs

Financial assets are written off when there is no realistic prospect of recovery. The amount so written-off is a book entry and does not necessarily prejudice the Bank's right of recovery against the defaulter.

4.2.6 Impairment of financial assets

4.2.6.1 Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Bank has been recording the allowance for expected credit losses for all loans and other debt financial assets held at amortised cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

4.2.6.2 The calculation of ECLs

The key elements of ECL calculations are as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

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- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and amortization.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. The Bank estimates LGD based on the history of recovery rates and considers the recovery of any liquid collateral for each group of financial instruments. LGDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Bank considers three probability-weighted scenarios (a base case, a best case, and a worse case). Each of these is associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios.

"With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. For credit cards and revolving facilities based on past experience and the Bank's expectations, the Bank calculates ECL for these products over their behavioral life.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

4.2.6.3 Significant increase in credit risk

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank uses both qualitative and quantitative criteria for determining whether there has been a significant increase in credit risk. These include comparing lifetime PD at the reporting date with the lifetime PD at the initial recognition of the financial asset, a backstop of thirty days past due on the contractual payments, considerable deterioration in the internal or external rating (as the case maybe), moving a customer/facility to the watch list, or the account becoming forbear. However, for certain portfolios, the Bank reverts 30 days past due presumption based on behavioural analysis of its borrowers.

4.2.6.4 Definition of default

The Bank considers a financial instrument defaulted for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments, except for agricultural loans which are considered defaulted at 365 days past due. The Bank also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

4.2.6.5 Forward looking information

The Bank formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent a range of scenarios linked to GDP growth, CPI and Gross government debt and Unemployment rate.

4.3 Financial instruments - policies applicable before January 01, 2024

4.3.1 Investments of the Bank, other than investments in subsidiaries and associates, are classified into following categories:

4.3.1.1 Held for trading

These are securities which are either acquired for generating a profit from short-term fluctuations in market prices, interest rate movements and dealer's margin, or are securities included in a portfolio in which a pattern of short term profit taking exists.

4.3.1.2 Held to maturity

These are securities with fixed or determinable payments and fixed maturities, in respect of which the Bank has the positive intent and ability to hold to maturity.

4.3.1.3 Available for sale

These are investments, other than those in subsidiaries and associates, that do not fall under the held for trading or held to maturity categories.

4.3.1.4 Initial measurement

All "regular way" purchases and sales of investments are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the investment. Regular way purchases or sales of investments require delivery within the time frame generally established by regulation or convention in the market place.

Investments are initially recognised at fair value which, in the case of investments other than held for trading, includes transaction costs associated with the investments. Transaction costs on investments held for trading are expensed as incurred.

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4.3.1.6 Held for trading

These are measured at subsequent reporting dates at fair value. Gains and losses on re-measurement are included in the profit and loss account.

4.3.1.7 Held to maturity

These are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

4.3.1.8 Available for sale

Quoted securities classified as available for sale investments are measured at subsequent reporting dates at fair value. Any surplus or deficit arising thereon is kept in a separate account shown in the statement of financial position as part of the equity and is taken to the profit and loss account when realised upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. A decline in the carrying value is charged to the profit and loss account. A subsequent increase in the carrying value, upto the cost of the investment, is credited to the profit and loss account. Investments in other unquoted securities are valued at cost less impairment, if any.

4.3.1.9 Impairment

4.3.1.10 Impairment of available for sale equity investments

Available for sale equity investments are impaired when there has been a significant or prolonged decline in their fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price. A subsequent increase in the fair value of a previously impaired listed equity security is recorded in the statement of financial position in the surplus / deficit on revaluation of securities account and only recorded through the profit and loss account when realised on disposal.

4.3.1.11 Impairment of debt investments

Provisions for diminution in the value of debt securities are made as per the criteria prescribed by the Prudential Regulations issued by the SBP. Provision against debt investments by the Bank's overseas branches is made as per the requirements of the respective regulatory regimes in which the overseas branches operate.

4.3.1.12 Advances

Advances are stated net of specific and general provisions which are charged to the profit and loss account. Provision against advances by the Bank's branches in Pakistan is determined on the basis of the Prudential Regulations and other directives issued by the SBP. Provision against advances by the Bank's overseas branches are made in accordance with the requirements of the financial reporting regime of the respective countries in which the overseas branches operate.

4.4 Derivatives recorded at fair value through profit or loss

The Bank enters into derivative transactions with various counterparties. These include cross-currency swaps, forward foreign exchange contracts and forward government securities transactions. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately under 'Commitments' and 'Other assets/Other liabilities', respectively. Changes in the fair value of forward government securities transactions are included in 'Gain/(loss) on derivatives' in the profit and loss account, while for cross-currency swaps and forward foreign exchange contracts they are included in 'Income from dealing in foreign currencies'.

4.5 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.6 Sale under repurchase agreements

Securities sold under agreements to repurchase (Repo) at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest within 'Borrowings', reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is recorded as 'Interest expense' and is accrued over the life of the agreement using the contractual rate. When the counterparty has the right to sell or re-pledge the securities, the Bank reclassifies those securities in its statement of financial position to indicate that they are pledged as collateral.

4.7 Purchase under resale agreements

Securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within 'Lendings', reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in 'Interest earned' and is accrued over the life of the agreement using the contractual rate. If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within 'Other liabilities' and measured at fair value with any gains or losses included in profit and loss account.

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4.8 Bai Muajjal

Bai Muajjal transactions represent sales of Sukus on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.9 Basis of consolidation

4.9.1 Subsidiaries

The consolidated financial statements include the financial statements of the Bank and its subsidiary companies.

All subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company, except for non-banking subsidiaries in Pakistan which follow the requirements of IFRS 9 and IAS 40, and overseas subsidiaries which are required to comply with local regulations enforced within the respective jurisdictions.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group recognises non-controlling interests (NCI) in subsidiaries at the non-controlling interest's proportionate share of the net assets. NCI in the equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated profit and loss account, consolidated statement of comprehensive income and consolidated statement of changes in equity.

4.10 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement consist of cash and balances with treasury banks and balances with other banks.

4.11 Lendings to / borrowings from financial institutions

The Group enters into transactions of purchase under resale agreements (reverse repos), sale under repurchase agreements (repos) and other short term money market lendings to financial institutions at contracted rates for a specified period of time. Further, other long term lendings to financial institutions are classified in advances. These are recorded as under:

4.12 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

4.13 Finance lease receivables

Leases, where the Group transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance lease. A receivable is recognised at an amount equal to the present value of the minimum lease payments including guaranteed residual value, if any. Finance lease receivables are included in advances.

4.14 Islamic financings and related assets

Receivables under Murabaha financing represent cost price plus an agreed profit on deferred sale arrangement. Profit could be recognised on a straight line basis over the period of the instalments.

Ijarah financing represents arrangements whereby the Group (being the owner of assets) transfers its usufruct to its customers for an agreed period at an agreed consideration (rentals). Assets leased out under Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. These are depreciated over the term of the lease. Ijarah income is recognised on an accrual basis.

Diminishing Musharakah is partnership agreement between the Group and its customer for long term financing of assets. The receivable is recorded to the extent of Group's share in the purchase of asset. Income is recognised on accrual basis.

Istisna is a sale contract where the Group places an order to the manufacturer / builders to produce certain assets and the sale is completed upon the delivery of the assets to the ultimate buyer.

Running Musharakah facility is to finance the working capital requirement of the customer whereas partnership is based on particular operations of the business.

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4.15 Property and equipment

Property and equipment, other than land (which is not depreciated) and capital work-in-progress, are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses, if any. Land is carried at revalued amount less impairment losses while capital work-in-progress is stated at cost less impairment losses. The cost and the accumulated depreciation of property and equipment of overseas branches and subsidiaries include exchange differences arising on currency translation at the year-end rates of exchange.

Depreciation is calculated so as to write-off the depreciable amount of the assets over their expected useful lives at the rates specified in note 10.2 to these consolidated financial statements. The depreciation charge for the year is calculated on a straight line basis after taking into account the residual value, if any. The residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

Depreciation on additions is charged from the month the asset is available for use. No depreciation is charged in the month of disposal.

Land and buildings are revalued by independent, professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. An increase arising on revaluation is credited to the surplus on revaluation of property and equipment account. A decrease arising on revaluation of property and equipment account is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the profit and loss account up to the extent of the original impairment.

Surplus on revaluation of property and equipment (net of associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

Gains and losses on sale of property and equipment are included in the profit and loss account, except that the related surplus on revaluation of property and equipment (net of deferred tax) is transferred directly to unappropriated profit.

Major renewals and improvements that increase the useful life of an asset are capitalised and the assets so replaced, if any, are retired. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

4.16 Lease liability and Right-of-use asset

The Group enters into leasing arrangements for its branches, ATMs and warehouses. Rental contracts are typically for a fixed period and may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not be terminated).

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification.

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost model. The right of use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

4.17 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. The amortisation charge for the year is calculated on a straight line basis after taking into account the residual value, if any. Amortisation on additions is charged from the month the asset is available for use. No amortisation is charged in the month of disposal.

Gains and losses on sale of intangible assets are included in the profit and loss account.

4.18 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of property is credited to the 'surplus on revaluation of non-banking assets' account. A decrease arising on revaluation of non-banking asset is adjusted against the surplus of that asset or, if no surplus exists, is charged to the profit and loss account as an impairment of the asset. A surplus arising subsequently on an impaired asset is reversed through the profit and loss account up to the extent of the original impairment.

All direct costs of acquiring title to asset are charged to the profit and loss account. Gains and losses on sale of non-banking assets are included in the profit and loss account, except that the related surplus on revaluation of non-banking assets (net of deferred tax) is transferred directly to unappropriated profit.

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4.19 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws and at the prevailing rates for taxation on income earned by the Group for local as well as overseas operations. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred

Deferred tax is recognised using the balance sheet method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

The Group also recognises deferred tax asset / liability on the deficit / surplus on revaluation of property and equipment / non-banking assets acquired in satisfaction of claims and securities which is adjusted against the related deficit / surplus in accordance with the requirements of IAS 12, Income Taxes.

4.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events which makes it probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision for off balance sheet obligations is recognised when intimated and reasonable certainty exists that the Bank will be required to settle the obligation. The provision is charged to the profit and loss account net of expected recovery and the obligation is classified under other liabilities.

Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.21 Staff retirement and other benefits

4.21.1 The Bank

4.21.1.1 Staff retirement benefit schemes

The Bank operates the following staff retirement schemes for its employees

- a) For new employees and for those who opted for the below mentioned conversion option introduced in 2001, the Bank operates
 - an approved contributory provident fund (defined contribution scheme); and
 - an approved gratuity scheme (defined benefit scheme).
- b) For employees who have not opted for the conversion option introduced in 2001, the Bank operates
 - an approved non-contributory provident fund in lieu of the contributory provident fund; and
 - an approved funded pension scheme, introduced in 1975 (defined benefit scheme).

In 2001, the Bank modified the pension scheme and introduced a conversion option for employees covered under option (b) above to move to option (a). This conversion option ceased on December 31, 2003.

The Bank also operates benevolent fund for all its eligible employees (defined benefit scheme).

Annual contributions towards defined benefit schemes are made on the basis of actuarial advice using the Projected Unit Credit Method.

For the defined contribution scheme, the Bank pays contributions to the fund on a periodic basis. The Bank has no further payment obligation once the contributions have been paid. The contributions are recognised as an expense when the obligation to make payments to the fund has been established. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

4.21.1.2 Other benefits

a) Employees' compensated absences

The Bank makes provisions for compensated vested and non-vested absences accumulated by its eligible employees on the basis of actuarial advice under the Projected Unit Credit Method.

b) Post-retirement medical benefits (defined benefit scheme)

The Bank provides post-retirement medical benefits to eligible retired employees. Provision is made on the basis of actuarial advice under the Projected Unit Credit Method.

4.21.1.3 Remeasurement of defined benefit obligations

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income when they occur with no subsequent recycling through the profit and loss account.

Remeasurement gains and losses pertaining to long term compensated absences are recognised in the profit and loss account immediately.

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4.21.1.4 United National Bank Limited (UBL UK)

Defined benefit scheme

UBL UK operates a pension scheme (defined benefit scheme) for certain staff. This scheme is closed for new members and the accrual of benefits has ceased from January 1, 2010. Gains and losses on settlements and curtailments are charged to the profit and loss account. The interest cost and the expected return on assets are included in other liabilities and other assets respectively. Remeasurement gains and losses are recognised immediately in other comprehensive income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of UBL UK, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured based on actuarial valuations using the Projected Unit Credit Method. The actuarial valuations are obtained at least triennially and are updated at each statement of financial position date.

Defined contribution scheme

UBL UK operates a defined contributory pension scheme. The contribution payable in the year in respect of pension costs and other post-retirement benefits is charged to the profit and loss account. Differences between the contribution payable in the year and contribution actually paid are shown as either accruals or prepayments in the statement of financial position.

4.21.1.5 UBL Fund Managers Limited (UBL FM)

Defined benefit plan

UBL FM operates an approved funded gratuity scheme for all employees. Annual contributions to the fund are made on the basis of actuarial advice using the Projected Unit Credit Method. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income when they occur with no subsequent recycling through the profit and loss account.

Defined contribution plan

UBL FM operates an approved contributory provident fund (defined contribution scheme) for all eligible employees.

Employee Stock Option Scheme

UBL FM provides an incentive scheme for its top performing employees in the form of share options under the Employee Stock Option Scheme (ESOS). The scheme has been approved by the SECP.

4.22 Subordinated debt

Subordinated debt is initially recorded at the amount of proceeds received. Mark-up accrued on subordinated debt is recognised separately as part of other liabilities and is charged to the profit and loss account over the period on an accrual basis.

4.23 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised on an accrual basis as an expense in the period in which it is incurred.

4.24 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognised.

4.25 Advances and investments

Mark-up / return / interest on performing advances and investments is recognised on a time proportionate basis over the term of the advances and investments that takes into account the effective yield of the asset. Where debt securities are purchased at a premium or discount, such premium / discount is amortised through the profit and loss account over the remaining period of maturity of the debt securities.

Interest or mark-up recoverable on non-performing advances and investments is recognised on a receipt basis.

4.26 Lease financing

Income from lease financing is accounted for using the financing method. Under this method, the unearned lease income (defined as the sum of total lease rentals and estimated residual value less the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease. Gains or losses on termination of lease contracts are recognised through the profit and loss account when these are realised. Unrealised lease income and other fees on classified leases are recognised on a receipt basis.

4.27 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

4.28 Fee, brokerage and commission income

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

The Group recognises fees earned on transaction-based arrangements at a point in time when the Group has provided the service to the customer. Where the contract requires services to be provided over time, income is recognised on a systematic basis over the life of the related services. Unearned fee and commission are included under Other Liabilities.

4.29 Foreign currencies

4.29.1 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

4.29.2 Foreign currency transactions

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date. Forward foreign exchange contracts and foreign bills purchased are valued in rupees at the forward foreign exchange rates applicable to their respective maturities.

Non-monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the date of initial recognition of the non-monetary assets / liabilities.

4.29.3 Overseas operations and subsidiaries

The assets and liabilities of overseas operations and subsidiaries are translated to rupees at exchange rates prevailing at the statement of financial position date. The results of overseas operations and subsidiaries are translated at the average rate of exchange for the year.

4.29.4 Translation gains and losses

Translation gains and losses are taken to the profit and loss account, except those arising on translation of the net investment in overseas branches and subsidiaries which are taken to capital reserves (Exchange Translation Reserve) until the disposal of the net investment, at which time these are recognised in the profit and loss account.

4.30 Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

4.31 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing particular products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments.

4.32 Business segments

(a) Corporate / Commercial Banking

Includes project, trade and working capital finance, import and export, factoring, leasing, lending, deposits and guarantees. It also includes services provided in connection with mergers and acquisitions and the underwriting / arrangement of debt and equity instruments through syndications, Initial Public Offerings and private placements.

(b) Treasury

Includes fixed income, equity, foreign exchange, credit, funding, own position securities, lendings and borrowings and derivatives for hedging and market making.

(c) Branch Banking

Includes deposits, lendings and banking services to private individuals and small businesses including credit cards and branchless banking.

(d) Islamic Banking

This represents Islamic banking branches and Islamic banking windows in the conventional branches of the Bank.

(e) International Branch Operations

This represents Bank's operations in overseas locations including one branch each in export processing zones in Karachi and Sialkot.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

(f) Subsidiaries

Represents operations by Bank's subsidiaries.

(g) Others

Others includes functions which cannot be classified in any of the above segments.

4.33 Geographical segments

The Group operates in following geographical regions:

- Pakistan
- Middle East
- Export Processing Zones in Karachi and Sialkot

4.34 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recorded in the year in which these are approved, except appropriations required by law which are recorded in the period to which they pertain.

4.35 Acceptances

Acceptances comprise undertakings by the Group to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

Note	2024 ----- (Rupees in '000)	2023 -----
------	-----------------------------------	---------------

	53,476,586	27,876,981
	8,928,893	13,068,432
	62,405,479	40,945,413

5. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	
Foreign currencies	

	53,476,586	27,876,981
	8,928,893	13,068,432
	62,405,479	40,945,413

With State Bank of Pakistan in

Local currency current accounts	
Foreign currency current accounts	
Foreign currency deposit account	

5.1	108,175,484	88,035,634
5.2	5,094,782	5,306,080
5.3	8,205,041	9,473,621

With other central banks in

Foreign currency current accounts	
Foreign currency deposit accounts	

5.4	88,215,425	50,093,433
5.5	19,326,856	10,684,831
	107,542,281	60,778,264

With National Bank of Pakistan in

Local currency current accounts	
---------------------------------	--

19,133,450	72,368,067
------------	------------

National Prize Bonds

479,356	448,681
311,035,873	277,355,760

Less: Credit loss allowance held against cash and balances with treasury banks

Cash and balances with treasury banks - net of credit loss allowance

(199,497)	-
310,836,376	277,355,760

5.1 This represents current accounts maintained with the SBP under the Cash Reserve Requirement of section 22 of the Banking Companies Ordinance, 1962.

5.2 These represent foreign currency current accounts maintained under the Cash Reserve Requirement of the SBP.

5.3 This represents account maintained with the SBP to comply with the Special Cash Reserve Requirement. The return on this account is declared by the SBP on a monthly basis and as at December 31, 2024, it carries mark-up rate at 3.53% (2023: 4.34%) per annum.

5.4 These represent current accounts maintained with other central banks of the countries in which the Group operates, to meet the minimum cash reserves and capital requirements pertaining to the overseas branches and subsidiaries of the Group.

5.5 These represent placements with overseas central banks and carry mark-up at rates ranging from 4.60% to 5.00% (2023: 5.75% to 6.37%) per annum.

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
6.			
BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		-	1,659
In deposit accounts		7	7
		7	1,666
Outside Pakistan			
In current accounts	6.1	47,801,939	26,393,747
In deposit accounts		12,173,491	7,034,958
		59,975,430	33,428,705
		59,975,437	33,430,371
Less: Credit loss allowance held against balances with other banks	6.2	(7,191)	-
Balances with Other Banks - net of credit loss allowance		<u>59,968,246</u>	<u>33,430,371</u>
6.1			
These carry mark-up at rates ranging from 4.19% to 4.70% (2023: 4.50% to 5.70%) per annum.			
6.2			
Balances with other banks are classified as stage 1.			
7.			
LENDINGS TO FINANCIAL INSTITUTIONS			
		2024	2023
		----- (Rupees in '000) -----	
Musharakah lending	7.2	-	12,500,000
Repurchase agreement lendings (reverse repo)	7.3 & 7.5	2,492,483	21,947,852
Call / clean money lending		-	4,868,418
Bai Muajjal receivable with Scheduled bank / financial institution	7.4	16,000,000	-
		18,492,483	39,316,270
Less: Credit loss allowance held against lending to financial institutions		-	-
Lending to financial institutions - net of credit loss allowance		<u>18,492,483</u>	<u>39,316,270</u>
7.1			
Particulars of lendings to financial institutions		2024	2023
		----- (Rupees in '000) -----	
In local currency		18,492,483	34,447,852
In foreign currencies		-	4,868,418
		18,492,483	39,316,270
7.2			
These represent unsecured lendings carrying mark-up ranging from Nil (2023: 22.05% to 22.50%) per annum.			
7.3			
These represent lendings to financial institutions against investment securities. These carry mark-up ranging from 13.89% (2023: 22.05% to 22.95%) per annum, and are due to mature in January 2025.			
7.4			
These represent secured lendings against investment securities carrying mark-up at 13.90% (2023: Nil) per annum.			
7.5			
Securities held as collateral against lendings to financial institutions		2024	2023
	Held by Group	Further given as collateral	Total
	----- (Rupees in '000) -----		
Market Treasury Bills	2,492,483	-	2,492,483
Pakistan Investment Bonds	-	-	21,947,852
Government of Pakistan Sukuk	16,000,000	-	16,000,000
Total	18,492,483	-	18,492,483
	Held by Group	Further given as collateral	Total
	----- (Rupees in '000) -----		
Market Treasury Bills	2,492,483	-	2,492,483
Pakistan Investment Bonds	-	-	21,947,852
Government of Pakistan Sukuk	16,000,000	-	16,000,000
Total	18,492,483	-	18,492,483

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

INVESTMENTS		2023																		
8.1	Investments by type	Note	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value										
			(Rupees in '000)																	
Debt Instruments																				
FVTPL																				
Federal Government securities			22,066,195	-	35,068	22,101,263		-	-	-										
			22,066,195	-	35,068	22,101,263	-	-	-	-										
Held for trading securities																				
Federal Government securities							79,035,823		(79,074)	78,956,749										
			-	-	-	-	79,035,823	-	(79,074)	78,956,749										
FVOCI																				
Federal Government securities			5,330,704,079	(1,556,324)	75,876,139	5,405,023,894		-	-	-										
Non-Government debt securities			462,335	(162,407)	-	299,928		-	-	-										
Foreign securities			112,833,367	(15,298)	(2,841,124)	109,976,945		-	-	-										
			5,443,999,781	(1,734,029)	73,035,015	5,515,300,767	-	-	-	-										
Available for sale securities																				
Federal Government securities							3,811,624,681	(12,421,631)	5,026,047	3,804,229,097										
Non-Government debt securities			-	-	-	-	3,964,758	(162,334)	(674,087)	3,128,337										
Foreign securities			-	-	-	-	172,534,321	(23,993)	(3,010,385)	169,499,943										
			-	-	-	-	3,988,123,760	(12,607,958)	1,341,575	3,976,857,377										
Amortised cost																				
Federal Government Securities			277,953,188	-	-	277,953,188		-	-	-										
Non Government debt securities			20,604,187	(1,264,743)	-	19,339,444		-	-	-										
Foreign securities			25,321,895	(15,335)	-	25,306,560		-	-	-										
			323,879,270	(1,280,078)	-	322,599,192	-	-	-	-										
Held to maturity securities																				
Federal Government Securities							308,215,895	(4,406,225)	-	303,809,670										
Non Government debt securities			-	-	-	-	22,764,643	(1,293,634)	-	21,471,009										
Foreign securities			-	-	-	-	38,098,926	(541,128)	-	37,557,798										
			-	-	-	-	369,079,464	(6,240,987)	-	362,838,477										
Instruments mandatorily classified as FVTPL																				
Non-Government debt securities			1,864,933	-	-	1,864,933	-	-	-	-										
Total Debt Investment			5,791,810,179	(3,014,107)	73,070,083	5,861,866,155	4,436,239,047	(18,848,945)	1,262,501	4,418,652,603										
Equity instruments																				
FVOCI																				
Ordinary shares																				
- Listed companies			12,989,295	-	7,463,396	20,452,691		-	-	-										
- Unlisted companies			1,656,572	-	(50,317)	1,606,255		-	-	-										
			14,645,867	-	7,413,079	22,058,946	-	-	-	-										
Real Estate Investment Trust units																				
495,545																				
456,325																				
951,870																				
Available for sale securities																				
Ordinary shares																				
- Listed companies							13,243,966	(6,048,102)	3,570,071	10,765,935										
- Unlisted companies			-	-	-	-	779,288	(59,019)	-	720,269										
			-	-	-	-	14,023,254	(6,107,121)	3,570,071	11,486,204										

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.1 Investments by type - continued

	2024				2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Real Estate Investment Trust units	-	-	-	507,834	-	108,398	616,232	
Associates								
- UBL Liquidity Plus Fund	97,012	-	-	97,012	591,213	-	591,213	
- UBL Stock Advantage Fund	237,216	-	-	237,216	-	-	-	
- UBL Special Savings Plan XI	-	-	-	-	1,533,503	-	1,533,503	
- UBL Exchange Traded Fund	46,280	-	-	46,280	28,122	-	28,122	
- UBL Dedicated Equity Fund	-	-	-	-	83,864	-	83,864	
- Al Ameen Islamic Energy Fund	121,967	-	-	121,967	132,535	-	132,535	
- Al Ameen Islamic Dedicated Equity Fund	-	-	-	-	65,766	-	65,766	
- Al Ameen Islamic Fixed Return Plan	-	-	-	-	14,313	-	14,313	
- Al Ameen Islamic Income Fund	-	-	-	-	38,567	-	38,567	
- Al-Ameen Islamic Cash Plan I	175,273	-	-	175,273	1,583,806	-	1,583,806	
- UBPK - Money Market Sub Fund	36,372	-	-	36,372	30,385	-	30,385	
- UBPK - Debt Sub-Fund	589	-	-	589	-	-	-	
- UBPK - Equity Sub-Fund	589	-	-	589	-	-	-	
- UBPK-Equity Index Sub Fund	589	-	-	589	-	-	-	
- AIKPK - Money Market Sub Fund	35,331	-	-	35,331	30,392	-	30,392	
- AIKPK - Debt Sub-Fund	573	-	-	573	-	-	-	
- AIKPK - Equity Sub-Fund	573	-	-	573	-	-	-	
- AIKPK-Equity Index Sub Fund	573	-	-	573	-	-	-	
- UBL Money Market Fund	2,899,023	-	-	2,899,023	-	-	-	
- UBL Fixed Return Plan - II B	-	-	-	-	54,869	-	54,869	
- UBL Fixed Return Plan - II D	-	-	-	-	56,640	-	56,640	
- UBL Fixed Return Plan - II E	-	-	-	-	40,673	-	40,673	
- UBL Fixed Return Plan - II F	40,909	-	-	40,909	-	-	-	
- Al-Ameen Shariah Stock Fund	-	-	-	-	25,319	-	25,319	
- UBL Government Securities Fund	335,158	-	-	335,158	-	-	-	
- UBL Insurers Limited	860,843	-	-	860,843	685,864	-	685,864	
- Khushhali Bank Limited	1,057,485	(1,057,485)	-	-	1,033,786	(1,033,786)	-	-
	5,946,355	(1,057,485)	-	4,888,870	6,029,617	(1,033,786)	-	4,995,831
	5,812,897,946	(4,071,592)	80,939,487	5,889,765,841	4,456,799,752	(25,989,852)	4,940,970	4,435,750,870

8.2 Investments by segment

Note	2024				2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Federal Government Securities								
Market Treasury Bills	399,958,123	-	9,702,416	409,660,539	1,777,572,181	-	4,084,134	1,781,656,315
Pakistan Investment Bonds	8.9 & 8.10 [4,897,205,786]	-	44,076,922	4,941,282,708	1,904,352,770	-	(5,576,146)	1,898,776,624
Government of Pakistan Sukuk	278,001,570	-	21,400,329	299,401,899	448,138,446	(410,122)	7,532,654	455,260,978
Government of Pakistan Eurobonds	5,261,130	(1,556,324)	731,540	4,436,346	63,103,986	(16,417,734)	(1,093,669)	45,592,583
Bai Muajjal with Government of Pakistan	47,618,148	-	-	47,618,148	-	-	-	-
Islamic Naya Pakistan Certificates	8.4 [2,678,705]	-	-	2,678,705	5,709,016	-	-	5,709,016
	5,630,723,462	(1,556,324)	75,911,207	5,705,078,345	4,198,876,399	(16,827,856)	4,946,973	4,186,995,516
Ordinary shares								
Listed companies	8.6.2 [12,989,295]	-	7,463,396	20,452,691	13,243,966	(6,048,102)	3,570,071	10,765,935
Unlisted companies	[1,656,572]	-	(50,317)	1,606,255	779,288	(59,019)	-	720,269
	14,645,867	-	7,413,079	22,058,946	14,023,254	(6,107,121)	3,570,071	11,486,204

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.2 Investments by segment - continued

Note	2024				2023			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Real Estate Investment Trust units	8.6.2	495,545	-	456,325	951,870	507,834	-	108,398
Non Government Debt Securities								
Listed companies		2,247,813	(315)	-	2,247,498	2,310,437	-	2,310,437
Unlisted companies		20,683,642	(1,426,835)	-	19,256,807	24,418,964	(1,455,968)	22,288,909
		22,931,455	(1,427,150)	-	21,504,305	26,729,401	(1,455,968)	24,599,346
Foreign Securities								
Market Treasury Bills		22,934,112	-	20,253	22,954,365	83,605,493	-	55,839
Foreign bonds - sovereign		112,397,524	(29,686)	(2,744,533)	109,623,305	115,022,936	(564,103)	111,572,202
Foreign bonds - others		2,823,021	(947)	(116,844)	2,705,230	12,004,206	(1,018)	(179,593)
CDC SAARC Fund		605	-	-	605	612	-	612
		138,155,262	(30,633)	(2,841,124)	135,283,505	210,633,247	(565,121)	(3,010,385)
Associates								
- UBL Liquidity Plus Fund		97,012	-	-	97,012	591,213	-	591,213
- UBL Stock Advantage Fund		237,216	-	-	237,216	-	-	-
- UBL Special Savings Plan XI		-	-	-	-	1,533,503	-	1,533,503
- UBL Exchange Traded Fund		46,280	-	-	46,280	28,122	-	28,122
- UBL Dedicated Equity Fund		-	-	-	-	83,864	-	83,864
- UBPK - Money Market Sub Fund		36,372	-	-	36,372	30,385	-	30,385
- UBPK - Debt Sub-Fund		589	-	-	589	-	-	-
- UBPK - Equity Sub-Fund		589	-	-	589	-	-	-
- UBPK-Equity Index Sub Fund		589	-	-	589	-	-	-
- AIKPK - Money Market Sub Fund		35,331	-	-	35,331	30,392	-	30,392
- AIKPK - Debt Sub-Fund		573	-	-	573	-	-	-
- AIKPK - Equity Sub-Fund		573	-	-	573	-	-	-
- AIKPK-Equity Index Sub Fund		573	-	-	573	-	-	-
- UBL Money Market Fund		2,899,023	-	-	2,899,023	-	-	-
- UBL Government Securities Fund		335,158	-	-	335,158	-	-	-
- UBL Fixed Return Plan - II B		-	-	-	-	54,869	-	54,869
- UBL Fixed Return Plan - II D		-	-	-	-	56,640	-	56,640
-								

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.3 Particulars of credit loss allowance against debt securities

	2024			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				

8.3.1 Investments - exposure

Opening balance	4,367,573,982	65,683,577	641,383	4,433,898,942
Exchange adjustments	(2,826,212)	(780,589)	-	(3,606,801)
New investments	4,423,736,857	-	-	4,423,736,857
Investments derecognised or repaid	(2,961,564,504)	(56,815,437)	(23,100)	(3,018,403,041)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
	1,462,172,353	(56,815,437)	(23,100)	1,405,333,816
Disposal of subsidiary	(43,815,778)	-	-	(43,815,778)
Closing balance	<u>5,783,104,345</u>	<u>8,087,551</u>	<u>618,283</u>	<u>5,791,810,179</u>

8.3.2 Investments - credit loss allowance

	2024			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				
Gross carrying amount	47,697	18,159,865	617,684	18,825,246
Impact of ECL recognised on adoption of IFRS 9	7,501	-	-	7,501
Exchange adjustments	(628)	(94,014)	-	(94,642)
New investments - net	-	-	-	-
Investments repaid	(7,047)	(221,180)	(23,100)	(251,327)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
	(7,047)	(221,180)	(23,100)	(251,327)
Investments derecognised		(15,474,456)	-	(15,474,456)
Changes in risk parameters	(16,304)	(5,610)	23,699	1,785
Closing balance	<u>31,219</u>	<u>2,364,605</u>	<u>618,283</u>	<u>3,014,107</u>

8.3.3 Credit loss allowance / provision for diminution in value of investments

Note	2024	2023
----- (Rupees in '000) -----		

Opening balance	25,989,852	28,604,522
Exchange adjustments	(94,642)	3,388,726
Impact of reclassification on adoption of IFRS 9	(6,107,121)	-
Impact of ECL recognised on adoption of IFRS 9	7,501	-
Charge / (reversals)		
Charge for the year	131,869	7,376,097
Reversals for the year	(381,411)	(1,266,052)
Derecognition of ECL on disposals	(249,542)	6,110,045
Closing balance	<u>(15,474,456)</u>	<u>(12,113,441)</u>
	<u>4,071,592</u>	<u>25,989,852</u>

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Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.3.4 Category of classification

	2024	
	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----		

Domestic		
Performing		
Underperforming		
Non-Performing		
Substandard		
Doubtful		
Loss		
Stage 1	5,645,069,663	589
Stage 2	-	-
Stage 3	618,283	618,283
	<u>5,645,687,946</u>	<u>618,872</u>

Overseas		
Performing		
Underperforming		
Non-Performing		
Substandard		
Doubtful		
Loss		
Stage 1	138,034,682	30,630
Stage 2	8,087,551	2,364,605
Stage 3	-	-
	<u>146,122,233</u>	<u>2,395,235</u>
	<u>5,791,810,179</u>	<u>3,014,107</u>

	2023	
	Non Performing Investment	Provision
----- (Rupees in '000) -----		
Domestic		
Loss	641,383	641,383
Total	<u>641,383</u>	<u>641,383</u>

8.4 This represents investment made for the establishment of the modaraba pools in Islamic Naya Pakistan Certificate Company Limited in accordance with S.R.O 964 (I) / 2020 dated October 05, 2020.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.5 Investment in associates

8.5.1 Movement of Investment in associates

Note	2024								
	Country of incorporation	Percentage Holding	Investment at the beginning of the year	Investment / (Redemption) during the year	Share of profit / (loss)	Dividend received	Share of unrealised (loss) / surplus on assets		
	(Rupees in '000)								
UBL Liquidity Plus Fund	8.5.1.1	Pakistan	0.34%	591,213	(576,794)	159,166	(76,574)	-	97,011
UBL Financial Sector Fund	8.5.1.1	Pakistan	0.00%	-	(1,382)	1,382	-	-	-
UBL Special Savings Plan XI	8.5.1.1	Pakistan	0.00%	1,533,503	(1,333,205)	(46,490)	(153,808)	-	-
UBL Pakistan Enterprise Exchange Traded Fund	8.5.1.1	Pakistan	67.46%	28,122	-	11,517	(3,337)	9,978	46,280
UBKPK - Money Market Sub Fund	8.5.1.1	Pakistan	67.20%	30,385	-	5,987	-	-	36,372
UBKPK - Debt Sub-Fund	8.5.1.1	Pakistan	100.00%	-	500	89	-	-	589
UBKPK - Equity Sub-Fund	8.5.1.1	Pakistan	100.00%	-	500	89	-	-	589
UBKPK-Equity Index Sub Fund	8.5.1.1	Pakistan	100.00%	-	500	89	-	-	589
UBL Dedicated Equity Fund	8.5.1.1	Pakistan	0.00%	83,864	(44,626)	(32,976)	(6,262)	-	-
UBL Fixed Return Plan - II B	8.5.1.1	Pakistan	0.00%	54,869	(49,003)	(5,239)	(627)	-	-
UBL Fixed Return Plan - II D	8.5.1.1	Pakistan	0.00%	56,640	(49,779)	2,182	(9,043)	-	-
UBL Fixed Return Plan - II E	8.5.1.1	Pakistan	0.00%	40,673	(40,817)	144	-	-	-
UBL Fixed Return Plan - II J	8.5.1.1	Pakistan	0.00%	-	-	1,137	(1,137)	-	-
UBL Fixed Return Plan - II K	8.5.1.1	Pakistan	0.00%	-	-	3,300	(3,300)	-	-
UBL Fixed Return Plan - II L	8.5.1.1	Pakistan	0.00%	-	-	66,075	(66,075)	-	-
UBL Fixed Return Plan - II O	8.5.1.1	Pakistan	0.00%	-	-	(24)	24	-	-
UBL Fixed Return Plan - II S	8.5.1.1	Pakistan	0.00%	-	(101,949)	101,949	-	-	-
UBL Fixed Return Plan - II N	8.5.1.1	Pakistan	0.00%	-	(514)	514	-	-	-
UBL Fixed Return Plan - III N	8.5.1.1	Pakistan	0.00%	-	-	423	(423)	-	-
UBL Fixed Return Plan - III O	8.5.1.1	Pakistan	0.00%	-	-	452	(452)	-	-
UBL Fixed Return Plan - IV B	8.5.1.1	Pakistan	0.00%	-	(2,435)	3,811	(1,376)	-	-
UBL Fixed Return Plan - IV F	8.5.1.1	Pakistan	20.88%	-	(150,288)	191,197	-	40,909	-
UBL Government Securities Fund	8.5.1.1	Pakistan	3.29%	-	310,000	25,158	-	335,158	-
UBL Stock Advantage Fund	8.5.1.1	Pakistan	1.44%	-	130,311	106,978	(74)	-	237,215
UBL Money Market Fund	8.5.1.1	Pakistan	4.03%	-	2,895,554	3,469	-	2,899,023	-
AIKPK - Money Market Sub Fund	8.5.1.2	Pakistan	49.31%	30,392	-	4,939	-	35,331	-
AIKPK - Debt Sub-Fund	8.5.1.2	Pakistan	100.00%	-	500	73	-	573	-
AIKPK - Equity Sub-Fund	8.5.1.2	Pakistan	100.00%	-	500	73	-	573	-
AIKPK-Equity Index Sub Fund	8.5.1.2	Pakistan	100.00%	-	500	73	-	573	-
Al Ameen Islamic Energy Fund	8.5.1.2	Pakistan	2.76%	132,535	(49,488)	39,284	(364)	-	121,967
Al Ameen Islamic Dedicated Equity Fund	8.5.1.2	Pakistan	0.00%	65,766	(48,749)	(17,017)	-	-	-
Al-Ameen Shariah Stock Fund	8.5.1.2	Pakistan	0.00%	25,319	(25,784)	465	-	-	-
Al Ameen Islamic Fixed Return Plan - I F	8.5.1.2	Pakistan	0.00%	14,313	(13,873)	(440)	-	-	-
Al Ameen Islamic Income Fund	8.5.1.2	Pakistan	0.00%	38,567	(37,776)	(791)	-	-	-
Al-Ameen Islamic Cash Plan I	8.5.1.2	Pakistan	0.93%	1,583,806	(1,417,122)	33,937	(25,346)	-	175,275
Al-Ameen Islamic Cash Fund	8.5.1.2	Pakistan	0.00%	-	(530)	530	-	-	-
Al-Ameen Islamic Sovereign Fund	8.5.1.2	Pakistan	0.00%	-	(45)	45	-	-	-
UBL Insurers Limited	8.5.1.3	Pakistan	30.00%	685,864	-	209,934	(54,613)	19,658	860,843
Khushhali Microfinance Bank Limited	8.12	Pakistan	27.82%	1,033,786	-	23,699	-	1,057,485	-
				6,029,617	(605,294)	895,183	(402,787)	29,636	5,946,355

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Note	Country of incorporation	Percentage Holding	Investment at the beginning of the year	Investment / (Redemption) during the year	Share of profit / (loss)	Dividend received	Share of unrealised surplus on assets	Investment at the end of the year	(Rupees in '000)
									(Rupees in '000)
UBL Liquidity Plus Fund	8.5.1.1	Pakistan	1.93%	3,136,843	(2,553,492)	178,738	(170,876)	-	591,213
UBL Financial Sector Fund	8.5.1.1	Pakistan	0.00%	302,178	(399,353)	102,177	(5,002)	-	-
UBL Special Savings Plan VIII	8.5.1.1	Pakistan	0.00%	103,212	(93,933)	3,069	(12,348)	-	-
UBL Special Savings Plan X	8.5.1.1	Pakistan	0.00%	-	(75)	372	(297)	-	-
UBL Special Savings Plan XI	8.5.1.1	Pakistan	100.00%	-	-	1,439,000	94,800	(297)	-
UBL Pakistan Enterprise Exchange Traded Fund	8.5.1.1	Pakistan	76.09%	20,310	-	15,521	(2,748)	(4,961)	28,122
UBL Cash Fund	8.5.1.1	Pakistan	0.00%	-	(3,971)	7,497	(3,526)	-	-
UBKPK - Money Market Sub Fund	8.5.1.1	Pakistan	96.51%	-	30,000	385	-	-	30,385
UBL Dedicated Equity Fund	8.5.1.1	Pakistan	99.60%	94,262	(69,460)	60,060	(998)	-	83,864
UBL Fixed Return Plan I B	8.5.1.1	Pakistan	0.00%	1,040	(990)	(30)	(20)	-	-
UBL Fixed Return Plan I C	8.5.1.1	Pakistan	0.00%	-	(3,037)	3,265	(228)	-	-
UBL Fixed Return Plan I D	8.5.1.1	Pakistan	0.00%	10,047	(9,953)	734	(828)	-	-
UBL Fixed Return Plan I F	8.5.1.1	Pakistan	0.00%	-	-	744	(744)	-	-
UBL Fixed Return Plan I G	8.5.1.1	Pakistan	0.00%	-	(996)	996	-	-	-
UBL Fixed Return Plan I K	8.5.1.1	Pakistan	0.00%	-	-	420	(420)	-	-
UBL Fixed Return Plan - II A	8.5.1.1	Pakistan	0.00%	-	(91)	7,645	(7,554)	-	-
UBL Fixed Return Plan - II B	8.5.1.1	Pakistan	28.84%	-	-	49,171	11,227	(5,529)	-
UBL Fixed Return Plan - II D	8.5.1.1	Pakistan	59.96%	-	-	49,779	8,336	(1,475)	-
UBL Fixed Return Plan - II E	8.5.1.1	Pakistan	59.96%	-	-	39,682	3,113	(2,122)	-
UBL Fixed Return Plan - II H	8.5.1.1	Pakistan	0.00%	-	(3,241)	3,241	-	-	-
UBL Fixed Return Plan - III C	8.5.1.1	Pakistan	0.00%	-	-	17,122	(17,122)	-	-
UBL Fixed Return Plan - III D	8.5.1.1	Pakistan	0.00%	-	(502)	3,813	(3,311)	-	-
UBL Fixed Return Plan - III F	8.5.1.1	Pakistan	0.00%	-	-	347	(347)	-	-
UBL Fixed Return Plan - III I	8.5.1.1	Pakistan	0.00%	-	(1)	1,101	(1,100)	-	-
UBL Government Securities Fund	8.5.1.1	Pakistan	0.00%	-	514	(492)	35	(57)	-
UBL Money Market Fund	8.5.1.1	Pakistan	0.00%	-	(86)	230	(144)	-	-
AIKPK - Money Market Sub Fund	8.5.1.2	Pakistan	95.41%	-	-	30,000	392	-	-
Al Ameen Islamic Energy Fund	8.5.1.2	Pakistan	15.62%	157,746	(110,665)	85,454	-	-	132,535
Al Ameen Islamic Dedicated Equity Fund	8.5.1.2	Pakistan	100.00%	52,163	(13,804)	27,407	-	-	65,766
Al-Ameen Shariah Stock Fund	8.5.1.2	Pakistan	0.31%	-	-	24,286	1,033	-	25,319

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Net Assets	<u>2,869,478</u>	<u>2,286,216</u>

Percentage holding	30.00%	30.00%
Group's share of net assets	860,843	685,864
Carrying amount of interest in associates	<u>860,843</u>	<u>685,864</u>

8.5.2 Summary of financial position and performance of associates

2024					
Country of Incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)
(Rupees in '000) -----					

UBL Liquidity Plus Fund	Pakistan	0.34%	28,938,747	162,764	5,947,830	5,492,907
UBL Money Market Fund	Pakistan	4.03%	72,109,093	146,521	3,889,986	3,588,253
UBL Stock Advantage Fund	Pakistan	1.44%	16,708,950	247,160	6,833,089	6,453,386
UBL Exchange Traded Fund	Pakistan	67.46%	70,523	1,916	6,747	5,816
UBKPK - Money Market Sub Fund	Pakistan	67.20%	54,510	387	8,391	7,926
UBKPK - Debt Sub-Fund	Pakistan	100.00%	594	5	188	178
UBKPK - Equity Sub-Fund	Pakistan	100.00%	594	5	188	178
UBKPK-Equity Index Sub Fund	Pakistan	100.00%	594	5	188	178
AIKPK - Money Market Sub Fund	Pakistan	49.31%	73,682	2,037	8,240	7,736
AIKPK - Debt Sub-Fund	Pakistan	100.00%	578	5	156	146
AIKPK - Equity Sub-Fund	Pakistan	100.00%	578	5	156	146
AIKPK-Equity Index Sub Fund	Pakistan	100.00%	578	5	156	146
UBL Fixed Return Plan - IV F	Pakistan	20.88%	202,897	6,973	12,160	4,604
UBL Government Securities Fund	Pakistan	3.29%	10,323,536	147,714	1,693,349	1,554,876
Al Ameen Islamic Energy Fund	Pakistan	2.76%	4,572,377	151,889	1,533,462	1,467,469
Al-Ameen Islamic Cash Plan I	Pakistan	0.93%	18,784,707	38,271	3,801,563	3,589,564
UBL Insurers Limited	Pakistan	30.00%	12,613,753	9,744,275	2,187,466	684,320
Khushhali Microfinance Bank Limited	Pakistan	27.82%	107,756,868	126,143,242	26,070,619	(8,908,093)

2023					
Country of Incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)
(Rupees in '000) -----					

UBL Liquidity Plus Fund	Pakistan	1.93%	33,608,602	2,993,803	6,078,949	5,668,256
UBL Special Savings Plan XI	Pakistan	100.00%	1,537,493	3,987	102,860	94,503
UBL Exchange Traded Fund	Pakistan	76.09%	38,000	1,039	4,850	4,206
UBKPK - Money Market Sub Fund	Pakistan	96.51%	31,499	17	415	399
AIKPK - Money Market Sub Fund	Pakistan	95.41%	31,870	17	427	410
UBL Dedicated Equity Fund	Pakistan	99.60%	87,081	2,882	57,524	53,365
UBL Fixed Return Plan - II B	Pakistan	28.84%	194,054	3,808	37,590	35,027
UBL Fixed Return Plan - II D	Pakistan	59.96%	94,907	442	12,728	11,672
UBL Fixed Return Plan - II E	Pakistan	59.96%	600,771	532,937	238,322	222,212
Al Ameen Islamic Energy Fund	Pakistan	15.62%	964,600	116,326	316,011	285,583
Al Ameen Islamic Dedicated Equity Fund	Pakistan	100.00%	80,806	15,040	28,370	23,582
Al-Ameen Shariah Stock Fund	Pakistan	0.31%	9,068,988	873,589	2,931,914	2,639,129
Al Ameen Islamic Fixed Return Plan - I F	Pakistan	3.02%	474,992	1,100	56,496	53,153
Al Ameen Islamic Income Fund	Pakistan	13.05%	297,686	2,119	17,201	15,838
Al-Ameen Islamic Cash Plan I	Pakistan	6.25%	25,429,363	99,278	3,992,469	3,783,620
UBL Insurers Limited	Pakistan	30.00%	10,658,604	8,372,388	1,993,150	453,995
Khushhali Microfinance Bank Limited	Pakistan	27.82%	115,121,536	111,405,418	6,358,050	(5,957,226)

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.6 Quality of Securities

Details regarding quality of securities held under "Held to Collect and Sell" model are as follows

	2024	2023
	Cost ----- (Rupees in '000) -----	Cost ----- (Rupees in '000) -----
Market Treasury Bills	395,024,093	1,759,608,269
Pakistan Investment Bonds	4,661,754,267	1,564,416,221
Government of Pakistan Sukus	265,985,884	435,136,727
Islamic Naya Pakistan Certificates	2,678,705	5,709,016
Government of Pakistan Eurobonds	5,261,130	46,754,448
	5,330,704,079	3,811,624,681

8.6.2 Shares and units

Listed Companies

Cement	1,158,240	1,158,240
Chemical	-	559,228
Commercial Banks	139,865	518,765
Engineering	311,831	311,831
Fertilizer	3,915,270	4,305,054
Oil and Gas Exploration Companies	1,940,334	2,007,252
Oil and Gas Marketing Companies	569,150	569,150
Power Generation and Distribution	2,382,851	2,382,851
Technology & Communication	74,930	75,820
Textile Composite	1,953,897	812,848
Textile Spinning	395,927	395,927
Miscellaneous	147,000	147,000
	12,989,295	13,243,966

Unlisted Companies

	2024	2023
	Cost ----- (Rupees in '000) -----	Cost ----- (Rupees in '000) -----
Cinepax Limited	60,122	60,122
First Women Bank Limited	21,100	71,151
National Institutional Facilitation Technologies (Pvt.) Limited	1,527</td	

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024	2023
Units	Cost ----- (Rupees in '000)-----	
Real Estate Investment Trust units	<u>495,545</u>	<u>507,834</u>

8.6.3 Non-Government Debt Securities

Listed	2024	2023
- AA+, AA, AA-	-	300,000
- A+, A, A-	300,000	1,094,987
	<u>300,000</u>	<u>1,394,987</u>
Unlisted	2024	2023
- AA+, AA, AA-	-	720,000
- A+, A, A-	-	135,714
- CCC+	-	1,551,722
- Unrated	162,335	162,335
	<u>162,335</u>	<u>2,569,771</u>

8.6.4 Foreign Securities

Government Securities	2024	2023		
	Cost	Rating	Cost	Rating
----- (Rupees in '000)-----				
- Supranational entities (Banks)	-	-	7,780,880	AAA
- United States of America	13,012,359	AA+	13,664,341	AA+
- Qatar	10,137,061	AA	8,991,022	AA-
- United Arab Emirates	69,818,075	AA-	95,165,211	AA-
- United Kingdom	-	-	26,495,499	AA-
- Bahrain	4,658,424	B+	4,788,810	B+
- Jordan	2,991,497	BB-	3,051,057	BB-
- South Africa	2,056,991	BB-	2,087,983	BB-
- Egypt	-	-	135	B-
- Saudi Arabia	8,803,303	A+	-	-
	<u>111,477,710</u>		<u>162,024,938</u>	

Non-Government Debt Securities	2024	2023
	Cost ----- (Rupees in '000)-----	
Listed	-	1,803,477
- AA+, AA, AA-	-	5,479,005
- A+, A, A-	1,355,657	3,226,901
- BBB+, BBB, BBB-	<u>1,355,657</u>	<u>10,509,383</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

8.7 Particulars relating to securities classified Under "Held to Collect" model are as follows:

8.7.1 Federal Government Securities - Government guaranteed

	2024	2023
	Cost ----- (Rupees in '000)-----	
Pakistan Investment Bonds	220,333,931	278,864,638
Government of Pakistan Sukus	10,001,109	13,001,719
Government of Pakistan Eurobonds	-	16,349,538
Bai Muajjal	47,618,148	-
	<u>277,953,188</u>	<u>308,215,895</u>

8.7.2 Non-Government Debt Securities

Listed

- AA+, AA, AA-	174,755	174,825
- A+	678,125	740,625

	<u>852,880</u>	<u>915,450</u>
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Unlisted

- AAA	10,689,565	12,740,248
- AA+, AA, AA-	249,350	249,450
- A+, A	650,000	641,379
- BB-, B-	360,000	360,000
- CCC+	2,706,445	2,739,066
- Unrated	5,095,947	5,119,050

	<u>19,751,307</u>	<u>21,849,193</u>
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8.7.3 Foreign Securities

Government Securities

- Qatar	15,553,091	AA	23,575,387	AA-
- Portugal	-	-	1,242,266	A-
- Jordan	3,076,474	BB-	3,138,053	BB-
- Bahrain	2,009,244	B+	2,044,183	B+
- Egypt	-	-	3,343,746	B-
- South Africa	2,056,991	BB-	2,087,983	BB-
- Yemen	1,158,126	unrated	1,171,873	unrated

	2024	2023
	Cost	Rating
----- (Rupees in '000)-----		
	<u>23,853,926</u>	
		<u>36,603,491</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Non Government Debt Securities

	2024	2023
	Cost ----- (Rupees in '000) -----	Cost ----- (Rupees in '000) -----
Listed		
- BBB+, BBB, BBB-	1,467,364	1,494,823
Other		
CDC SAARC Fund	605	612

8.8 The market value of securities classified as amortised cost as at December 31, 2024, amounted to Rs. 322,113.848 million (2023: Rs. 337,640.922 million).

8.9 Investments include net securities amounting to Rs. 992,975 million (2023: Rs. 1,282,409 million) which are held by the Bank to comply with the statutory liquidity requirements as set out under Section 29 of the Banking Companies Ordinance, 1962.

8.10 Investments include Rs. 67.28 million (2023: Rs. 118 million) held by the State Bank of Pakistan as pledge against demand loan, TT / DD discounting facilities and foreign exchange exposure limit sanctioned to the Bank and Rs. 5.00 million (2023: Rs. 5 million) held by the Controller of Military Accounts (CMA) under Regimental Fund Arrangements.

8.11 The transaction for the sale of 50.1% shares of United National Bank Limited (UNBL UK) was approved by the shareholders' of United Bank Limited (UBL) in 65th Annual General Meeting held on 18 March 2024 against a consideration of GBP 25.495 million. The sale was concluded during the year after obtaining all the regulatory approvals.

8.12 This represents the Bank's subscription towards the paid-up capital of Khushhal Microfinance Bank Limited. The Bank has fully impaired these shares.

9. ADVANCES

	2024			
	Note	Performing	Non-performing	Total
		----- (Rupees in '000) -----		
Loans, cash credits, running finances, etc.	9.1	1,250,821,132	108,082,351	1,358,903,483
Islamic financings and related assets	9.10	149,696,208	260,774	149,956,982
Bills discounted and purchased		48,618,071	7,648,825	56,266,896
Advances - gross		1,449,135,411	115,991,950	1,565,127,361
Credit loss allowance against advances	9.6	(6,009,588)	-	(6,009,588)
-Stage 1		(7,736,178)	-	(7,736,178)
-Stage 2		-	(107,899,651)	(107,899,651)
-Stage 3		(13,745,766)	(107,899,651)	(121,645,417)
Advances - net of credit loss allowance		1,435,389,645	8,092,299	1,443,481,944
	2023			
	Note	Performing	Non-performing	Total
		----- (Rupees in '000) -----		
Loans, cash credits, running finances, etc.	9.1	800,959,576	107,369,561	908,329,137
Islamic financings and related assets	9.10	47,191,822	222,205	47,414,027
Bills discounted and purchased		16,976,674	2,982,770	19,959,444
Advances - gross		865,128,072	110,574,536	975,702,608
Provision against advances	9.6	-	(92,332,287)	(92,332,287)
- Specific		(11,329,389)	-	(11,329,389)
- General		(11,329,389)	(92,332,287)	(103,661,676)
Advances - net of provision		853,798,683	18,242,249	872,040,932

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

9.1 Includes net investment in finance lease as disclosed below:

	2024	2023						
	Not later than one year	Later than one and upto five years	More than five years	Total	Not later than one year	Later than one and upto five years	More than five years	Total
----- (Rupees in '000) -----								
Minimum lease payments	13,261	168,205	-	181,466	5,978	170,679	-	176,657
Financial charges for future periods	(953)	(38,004)	-	(38,957)	(1,411)	(9,810)	-	(11,221)
Present value of minimum lease payments	12,308	130,201	-	142,509	4,567	160,869	-	165,436

9.2 Particulars of advances - gross

	2024	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
In local currency	1,109,925,640	465,031,634
In foreign currencies	455,201,721	510,670,974
	<u>1,565,127,361</u>	<u>975,702,608</u>

9.3 Advances to Women, Women-owned and Managed Enterprises

	2024	2023
	Women	Women-owned and Managed Enterprises
	11,441,631	5,256,350
	11,364	52,392
	<u>11,452,995</u>	<u>5,308,742</u>

9.3.1 Gross loans disbursed to women, women-owned and managed enterprises amounting to Rs. 8,980.054 million (2023: 1,649.816 million)

9.4 Particulars of credit loss allowance against advances

	2024			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				
Gross carrying amount	817,014,578	48,113,494	110,574,536	975,702,608
Exchange adjustments	(5,547,829)	(572,622)	(1,093,552)	(7,214,003)
Impact of adoption of IFRS 9	(57,023,856)	52,722,599	48,143	(4,253,114)
New advances	1,079,829,174	27,778,410	-	1,107,607,584
Advances derecognised or repaid	(158,910,082)	(27,795,479)	(5,310,472)	(192,016,033)
Transfer to stage 1	8,037,446	(8,037,446)	-	-
Transfer to stage 2	4,339,486	5,177,038	(837,552)	(4,571,391)
Transfer to stage 3	(921,944)	(17,125,631)	18,047,575	-
	923,695,108	(20,003,108)	11,899,551	915,591,551

Amounts charged off - agriculture financing

Amounts charged off - agriculture financing	-	-	(69,501)	(69,501)
Amounts written off / charged off	-	-	(577,830)	(577,830)
Disposal of subsidiary	(304,637,450)	-	(4,843,509)	(309,4

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

9.5 Advances include Rs. 115,991.950 million (2023: Rs. 110,574.536 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3	2024	
	Non-Performing Loans ----- (Rupees in '000) -----	Credit loss allowance
Domestic		
Other Assets Especially Mentioned*	80,088	47,504
Substandard	2,307,470	1,538,389
Doubtful	280,114	135,921
Loss	22,398,233	21,455,978
	25,065,905	23,177,792
Overseas		
Other Assets Especially Mentioned*	-	-
Substandard	78,407	12,297
Doubtful	4,305,685	1,568,890
Loss	86,541,953	83,140,672
Total	90,926,045	84,721,859
	115,991,950	107,899,651
2023		
Category of Classification	Non-Performing Loans ----- (Rupees in '000) -----	Provision
Domestic		
Other Assets Especially Mentioned*	105,024	3,660
Substandard	2,963,970	729,208
Doubtful	197,690	91,464
Loss	21,198,758	20,225,801
	24,465,442	21,050,133
Overseas branches and subsidiaries		
Not past due but impaired**	2,607,829	331,800
Overdue by:		
Upto 90 days	91,393	-
91 to 180 days	3,632,088	-
181 to 365 days	4,913,369	1,685,624
> 365 days	74,864,415	69,264,730
Total	86,109,094	71,282,154
	110,574,536	92,332,287

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

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

9.6 Particulars of credit loss allowance against advances

Note	2024			
	Stage 1 ----- (Rupees in '000) -----	Stage 2	Stage 3	Total
Opening balance	919,364	10,410,025	92,332,287	103,661,676
Exchange adjustments	(6,946)	(137,270)	(943,454)	(1,087,670)
Impact of Adoption of IFRS 9	4,046,484	2,689,194	1,234,016	7,969,694
Charge / (reversals)				
Charge for the period / year	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	35	745,123	250,281	10,258,244
Amounts charged off - agriculture financing	9.7	-	(69,501)	(69,501)
Other adjustments		-	597,848	54,112
Amounts written off	9.8	-	(577,830)	(577,830)
Disposal of subsidiary		(156,560)	-	(156,560)
Transfers (out) / in - net		462,123	(6,073,900)	5,611,777
Closing balance		6,009,588	7,736,178	107,899,651
				121,645,417

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Particulars of provision against advances

Note	December 31, 2023 (Audited)		
	Specific ----- (Rupees in '000) -----	General	Total
Opening balance	82,038,458	10,236,536	92,274,994
Exchange adjustments	14,721,165	2,318,974	17,040,139
Charge / (reversals)	894,440	140,921	1,035,361
Charge for the period / year	(4,561,819)	(1,367,042)	(5,928,861)
Reversals for the period / year	(3,667,379)	(1,226,121)	(4,893,500)
Amounts charged off - agriculture financing	9.7	(153,498)	(153,498)
Amounts written off	9.8	(606,459)	(606,459)
Transfers (out) / in - net		-	-
Closing balance	92,332,287	11,329,389	103,661,676

9.6.1 Particulars of credit loss allowance / provision against advances

	2024			2023		
	Stage 1 & 2 ----- (Rupees in '000) -----	Stage 3	Total	Specific	General	Total
In local currency	7,940,414	22,254,174	30,194,588	20,103,817	449,481	20,553,298
In foreign currencies	5,805,352	85,645,477	91,450,829	72,228,470	10,879,908	83,108,378

9.6.2 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 1 of 2011. Had the benefit under the said circular not been taken by the Bank, the ECL against non-performing advances would have been higher by Rs. Nil (2023: Rs. 44.193 million).

9.6.3 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. 1,254.08 million (2023: Rs.6,114.438 million) for the overseas branches.

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

9.7 These represent non-performing advances for agriculture financing 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.

9.6 Particulars of credit loss allowance against advances

Note	2024			
	Stage 1 ----- (Rupees in '000) -----	Stage 2	Stage 3	Total
Opening balance	919,364	10,410,025	92,332,287	103,661,676
Exchange adjustments	(6,946)	(137,270)	(943,454)	(1,087,670)
Impact of Adoption of IFRS 9	4,046,484	2,689,194	1,234,016	7,969,694
Charge / (reversals)				
Charge for the period / year	1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the period / year	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	35	745,123	250,281	10,258,244
Amounts charged off - agriculture financing	9.7	-	(69,501)	(69,501)
Other adjustments		-	597,848	54,112
Amounts written off	9.8	-	(577,830)	(577,830)
Disposal of subsidiary		(156,560)	-	(156,560)
Transfers (out) / in - net		462,123	(6,073,900)	5,611,777
Closing balance		6,009,588	7,736,178	107,899,651
				121,645,417

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
9.8 Particulars of write-offs			
9.8.1 Against credit loss allowance / provisions Directly charged to profit and loss account	9.6 35	577,830 54,951 <u>632,781</u>	606,459 149,845 <u>756,304</u>

	Note	2024	2023
		----- (Rupees in '000) -----	
9.8.2 Bank			
- Write-offs of Rs. 500,000 and above			
Domestic	9.9	562,619	220,828
Overseas		22,871	113,117
		<u>585,490</u>	<u>333,945</u>
- Write-offs of below Rs. 500,000			
		47,291	38,058
		<u>632,781</u>	<u>372,003</u>
Subsidiaries			
Write-offs			
		384,301	
		<u>632,781</u>	<u>756,304</u>

9.9 Details of loan write-offs of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written off loans or any other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2023, is given in annexure I to these consolidated financial statements (except in case of overseas branches and subsidiaries write-offs which is restricted by overseas regulatory authorities).

9.10 Information related to Islamic financing and related assets is given in annexure II and is an integral part of these consolidated financial statements.

	Note	2024	2023
		----- (Rupees in '000) -----	
10. PROPERTY AND EQUIPMENT			
Capital work-in-progress	10.1	3,357,691	1,353,200
Property and equipment	10.2	82,234,308	75,106,959
		<u>85,591,999</u>	<u>76,460,159</u>
10.1 Capital work-in-progress			
Civil works		2,205,305	764,539
Equipment		897,707	588,661
Advances to suppliers		254,679	-
		<u>3,357,691</u>	<u>1,353,200</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

10.2 Property and equipment

		2024								
		Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
		Rupees '000								
At January 01, 2024										
Cost / Revalued amount		9,543,663	30,613,443	14,725,160	7,924,682	8,989,993	3,148,765	26,660,302	870,633	102,476,641
Accumulated depreciation		-	-	(464,830)	(619,404)	(5,649,681)	(2,174,257)	(18,161,624)	(299,886)	(27,369,682)
Net book value		9,543,663	30,613,443	14,260,330	7,305,278	3,340,312	974,508	8,498,678	570,747	75,106,959
Year ended December 2024										
Opening net book value		9,543,663	30,613,443	14,260,330	7,305,278	3,340,312	974,508	8,498,678	570,747	75,106,959
Additions		4,014,680	6,269,586	120,617	253,677	2,980,457	1,588,011	7,466,565	1,611,984	24,305,577
Movement in surplus on assets revalued during the year		-	-	-	-	-	-	-	-	-
Disposals		-	-	(83,003)	-	(17,156)	(6,904)	(15,099)	(3,395)	(125,557)
Depreciation charge		-	-	(148,073)	(309,567)	(982,241)	(347,342)	(3,821,516)	(284,367)	(5,893,106)
Exchange rate adjustments		-	454	(202,150)	(11,715)	(12,527)	3,062	(6,977)	(3)	(229,856)
Disposal of subsidiary		-	-	(10,705,179)	-	(192,878)	(18,441)	(18,893)	-	(10,935,391)
Other adjustments / transfers		-	-	-	-	-	836	4,846	-	5,682
Closing net book value		13,558,343	36,883,483	3,242,542	7,237,673	5,115,967	2,193,730	12,107,604	1,894,966	82,234,308
At December 31, 2024										
Cost / Revalued amount		13,558,343	36,883,483	3,630,122	8,177,977	11,516,213	4,383,491	31,242,692	2,448,054	111,840,375
Accumulated depreciation		-	-	(387,580)	(940,304)	(6,400,246)	(2,189,761)	(19,135,088)	(553,088)	(29,606,067)
Net book value		13,558,343	36,883,483	3,242,542	7,237,673	5,115,967	2,193,730	12,107,604	1,894,966	82,234,308
Rate of depreciation (%)		-	-	2-5	2.5-5	5-20	10-25	5 - 33.33	20	
2023										
		Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold Improvements	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
		Rupees '000								
At January 01, 2023										
Cost / Revalued amount		9,543,663	32,058,110	12,078,841	7,525,987	7,382,615	2,723,506	21,868,879	725,530	93,907,131
Accumulated depreciation		-	-	(595,204)	(308,273)	(4,715,789)	(1,892,241)	(15,746,137)	(278,609)	(23,536,253)
Net book value		9,543,663	32,058,110	11,483,637	7,217,714	2,666,826	831,265	6,122,742	446,921	70,370,878
Year ended December 2023										
Opening net book value		9,543,663	32,058,110	11,483,637	7,217,714	2,666,826	831,265	6,122,742	446,921	70,370,878
Additions		-	-	152,027	451,294	1,442,738	387,416	5,138,743	264,795	7,837,013
Movement in surplus on assets revalued during the year		-	-	214,555	-	-	-	-	-	214,555
Disposals		-	(1,444,780)	-	(61,126)	(1,454)	(735)	(4,648)	(17,016)	(1,529,759)
Depreciation charge		-	-	(168,361)	(305,024)	(822,397)	(252,219)	(2,852,630)	(123,953)	(4,524,584)
Exchange rate adjustments		-	113	2,578,472	2,420	54,599	8,781	94,471	-	2,738,856
Closing net book value		9,543,663	30,613,443	14,260,330	7,305,278	3,340,312	974,508	8,498,678	570,747	75,106,959
At December 31, 2023										
Cost / Revalued amount		9,543,663	30,613,443	14,725,160	7,924,682	8,989,993	3,148,765	26,660,302	870,633	102,476,641
Accumulated depreciation		-	-	(464,830)	(619,404)	(5,649,681)	(2,174,257)	(18,161,624)	(299,886)	(27,369,682)
Net book value		9,543,663	30,613,443	14,260,330	7,305,278	3,340,312	974,508	8,498,678	570,747	75,106,959
Rate of depreciation (%)		-	-	2-5	2.5-5	5-20	10-25	5 - 33.33	20	

10.3 Revaluation of properties

The properties of the Bank has been revalued by independent professional valuers as at December 31, 2021. The revaluation was carried out by M/s. Engineering Pakistan International (Private) Limited, M/s. M. J. Surveyors (Private) Limited, and M/s. Perfect Consultants on the basis of professional assessment of present market values which resulted in an increase in surplus by Rs. 16,411.878 million. The total surplus against revaluation of Property and equipment as at December 31, 2024, amounts to Rs. 39,672.178 million.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Had there been no revaluation, the carrying amount of revalued assets of the Group at December 31, would have been as follows:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Freehold land	4,797,261	782,581
Leasehold land	9,725,242	3,354,196
Buildings on freehold land	2,012,509	4,430,467
Buildings on leasehold land	4,714,851	4,256,262
	<u>21,249,863</u>	<u>12,823,506</u>
10.4 Carrying amount of temporarily idle properties of the Group	<u>127,026</u>	<u>127,026</u>

10.5 The cost of fully depreciated assets that are still in the Group's use are as follows:

Furniture and fixtures	960,138	953,388
Electrical, office and computer equipment	9,238,506	9,976,931
Vehicles	31,433	65,384
Leasehold improvements	2,571,650	2,216,125
	<u>12,801,727</u>	<u>13,211,828</u>

10.6 Details of disposals of operating property and equipment

The information relating to operating fixed assets disposed off during the year to related parties is given in annexure 'III' and is an integral part of these consolidated financial statements.

11 RIGHT-OF-USE ASSETS

	2024 Buidlings ----- (Rupees in '000)	2023 Others ----- (Rupees in '000)	2024 Total ----- (Rupees in '000)	2023 Buidlings ----- (Rupees in '000)	2023 Others ----- (Rupees in '000)	2023 Total ----- (Rupees in '000)
At January 1,						
Cost	14,136,595	209,786	14,346,381	12,714,260	89,986	12,804,246
Accumulated Depreciation	(5,656,792)	(78,116)	(5,734,908)	(4,803,576)	(23,071)	(4,826,647)
Net Carrying amount at January 1,	<u>8,479,803</u>	<u>131,670</u>	<u>8,611,473</u>	<u>7,910,684</u>	<u>66,915</u>	<u>7,977,599</u>
Additions during the year	5,007,548	19,761	5,027,309	3,183,903	124,328	3,308,231
Deletions during the year	(852,122)	(11,130)	(863,252)	(373,111)	(1,448)	(374,559)
Depreciation charge for the year	(2,458,378)	(66,719)	(2,525,097)	(2,272,547)	(63,832)	(2,336,379)
Termination of lease	(7,867)	-	(7,867)	-	-	-
Exchange rate adjustments	(11)	(283)	(294)	30,874	5,707	36,581
Disposal of subsidiary	-	(11,151)	(11,151)	-	-	-
Net Carrying amount	<u>10,168,973</u>	<u>62,148</u>	<u>10,231,121</u>	<u>8,479,803</u>	<u>131,670</u>	<u>8,611,473</u>

12 INTANGIBLE ASSETS

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Capital work-in-progress - Computer software		181,419	174,853
Intangible assets	12.1	2,359,071	2,377,545
Goodwill		251,526	-
		<u>2,792,016</u>	<u>2,552,398</u>

12.1 Intangible assets

Computer Software			
At January 01,			
Cost		12,032,042	10,140,996
Accumulated amortisation and impairment		(9,654,497)	(8,007,569)
Net book value		<u>2,377,545</u>	<u>2,133,427</u>
Year ended December 31,			
Opening net book value		2,377,545	2,133,427
Additions		1,080,568	1,286,014
-directly purchased		(3,451)	(3,330)
Disposals		(1,041,738)	(1,085,264)
Amortisation charge		(17,682)	46,698
Exchange rate adjustments		(36,171)	-
Disposal of subsidiary		2,359,071	2,377,545
Closing net book value		11,213,400	12,032,042
At December 31,			
Cost		(8,854,329)	(9,654,497)
Accumulated amortisation and impairment		2,359,071	2,377,545
Net book value		10-33.33	10-33.33
Rate of amortisation (percentage)		3 - 10	3 - 10
Useful life (in years)			

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

12.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 5,050.919 million (2023: Rs. 4,879.637 million).

13. DEFERRED TAX (LIABILITIES) / ASSETS

Note	At January 01, 2024 - as restated	Recognised in profit and loss account	Recognised in OCI	Disposal of Subsidiary	2024	
					(Rupees in '000)	At December 31, 2024
Deductible temporary differences on						
- Credit loss allowance against advances and off balance sheet obligations	13.1	5,367,816	1,884,723	-	-	7,252,539
- Surplus on revaluation on investments		(3,021,438)	-	(41,813,574)	(392,454)	(45,227,466)
- Tax losses carried forward		1,111,293	(124,041)	-	(982,643)	4,609
- Post-retirement employee benefits		(847,823)	(11,267)	(4,537,102)	-	(5,396,192)
- Workers Welfare Fund		4,406,522	2,231,923	-	-	6,638,445
- Others		20,822	310,146	(376,066)	-	(45,098)
		7,037,192	4,291,484	(46,726,742)	(1,375,097)	(36,773,163)
Taxable temporary differences on						
- Surplus on revaluation of property and equipment / non-banking assets		(3,340,734)	77,788	344,626	1,698,350	(1,219,970)
- Share of profit from associates		(218,473)	(104,365)	-	-	(322,838)
- Accelerated tax depreciation		(817,819)	(63,842)	-	(113,631)	(995,292)
- Others		(50,921)	50,921	-	-	-
		(4,427,947)	(39,498)	344,626	1,584,719	(2,538,100)
		2,609,245	4,251,986	(46,382,116)	209,622	(39,311,263)

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
14. OTHER ASSETS			
Income / mark-up accrued in local currency		161,331,956	121,606,613
Income / mark-up accrued in foreign currencies	14.2	3,617,197	3,056,696
Advance taxation - net of provision for taxation	14.1	1,852,379	-
Receivable from staff retirement fund		13,055,061	4,730,609
Receivable from other banks against telegraphic transfers and demand drafts		2,097,214	38,339
Unrealised gain on forward foreign exchange contracts		1,102,125	4,461,256
Rebate receivable - net		9,500,919	1,868,330
Unrealised gain on derivative financial instruments	26.2	1,262,202	32,379
Suspense accounts		51,321	-
Stationery and stamps on hand		599,150	593,636
Non-banking assets acquired in satisfaction of claims	14.3	39,688	42,075
Advances, deposits, advance rent and other prepayments		14,164,144	3,143,717
Acceptances	21	38,205,805	17,584,022
Commission receivable - Bancassurance & Branchless Banking		719,773	688,884
Receivable against fraud & forgery and looted notes		463,765	475,390
Others		1,430,573	1,985,592
Less: Credit loss allowance / Provision held against other assets	14.4	(1,558,408)	(1,150,885)
Other assets - net of Credit loss allowance / provision		247,934,864	159,156,653
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23.2	2,387	-
Other assets - total		247,937,251	159,156,653

14.1 The Income Tax returns of the Bank have been filed up to the tax year 2024 (accounting year ended December 31, 2023) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2024, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.16,123 million (2023: Rs.14,124 million). The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2024 (accounting year ended December 31, 2023) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2023: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

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

The tax returns of UBL FM have been filed upto the accounting year ended December 31, 2023, under the provisions of the prevailing tax laws and are deemed as assessed unless opened for reassessment by the tax authorities.

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

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

14.2 Unrealised mark-up held in suspense amounting to Rs. 46,732.081 million (2023: Rs. 39,977.644 million) against non-performing overseas advances has been netted off.

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
14.3 Market value of non-banking assets acquired in satisfaction of claims	42,075	42,075

14.3.1 Non-banking assets acquired in satisfaction of claims have been revalued by independent professional valuer as at December 31, 2024. The revaluation was carried out by M/s. F.K.S Building Services on the basis of an assessment of present market values and resulted in an increase in surplus of Rs. 2.387 million.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
14.3.2 Non-banking assets acquired in satisfaction of claims			
Opening Balance			42,075
Revaluation during the year			2,387
Impairment reversal			839
Depreciation	32		(3,226)
Closing Balance			42,075

14.4 Credit loss allowance / Provision held against other assets

Advances and other receivables
Receivable against fraud & forgery and looted notes

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
1,094,643	675,495	
463,765	475,390	
1,558,408	1,150,885	

14.4.1 Movement of credit loss allowance / provision held against other assets

Opening balance
Exchange adjustments
Charge / (reversal)
Charge for the year
Reversals for the year

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
1,150,885	1,244,972	
(5,319)	83,333	
595,026	97,737	
(118,774)	(126,753)	
476,252	(29,016)	
(62,852)	-	
(558)	(148,404)	
1,558,408	1,150,885	

15. CONTINGENT ASSETS

There were no contingent assets as at December 31, 2024 (2023: Nil).

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
42,994,426	19,850,218	
1,227,392	1,884,313	
44,221,818	21,734,531	

16. BILLS PAYABLE

In Pakistan
Outside Pakistan

31,367,936	37,076,201
2,119,689	1,353,958
10,373,465	13,991,026
1,339,755	873,755
15,009,764	16,886,679
110,693	332,674
45,295	61,200
20,625	34,375
4,532,326,857	2,717,697,641
4,592,714,079	2,788,307,509

17. BORROWINGS

Secured

Borrowings from the State Bank of Pakistan under:
Export refinance scheme
Refinance facility for modernisation of SMEs
Long term financing facility
Renewable energy scheme
Temporary economic refinance facility
Refinance facility for combating COVID-19
Refinance for Women Entrepreneurs
Financing facility for storage of agriculture products
Repurchase agreement borrowings

17.2	
2,119,689	1,353,958
10,373,465	13,991,026
1,339,755	873,755
15,009,764	16,886,679
110,693	332,674
45,295	61,200
20,625	34,375
4,532,326,857	2,717,697,641
4,592,714,079	2,788,307,509

Unsecured

Call borrowings
Overdrawn nostro accounts

17.11	157,965,709	22,881,729
17.12	-	1,498,925
4,750,679,788		2,812,688,163
103,908,861	10,603,000	
784,867	596,751	
104,693,728	11,199,751	
4,855,373,516	2,823,887,914	

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
17.1 Particulars of borrowings with respect to Currencies		
In local currency	4,826,733,738	2,816,375,734
In foreign currencies	<u>28,639,778</u>	<u>7,512,180</u>
	<u>4,855,373,516</u>	<u>2,823,887,914</u>
17.2	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. The Bank has entered into an agreement with the SBP for extending export finance to customers. These borrowings are repayable within six months, latest by June 2025. These carry mark-up at rates ranging from 1.00% to 15.50% (2023: 1.00% to 18.00%) per annum.	
17.3	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up of new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators upto a maximum capacity of 500 KVA and offering a SME Asaan Finance (SAAF) scheme to fulfill the financing requirements of SMEs. These borrowings are repayable latest by June 2034 and carry mark-up at rates ranging from 2.00% to 3.00% (2023: 2.00% to 3.00%) per annum.	
17.4	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings are repayable latest by December 2032. These carry mark-up at rates ranging from 2.00% to 12.30% (2023: 2.00% to 10.00%) per annum.	
17.5	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These borrowings are repayable latest by June 2036. These carry mark-up at rates ranging from 2.00% to 4.80% (2023: 2.00% to 3.00%) per annum.	
17.6	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up of new industrial units in the backdrop of challenges being faced by industries post pandemic scenario. These carry mark-up at rates of 1.00% to 2.80% (2023: 1.00%) per annum and are due to mature latest by April 2033.	
17.7	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide the emergency refinance facility to hospitals & medical centre to develop capacity for the treatment of COVID-19 patients. These carry mark-up at 0.00% to 1.00% (2023: 0.00%) per annum and are due to mature latest by May 2027.	
17.8	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide refinance for women entrepreneurs in the underserved areas of the country. These carry mark-up at 0.00% (2023: 0.00%) per annum and are due to mature latest by March 2029.	
17.9	This facility is secured against a demand promissory note executed in favour of the State Bank of Pakistan. These borrowings have been obtained from the SBP under a scheme to provide refinance for storage of agricultural products in rural areas. These carry mark-up at 2.00% (2023: 2.00%) per annum and are due to mature latest by March 2026.	
17.10	This represents repurchase agreement borrowing from SBP at rates ranging from 13.04% to 13.07% (2023: 22.04% to 22.06%) per annum having maturity upto January 2025. The market value of securities given as collateral against these borrowings is given in note 8.2.1.	
17.11	These repurchase agreement borrowings from other banks are secured against Pakistan Investment Bonds, Market Treasury Bills and foreign securities and carry mark-up at rates ranging from 5.23% to 13.05% (2023: 5.88% to 22.05% against foreign securities) per annum. These borrowings are repayable latest by April 2025. The market value of securities given as collateral against these borrowings is given in note 8.2.1.	
17.12	These borrowings pertain to running finance facilities obtained by subsidiary company amounting to Nil (2023: Rs. 1,498.925 million) from commercial banks against promissory notes with mark-up rates ranging Nil (2023: 3 months average KIBOR plus 0.25% to 0.50%) per annum.	
17.13	These are unsecured borrowings carrying mark-up at 12.05% to 15.90% (2022: 20.75% to 22.00%) per annum, and are repayable latest by March 2025.	

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

18. DEPOSITS AND OTHER ACCOUNTS

Note	2024			2023		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
(Rupees in '000)						
18.1 Composition of deposits						
Customers						
Current accounts	1,061,667,711	438,673,584	1,500,341,295	838,679,284	264,416,961	1,103,096,245
Savings deposits	745,150,912	48,987,572	794,138,484	698,079,461	89,414,155	787,493,616
Term deposits	74,795,514	90,103,254	164,898,768	158,820,636	337,702,171	496,522,807
Others	50,177,905	6,621,539	56,799,444	22,587,057	7,246,442	29,833,499
Financial Institutions						
Current deposits	1,931,792,042	584,385,949	2,516,177,991	1,718,166,438	698,779,729	2,416,946,167
Savings deposits						
Term deposits						
18.2	This includes deposits eligible to be covered under insurance arrangements in accordance with DPC Circular No. 04 dated June 22, 2018, amounting to Rs. 1,637,394.911 million (2023: Rs. 1,376,823.088 million).					
(Rupees in '000)						
19. LEASE LIABILITIES						
Opening balance	10,474,561	9,614,922				
Additions during the year	5,012,628	3,307,070				
Lease payments including interest	(3,625,093)	(3,282,249)				
Interest expense	1,506,565	1,236,242				
Termination/modification	(970,038)	(409,209)				
Disposal of subsidiary	(14,965)	-				
Exchange difference	(2,640)	7,785				
Closing balance	12,381,018	10,474,561				
19.1 Contractual maturity of lease liabilities						
Short-term lease liabilities - within one year	449,413	383,156				
Long-term lease liabilities						
- 1 to 5 years	4,287,828	4,873,805				
- 5 to 10 years	7,140,514	5,217,600				
- More than 10 years	503,263	-				
Total lease liabilities	11,931,605	10,091,405				
	12,381,018	10,474,561				

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

20. SUBORDINATED DEBT

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

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

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

OTHER LIABILITIES			----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency		55,728,483	47,159,535
Mark-up / return / interest payable in foreign currencies		1,192,511	1,501,909
Accrued expenses		18,080,836	7,999,572
Branch adjustment account		153,603	749,289
Deferred income	21.4	2,532,247	1,332,699
Current taxation (provisions less payments)	14.1	-	7,275,286
Unearned commission and income on bills discounted		3,100,180	1,169,241
Credit loss allowance / Provision against off-balance sheet obligations	21.1	3,385,916	1,056,385
Unrealised loss on forward foreign exchange contracts		1,324,301	2,789,527
Unrealised loss on derivative financial instruments	26.2	5,708	5,762
Deferred liabilities	21.2	4,652,052	4,395,908
Suspense accounts		-	247,181
Workers' Welfare Fund payable		12,910,878	9,097,179
Liabilities against Card settlement		74,372	148,039
Dividend payable		372,343	370,889
Unclaimed dividend		393,372	356,426
Acceptances	14	38,205,805	17,584,022
Charity fund balance		17,237	21,399
Levies and taxes payable		964,574	9,209,613
Others		4,031,246	3,440,102
		147,125,664	115,909,963

21.1 Credit loss allowance / Provision against off-balance sheet obligations

Opening balance		1,056,385	896,567
Exchange adjustments		(11,779)	207,162
Impact of adoption of IFRS 9		1,037,902	-
Charge / (Reversal)			
Charge for the year		1,308,168	4,367
Reversals for the year		(4,760)	(33,671)
	35	1,303,408	(29,304)
Transfers out - net		-	(18,040)
Closing balance		3,385,916	1,056,385

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
21.2 Deferred liabilities			
Provision for post-retirement medical benefits	40.7	2,921,465	2,590,351
Provision for compensated absences		554,514	810,025
End of service benefits			
- Overseas branches		675,476	648,827
- Outsourced services		500,597	346,705
		<u>4,652,052</u>	<u>4,395,908</u>
21.3	The total cash outflow for leases during the year was Rs. 3,623.173 million (2023: Rs. 3,343.300 million).		
21.4	This includes deferred income of IFRS 15 "Revenue from Contracts with Customers" on account of fee of debit and credit cards, guarantee commission and locker rent.		
22. SHARE CAPITAL			
22.1 Authorised Capital			
	2024	2023	
	----- Number of shares -----		
	<u>2,000,000,000</u>	<u>2,000,000,000</u>	Ordinary shares of Rs.10 each
			<u>20,000,000</u>
			<u>20,000,000</u>
22.2 Issued, subscribed and paid-up capital			
	2024	2023	
	----- Number of shares -----		
			Fully paid-up ordinary shares of Rs.10 each
	518,000,000	518,000,000	Issued for cash
	706,179,687	706,179,687	Issued as bonus shares
	<u>1,224,179,687</u>	<u>1,224,179,687</u>	
			<u>5,180,000</u>
			<u>5,180,000</u>
			<u>7,061,797</u>
			<u>7,061,797</u>
			<u>12,241,797</u>
			<u>12,241,797</u>
22.3	In 2007, the Bank was admitted to the official list of the UK Listing Authority and to the London Stock Exchange Professional Securities Market for trading of Global Depository Receipts (GDRs), each representing four ordinary shares issued by the Bank. The GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.		
	Holders of GDRs are entitled, subject to the provisions of the depository agreement, to receive dividends, if any, and rank pari passu with other equity shareholders in respect of such entitlement. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the ordinary shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated June 25, 2007, the deposited ordinary shares in respect of which the GDRs were issued may be withdrawn by the GDR holders from the depository facility. Upon withdrawal, the holders will rank pari passu with other ordinary shareholders in respect of voting powers. As at December 31, 2024 242,278 (2023: 242,278) GDRs, representing 969,112 (2023: 969,112) shares, are in issue.		
22.4 Major shareholders (holding more than 5% of total paid-up capital)			
		2024	2023
	Name of shareholders	Number of shares held	Percentage of shareholding
		Number of shares held	Percentage of shareholding
	Bestway International Holdings Limited	631,728,895	51.60%
	Bestway Cement Limited	118,693,799	9.70%
		2024	2023
		----- (Number of shares) -----	
	UBL Stock Advantage Fund	<u>930,332</u>	<u>1,252,602</u>
	UBL Financial Sector Fund	<u>495,643</u>	<u>385,334</u>
	UBL Retirement Savings Fund	<u>150,269</u>	<u>344,983</u>
	UBL Asset Allocation Fund	<u>20,233</u>	<u>58,733</u>
	UBL Pakistan Enterprise Exchange Traded Fund	<u>28,518</u>	<u>23,644</u>
	UBL Dedicated Equity Fund	<u>-</u>	<u>19,700</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

23. SURPLUS ON REVALUATION OF ASSETS

	Note	2024		
		Attributable to		
		Equity Holders	Non- controlling interest	Total
<hr/> (Deficit) / Surplus arising on revaluation of:				<hr/> (Rupees in '000) <hr/>
- Securities measured at FVOCI - Debt	8.1	73,035,015	-	73,035,015
- Securities measured at FVOCI - Equity	8.1	7,869,404	-	7,869,404
- Property and Equipment	23.1	39,672,178	-	39,672,178
- Non-banking assets acquired in satisfaction of claims	23.2	2,387	-	2,387
- Assets of associates		21,884	-	21,884
		120,600,868	-	120,600,868
<hr/> Deferred tax on (deficit) / surplus on revaluation of:				<hr/>
- Securities measured at FVOCI - Debt		37,979,386	-	37,979,386
- Securities measured at FVOCI - Equity		4,092,088	-	4,092,088
- Property and equipment	23.1	1,218,729	-	1,218,729
- Non-banking assets acquired in satisfaction of claims	23.2	1,241	-	1,241
		43,291,444	-	43,291,444
		<hr/> 77,309,424	<hr/> -	<hr/> 77,309,424
<hr/> 2023				<hr/>
		Attributable to		
		Equity Holders	Non- controlling interest	Total
<hr/> (Deficit) / Surplus arising on revaluation of:				<hr/> (Rupees in '000) <hr/>
- Available for sale securities-Debt	8.1	2,394,621	(1,053,046)	1,341,575
- Available for sale securities-Equity	8.1	3,678,469	-	3,678,469
- Property and Equipment	23.1	44,357,289	3,710,727	48,068,016
- Non-banking assets acquired in satisfaction of claims	23.2	-	-	-
- Assets of associates		(7,753)	-	(7,753)
		50,422,626	2,657,681	53,080,307
<hr/> Deferred tax on (deficit) / surplus on revaluation of:				<hr/>
- Available for sale securities-Debt		1,482,250	(263,262)	1,218,988
- Available for sale securities-Equity		1,802,450	-	1,802,450
- Property and Equipment	23.1	2,561,979	778,757	3,340,736
- Non-banking assets acquired in satisfaction of claims	23.2	-	-	-
		5,846,679	515,495	6,362,174
		<hr/> 44,575,947	<hr/> 2,142,186	<hr/> 46,718,133

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

23.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 01,
Revaluation against property and equipment recognised during the year
Realised on disposal during the year
Exchange adjustments
Other adjustments
Transferred to unappropriated profit in respect of incremental depreciation - net of deferred tax
Related deferred tax liability on incremental depreciation charged during the year
Transferred to unappropriated profit on derecognition of subsidiary
Surplus on revaluation of property and equipment as at December 31,

Less: Related deferred tax liability on

- Revaluation as on January 01,
- Revaluation recognised during the year
- Surplus realised on disposal of property and equipment during the year
- Exchange adjustments
- Incremental depreciation charged
- Transferred to unappropriated profit on derecognition of subsidiary
- Other adjustments
- Revaluation as at December 31,

23.2 Surplus on revaluation of non-banking assets

Surplus on revaluation of non-banking assets as at January 01,
Revaluation of non-banking assets during the year
Other adjustments
Realised on disposal during the year

Surplus on revaluation of non-banking assets as at December 31,

Less: Related deferred tax liability on

- Revaluation as at January 01,
- Revaluation of non-banking assets during the year
- Other adjustments
- Surplus realised on disposal of non-banking assets during the year
- Revaluation as at December 31,

24. NON-CONTROLLING INTEREST

Share of NCI

Assets

Liabilities

Net assets

Net assets attributable to NCI

	2024	2023
	----- (Rupees in '000) -----	
ar		
ation - net of deferred tax		
ng the year		
	48,068,016	47,631,952
	-	214,555
	(41,691)	(1,499,603)
	(153,672)	1,933,058
	5,779	(43,902)
	(79,272)	(88,377)
	(77,788)	(79,667)
	(8,049,194)	-
	39,672,178	48,068,016
year		
	3,340,736	2,998,994
	-	43,505
	-	(25,370)
	(32,220)	403,274
	(77,788)	(79,667)
	(1,698,352)	-
	(313,647)	-
	1,218,729	3,340,736
	<u>38,453,449</u>	<u>44,727,280</u>
r		
	-	-
	2,387	-
	-	-
	-	-
	2,387	-
	2,387	-
	-	-
	1,241	-
	-	-
	-	-
	<u>1,241</u>	<u>-</u>
	<u>1,146</u>	<u>-</u>
2024	2023	
UBL FM	UNBL	UBL FM
1.13%	45%	1.13%
----- (Rupees in '000) -----		
5,222,132	328,789,627	5,178,104
798,416	295,742,667	2,112,043
4,423,716	<u>33,046,960</u>	<u>3,066,061</u>
49,910	<u>14,871,132</u>	<u>33,247</u>
		<u>14,904,379</u>
		2024
		UBL FM
		(Rupees in
		3,837,575
		(2,501,337)
		1,336,238
		20,070
		1,356,308
		15,099
		261
		1,265,036
		490,924
		-
		1,755,960

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	352,581,311	286,724,968
Commitments	25.2	1,433,032,657	1,054,616,393
Other contingent liabilities	25.3	15,960,716 1,801,574,684	16,116,861 1,357,458,222

25.1 Guarantees:

Financial guarantees	124,354,428	124,944,607
Performance guarantees	221,439,705	154,072,480
Others guarantees	6,787,178	7,707,881
	352,581,311	286,724,968

25.2 Commitments:

Documentary credits and short-term trade-related transactions - letters of credit	354,707,969	303,953,368
--	-------------	-------------

Commitments in respect of:

- forward foreign exchange contracts	582,473,911	572,110,279
- forward government securities transactions	319,286,690	19,956,300
- derivatives	-	366,068
- forward lending	168,187,869	154,319,495
- operating leases	172,438	87,081
	1,070,120,908	746,839,223

Commitments for acquisition of:

- property and equipment	6,691,082	2,998,928
- intangible assets	1,512,698	824,874
	8,203,780	3,823,802
	1,433,032,657	1,054,616,393

25.2.1 Commitments to extend credit

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

	Note	2024	2023
		----- (Rupees in '000) -----	

25.2.2 Commitments in respect of forward foreign exchange contracts

Purchase	302,218,129	295,080,548
Sale	280,255,782	277,029,731
	582,473,911	572,110,279

25.2.3 Commitments in respect of forward government securities transactions

Purchase	296,701,690	16,956,300
Sale	22,585,000	3,000,000
	319,286,690	19,956,300

25.2.4 Commitments in respect of derivatives

FX options		
Purchase	26.1	-
Sale	26.1	183,034
		183,034
		366,068

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
25.2.5 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	25.2.5.1	73,281,452	94,695,244
Others		94,906,417	59,624,251
		168,187,869	154,319,495

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

	Note	2024	2023
		----- (Rupees in '000) -----	
25.2.6 Commitments in respect of operating leases			
Not later than one year		167,593	75,986
Later than one year and not later than five years		4,845	11,095
Later than five years		-	-
		172,438	87,081

25.3 Other contingent liabilities

Claims against the Group not acknowledged as debts	25.3.2	15,960,716	16,116,861
--	--------	------------	------------

These mainly represent counter claims filed by the borrowers for restricting the Group from disposal of assets (such as mortgaged / pledged assets kept as security).

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in favour of the Group and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these consolidated financial statements.

25.3.2 This includes, penalties amounting to Rs. 4,089 million (2023: Rs.4,089 million) 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.

For contingencies relating to taxation, refer note 14.1.

26. DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include forwards, futures, swaps and options. Derivatives also include structured financial products that have one or more of the characteristics of forwards, futures, swaps and options.

The Bank, as an Authorised Derivative Dealer (ADD), is an active participant in the Pakistan derivatives market and offers a wide variety of derivatives products covering both hedging and market making to satisfy customers' needs. Where required, specific approval is sought from the SBP for each transaction.

The Risk management policy related to derivatives is discussed in note 49.7

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

26.1 Product analysis

Counterparties	2024									
	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total	
	Notional principal	Mark to market gain	Notional principal	Mark to market gain	Notional principal	Mark to market gain	Notional principal	Mark to market (loss) /gain	Notional principal	Mark to market gain
(Rupees in '000)										
With banks for Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-	-	-
With FIs other than Banks Hedging	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)
Market making	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)
With other entities Hedging	-	-	-	-	296,701,690	1,258,709	20,000,000	-	870	316,701,690
Market making	-	-	-	-	296,701,690	1,258,709	20,000,000	-	870	316,701,690
Total Hedging	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,259,579
Market making	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494
(Rupees in '000)										
2023										
Counterparties	Interest rate swaps		FX options		Forward purchase contracts of government securities		Forward sale contracts of government securities		Total	
	Notional principal	Mark to market gain	Notional principal	Mark to market gain	Notional principal	Mark to market gain	Notional principal	Mark to market gain	Notional principal	Mark to market gain
	(Rupees in '000)									
With banks for Hedging	-	-	183,034	-	-	-	-	-	183,034	-
Market making	-	-	-	-	-	-	-	-	-	183,034
With FIs other than Banks Hedging	-	-	183,034	-	-	-	-	-	-	183,034
Market making	-	-	-	-	-	-	3,000,000	297	3,000,000	297
With other entities Hedging	-	-	-	-	-	-	3,000,000	297	3,000,000	297
Market making	-	-	-	-	-	-	-	-	-	297
Total Hedging	-	-	183,034	-	16,956,300	26,320	-	-	17,139,334	26,320
Market making	-	-	183,034	-	16,956,300	26,320	-	-	17,139,334	26,320
Total Hedging	-	-	183,034	-	16,956,300	26,320	3,000,000	297	20,139,334	26,617
Market making	-	-	366,068	-	16,956,300	26,320	3,000,000	297	20,322,368	26,617

26.2 Maturity analysis of derivatives

Remaining maturity	2024					2023				
	Number of contracts	Notional principal	Mark to Market			Number of contracts	Notional principal	Mark to Market		
			Negative	Positive	Net			Negative	Positive	Net
(Rupees in '000)										
Upto 1 month	22	319,286,690	(5,708)	1,262,202	1,256,494	10	3,248,298	-	297	297
1 to 3 months	-	-	-	-	-	7	17,074,070	(5,762)	32,082	26,320
3 to 6 months	-	-	-	-	-	-	-	-	-	-
6 months to 1 year	-	-	-	-	-	-	-	-	-	-
1 to 2 years	-	-	-	-	-	-	-	-	-	-
2 to 3 Years	-	-	-	-	-	-	-	-	-	-
Over 3 years	-	-	-	-	-	-	-	-	-	-
Total	22	319,286,690	(5,708)	1,262,202	1,256,494	17	20,322,368	(5,762)	32,379	26,617

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

27. MARKUP / RETURN / INTEREST EARNED

On:
Loans and advances
Investments
Lendings to financial institutions
Balances with banks

Note	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)
	113,169,381	123,921,580
	961,335,176	395,162,738
	3,271,180	10,935,014
	6,865,760	5,192,192
	1,084,641,497	535,211,524

28. MARKUP / RETURN / INTEREST EXPENDED

On:
Deposits
Borrowings
Subordinated debt
Cost of foreign currency swaps against foreign currency deposits / borrowings
Lease liability against right-of-use assets

	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)
	202,299,931	177,753,215
	701,165,478	202,014,336
	2,130,979	2,236,433
	3,992,583	2,996,229
	1,504,645	1,236,242
	911,093,616	386,236,455

29. FEE AND COMMISSION INCOME

Branch banking customer fees
Consumer finance related fees
Card related fees (debit and credit cards)
Investment banking fees
Financial Institution rebate / commission
Corporate service charges / facility fee
Commission on trade
Commission on guarantees
Commission on cash management
Commission on remittances including home remittances - net
Commission on bancassurance
Management fee
Rent on lockers
Others

Branch banking customer fees	1,956,273	2,732,732
Consumer finance related fees	1,303,431	1,759,924
Card related fees (debit and credit cards)	3,815,903	3,128,939
Investment banking fees	277,908	318,860
Financial Institution rebate / commission	762,725	580,938
Corporate service charges / facility fee	1,394,957	864,275
Commission on trade	3,084,229	2,291,291
Commission on guarantees	1,402,824	827,236
Commission on cash management	1,138,065	1,141,040
Commission on remittances including home remittances - net	2,123,851	2,929,225
Commission on bancassurance	1,156,957	1,092,163
Management fee	2,439,655	1,609,148
Rent on lockers	225,953	221,130
Others	452,598	254,183
	21,535,329	19,751,084

30. GAIN ON SECURITIES - NET

Realised
Unrealised - Measured at FVTPL

30.1	42,557,633	611,856
8.1	35,068	(79,074)
	42,592,701	532,782

30.1 Realised gain / (loss) on:

Federal Government securities
Shares
Foreign securities
Other securities

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
32. OPERATING EXPENSES			
Total compensation expense	32.1	38,899,310	26,983,718
Property expense			
Rent and taxes	32.5	1,927,944	1,606,540
Insurance		314,169	287,379
Utilities cost		3,538,003	2,784,703
Security (including guards)		1,926,205	1,468,175
Repair and maintenance (including janitorial charges)		516,998	494,547
Depreciation	10.2	1,406,529	1,295,782
Depreciation - right-of-use assets	11	2,520,644	2,336,379
Depreciation on non-banking assets acquired in satisfaction of claims	14.3.2	3,226	3,012
Others		41,935	47,972
		12,195,653	10,324,489
Information technology expenses			
Software maintenance		3,818,763	3,021,763
Hardware maintenance	10.2	552,685	1,116,217
Depreciation		1,914,815	1,482,954
Amortisation	12.1	1,022,553	1,085,264
Network charges		1,098,339	1,053,202
Consultancy charges		504,872	305,965
		8,912,027	8,065,365
Other operating expenses			
Legal and professional charges		801,994	1,704,965
Commission paid to branchless banking agents		577,308	316,786
Commission paid to sales force		5,055,630	2,182,164
Outsourced service costs	32.2	2,729,108	1,964,335
Travelling and conveyance		315,123	311,194
Clearing charges		362,669	282,571
Depreciation	10.2	2,527,874	1,745,848
Depreciation on Islamic financing against leased assets		79,527	135,236
Training and development		209,138	191,600
Postage and courier charges		504,982	364,494
Communication		309,012	308,144
Stationery and printing		2,206,558	1,560,179
Marketing, advertisement and publicity		4,395,879	1,238,425
Donations	32.3	206,064	62,820
Auditors' remuneration	32.4	154,746	229,971
Insurance		149,516	164,816
Deposit protection premium expense		2,202,917	1,879,217
Cash transportation and sorting charges		1,265,657	1,107,921
Entertainment		455,065	301,461
Vehicle expenses		612,002	271,382
Subscription		58,866	287,396
Office running expenses		425,014	301,148
Banking service charges		7,342,337	5,256,387
Repairs and maintenance		2,654,280	1,648,790
Cartage, freight and conveyance		87,850	70,579
Miscellaneous expenses		1,408,152	832,295
		37,097,268	24,720,124
		97,104,258	70,093,696

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
32.1 Total compensation expense			
Non- Executive Directors' fees	43.2	117,870	102,700
Shariah Board's fees and allowances	43.3	12,973	12,641
Managerial remuneration			
i) Fixed		18,609,023	14,733,888
ii) Variable - Cash Bonus		8,865,418	2,257,507
Charge for defined benefit plan		91,031	650,477
Contribution to defined contribution Plan		686,206	740,199
Rent & house maintenance		4,346,393	3,400,484
Utilities		2,316,942	1,809,795
Medical		1,585,784	1,299,792
Conveyance		1,944,806	1,481,110
Group assurance premium		127,495	110,849
Others		19,894	47,219
Sub-total		38,723,835	26,646,661
Sign-on bonus		44,700	20,000
Severance allowance		130,775	317,057
Grand Total		38,899,310	26,983,718
Number of persons			
	21	1	
	13	119	
32.2 Total outsourced activities			
Total outsourced activities is Rs. 3,803.008 million (2023: Rs. 2,776.893 million). This includes outsourced service costs of Rs. 2,729.108 million (2023: Rs. 1,964.335 million), disclosed as separate line item in note 32. Out of total outsource cost, Rs. 3,521.182 million (2023: Rs. 2,452.374 million) pertains to the payment to companies incorporated in Pakistan and Rs. 281.826 million (2023: Rs. 324.518 million) pertains to payment to companies incorporated outside Pakistan. Total cost of outsourced activities for the year given to related parties is Nil (2023: Nil).			
The material outsourcing arrangements along with their nature of services are as follows:			
Name of service provider	Type of service	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
TCS (Private) Limited	Statement of account printing and dispatching	131,610	123,303
Paradise Press (Private) Limited	Cheque book printing services	235,483	104,031
Apex Printry (Private) Limited	Cheque book printing services	145,096	136,385
Printlink	Cheque book printing services	103,540	123,586
ASC First Solution (Private) Limited	Storage and digital archiving services	6,491	6,349
Raaziq International	Storage and digital archiving services	56,054	50,958
Phoenix Armour (Pvt) Limited	Cash Replenishment	-	20,922
Askari Guards (Pvt) Limited	Cash Replenishment	47,215	33,694
Security Organizing Services	Cash Replenishment	22,256	-
Qadri Enterprises	Key Punch	24,950	21,305
CMS Company	Cash Management Services	224,050	91,364
Transguard Group	Cash Management Services	23,144	30,697
Back Office FZ LLC	Record Management	27,894	50,158
Infofort	Record Management	9,948	10,183
Electronic Document Center	Printing Services	7,450	3,218
National Printing Press	Printing Services	8,719	6,405
		1,073,900	812,558

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

32.3 Details of donations

	2024	2023
	----- (Rupees in '000) -----	
Dr. Ruth K.M. Pfau Civil Hospital	10,000	10,000
Saylani Welfare International Trust	10,960	10,000
Habib University	-	9,950
Indus Hospital	50,000	9,600
Institute of Business Administration	-	7,387
Patients Aid Foundation	8,900	5,370
Sindh Institute of Urology & Transplantation (SIUT)	-	2,188
Kiran Foundation	10,000	2,186
Layton Rahmatullah Benevolent Trust	10,000	2,139
Million Smiles Foundation	-	2,000
SOS Children's Village	3,000	2,000
Marie Adelaide Leprosy Center	2,000	-
Family Educational Services Foundation	3,600	-
Alkhidmat Foundation	10,000	-
Education Trust Nasra Schools	2,500	-
The Hunar Foundation	5,000	-
Developments in Literacy (DIL)	1,000	-
Namal Education Foundation	10,000	-
Afzaal Memorial Thalassemia Foundation	5,000	-
National Institute of Child Health through OAKS	3,000	-
Karachi Down Syndrome Program	1,000	-
Shaukat Khanum Memorial Cancer Hospital	50,000	-
Cancer Foundation Hospital / Roche Pakistan	10,000	-
Donations individually not exceeding Rs. 0.5 million	104	-
	206,064	62,820

32.4 Auditors' remuneration

Bank		
Audit fee	19,440	15,660
Fee for other statutory certifications	20,520	23,145
Fee for audit of foreign branches	84,875	80,310
Special certifications and sundry advisory services	17,280	3,240
Out of pocket expenses	9,215	9,129
	151,330	131,484

Subsidiaries		
Audit fee	2,823	97,244
Fee for other statutory certifications	507	76
Out of pocket expenses	86	1,167
	3,416	98,487
	154,746	229,971

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

32.5 This includes expense in respect of short term leases and low value assets not included in lease liabilities amounting to Rs. 24.769 million (2023: Rs. 52.349 million) and Rs. 0.001 million (2023: Rs. 0.001 million) respectively.

33. WORKERS' WELFARE FUND

The provision has been made for Provincial Workers' Welfare Fund based on profit for the year. The chargeability of WWF has been challenged before the Court and the matter is still pending.

Note	2024	2023
	----- (Rupees in '000) -----	
	43,527	240,111
	31,743	215
	75,270	240,326

34. OTHER CHARGES

Penalties imposed by the SBP
Penalties imposed by other regulatory bodies of overseas branches

Note	2024	2023
	----- (Rupees in '000) -----	
	11,253,648	(4,893,500)
	(249,542)	6,110,045
	12,775,474	980,157

35. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

Credit loss allowance/ Reversal of provision against loans and advances	9.6	11,253,648	(4,893,500)
Credit loss allowance/ Provision for diminution in value of investments	8.3.3	(249,542)	6,110,045
Bad debts written off directly	9.8.1	54,951	149,845
Credit loss allowance/ Provision against other assets - net	14.4.1	476,252	(29,016)
Credit loss allowance/ Reversal of provision against off-balance sheet obligations - net	21.1	1,303,408	(29,304)
Recoveries against written off / charged off bad debts		(422,754)	(477,345)
Credit loss allowance against cash and balances with treasury bank		199,497	-
Other provisions / write-offs		160,014	149,432
	12,775,474	980,157	

36. TAXATION

Current	86,082,545	53,369,638
Prior years	(11,632,554)	2,008,969
Deferred	(4,251,986)	(1,264,963)
	70,198,005	54,113,644

36.1 Relationship between tax expense and accounting profit

Accounting profit for the year	145,036,839	110,584,565
Tax on income @ 44% (2023: 39%)	63,816,209	43,127,980
Super tax @ 10% (2023 : 10%)	15,019,165	10,811,807
Prior year charge	(11,632,554)	2,008,969
Tax effect of permanent differences	39,893	117,760
Impact of different tax rates of subsidiaries (permanent differences)	(416,407)	(983,885)
Others	3,371,699	(968,987)
Tax charge		
	70,198,005	54,113,644

37. Discontinued Operation - United National Bank Limited (UNBL UK)

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

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

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

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

	As of July 01, 2024 (Rupees in '000)	For the period January 01 to July 01, 2024 (Rupees in '000)
ASSETS:		
Cash and balances with treasury banks	41,173	
Balances with other banks	1,755,777	
Lendings to financial institutions	883,266	
Investments - net	43,815,778	
Advances - net	309,324,399	
Property and equipment	10,935,391	
Right-of-use assets	11,151	
Intangible assets	74,422	
Other assets	<u>786,086</u>	
	367,627,443	
LIABILITIES:		
Bills payable	11,588	
Deposits and other accounts	329,796,948	
Deferred tax liability	209,622	
Lease liabilities	14,965	
Other liabilities	<u>2,949,618</u>	
	332,982,741	
Net assets attributable to discontinued operations	<u>34,644,702</u>	
Attributable to:		
- equity holders of the Bank	19,054,586	
- non-controlling interest	<u>15,590,116</u>	
Loss on disposal of subsidiary attributable to equity holders		
Net assets derecognised	(19,054,586)	
Less: proceeds for 50.1% shareholding disposed	9,053,274	
Recognition of retained share of 4.9% at fair value	885,450	
	9,938,724	
Transfer of exchange translation reserve to profit and loss on derecognition	(9,115,862)	
Net loss	<u>8,706,711</u>	
	<u>(409,151)</u>	
		<i>Profit after taxation before carrying value adjustment</i>
	Attributable to equity holders	741,269
	Attributable to NCI	<u>606,492</u>
		1,347,761
		<i>Profit after taxation after carrying value adjustment</i>
	Equity holder	332,118
	NCI	<u>606,492</u>
		938,610

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

38. EARNINGS PER SHARE

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Weighted average number of ordinary shares	<u>1,224,179,687</u>	<u>1,224,179,687</u>
Basic and diluted earnings per share	<u>61.39</u>	<u>45.05</u>

There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2024 and 2023.

39. CASH AND CASH EQUIVALENTS

	Note 2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Cash and balances with treasury banks	5 310,836,376	277,355,760
Balances with other banks	6 59,968,246	33,430,371

39.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2024			2023		
	Lease liability against right-of-use assets	Dividends payable	Unappropriated profit	Lease liability against right-of-use assets	Dividends payable	Unappropriated profit
----- (Rupees in '000) -----						
Balance as at January 01,	10,474,561	727,315	97,379,056	9,614,922	8,547,733	96,282,169
Changes from financing cash flows						
Payment of lease liability against right-of-use assets	(3,623,173)	-	-	(3,346,856)	-	-
Dividend paid	-	(53,825,508)	-	-	(59,235,966)	-
Total changes from financing cash flows	(3,623,173)	(53,825,508)	-	(3,346,856)	(59,235,966)	-
Other Changes						
- Liability related	-	53,863,908	(53,863,908)	-	51,415,548	(51,415,548)
Cash dividend	1,504,645	-	-	1,236,242	-	-
Interest expense on lease liability against right-of-use assets	4,024,985	-	-	2,970,253	-	-
Non-cash based	5,529,630	53,863,908	(53,863,908)	4,206,495	51,415,548	(51,415,548)
Total other changes	-	-	72,956,903	-	-	52,512,435
Balance as at December 31,	12,381,018	765,715	116,472,051	10,474,561	727,315	97,379,056

40. STAFF STRENGTH

	2024			2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
----- (Number of employees) -----						
Permanent	18,135	337	18,472	13,679	272	13,951
On contract	1,677	6	1,683	57	13	70
Group's own staff strength	19,812	343	20,155	13,736	285	14,021
Outsourced	40.1	226	20	246	1,263	13
Total	20,038	363	20,401	14,999	298	15,297

40.1 This excludes employees of outsourced services companies assigned to the Group to perform services of security guards, admin and janitorial staff.

41. DEFINED BENEFIT PLANS

41.1 The Bank (Holding Company)

41.1.1 General description

The Bank operates the following schemes:

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

41.1.2 Pension Fund

The Bank operates a funded pension scheme established in 1975. The Pension Scheme was introduced on 1st January 1975 for Clerical and Non-Clerical employees and on the 1st May 1977 for Officers. Those in service at these dates were given an option to join the Pension Scheme or stay in the Bank's old gratuity scheme.

41.1.3 Gratuity scheme

The Bank also operates a funded gratuity scheme for new employees and for those employees who have not opted for the pension scheme.

41.1.4 Benevolent fund scheme

The Bank also operates a funded benevolent fund scheme which covers all regular employees of the Bank who joined the Bank pre-privatisation. Under this scheme, a fixed monthly subscription is made by employees by way of a salary deduction. Employees covered under this scheme, are entitled to receive benevolent grants on death, disability, retirement and other contingencies as monthly grant payment or one-time payment subject to certain conditions as specified in the rules of the fund.

41.1.5 Post-retirement medical benefits

The Bank also provides a non-funded post retirement medical benefits to eligible retired employees. The post-retirement medical scheme cover all regular employees of the Bank who joined the Bank pre-privatisation.

41.1.6 Compensated absences

The Bank maintains a non-funded scheme for compensated absences.

41.1.7 Other schemes

Employee benefit schemes offered by the Bank's overseas branches are governed by the laws of the respective countries in which the branches operate.

41.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2024 ----- (Number) -----	2023 ----- (Number) -----
- Pension fund	371	447
- Gratuity fund	17,128	12,982
- Post-retirement medical benefit scheme	490	589
- Benevolent fund	552	667
- Employee compensated absences	567	667

In addition to above active employees, pension fund, benevolent fund and post-retirement medical benefit schemes include 5,961 (2023: 6,799), 1,163 (2023: 1,583) and 7,787 (2023: 7,688) members respectively who have retired or whose widows and other beneficiaries are receiving the benefits.

41.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024 using Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2024 ----- Per annum -----	2023 ----- Per annum -----
Discount rate	12.25%	15.50%
Expected rate of salary increase	10.25%	13.50%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	6.25%	9.50%
Expected rate of return on plan assets	12.25%	15.50%

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

41.4 Pension, gratuity, benevolent fund schemes and other benefits

41.4.1 The fair value of plan assets and the present value of defined benefit obligations of these schemes as at December 31, 2024 are as follows:

Note	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				

Present value of defined benefit obligations	(8,553,357)	(1,982,123)	(159,458)	(2,921,465)
Fair value of plan assets	20,860,138	2,409,681	431,968	-
Receivable / (payable)	12,306,781	427,558	272,510	(2,921,465)

Note	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				

Present value of defined benefit obligations	(7,486,939)	(1,614,165)	(193,311)	(2,590,351)
Fair value of plan assets	11,929,445	1,652,156	306,766	-
Receivable / (payable)	4,442,506	37,991	113,455	(2,590,351)

41.5 Movement in present value of defined benefit obligations

Note	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				

Obligations at the beginning of the year	7,486,939	1,614,165	193,311	2,590,351
Current service cost	7,256	256,074	1,823	288
Interest cost	1,016,269	256,359	26,791	389,632
Benefits paid by the Bank	(931,396)	(236,894)	(30,728)	(156,606)
Return allocated to other funds	73,510	-	-	-
Remeasurement (gains) / losses	900,779	92,419	(31,739)	97,800
Obligations at the end of the year	8,553,357	1,982,123	159,458	2,921,465

Note	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				

Obligations at the beginning of the year	7,986,943	1,386,100	235,203	2,628,679
Current service cost	24,202	221,414	2,445	383
Interest cost	1,003,809	205,138	30,665	370,420
Benefits paid by the Bank	(984,419)	(263,320)	(46,028)	(134,437)
Return allocated to other funds	58,355	-	-	-
Remeasurement (gains) / losses	(601,951)	64,833	(28,974)	(274,694)
Obligations at the end of the year	7,486,939	1,614,165	193,311	2,590,351

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

41.6 Movement in fair value of plan assets

Fair value at the beginning of the year	11,929,445	1,652,156	306,766	10,439,543	1,348,276	300,571
Interest income on plan assets	1,780,969	261,838	43,154	1,443,915	200,013	39,523
Contribution by the Bank	(1,169,284)	147,337	736	(6,829)	266,071	929
Contribution by the employees	-	-	736	-	-	929
Amount paid by the fund to the Bank	(841,332)	(266,092)	(31,091)	(1,002,592)	(267,752)	(53,212)
Remeasurement gains / (losses)	9,160,340	614,442	111,667	1,055,408	105,548	18,026
Fair value at the end of the year	20,860,138	2,409,681	431,968	11,929,445	1,652,156	306,766

41.7 Movement in (payable) / receivable under defined benefit schemes

Opening balance	4,442,506	37,991	113,455	(2,590,351)
Adjustment for mark-up	70,356	2,060	362	-
(Charge) / reversal for the year	683,934	(250,595)	15,276	(389,920)
Contribution by the Bank	(1,169,284)	147,337	736	-
Amount paid by the Fund to the Bank	(841,332)	(266,092)	(31,091)	-
Benefits paid by the Bank	931,396	236,894	30,728	156,606
Re-measurement gains	8,189,205	519,963	143,044	(97,800)
Closing balance	12,306,781	427,558	272,510	(2,921,465)

41.8 Charge for defined benefit plans

41.8.1 Cost recognised in profit and loss

Current service cost	40.5	7,256	256,074	1,823	288
Past service cost	-	-	-	-	-
Net interest on defined benefit (asset) / liability	(764,700)	(5,479)	(16,363)	389,632	
Return allocated to other funds	40.8.1.1	73,510	-	-	-
Employees' contribution	-	-	(736)	-	-

2024

2023

Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
(Rupees in '000)					

Opening balance	4,442,506	37,991	113,455	(2,590,351)
Adjustment for mark-up	70,356	2,060	362	-
(Charge) / reversal for the year	683,934	(250,595)	15,276	(389,920)
Contribution by the Bank	(1,169,284)	147,337	736	-
Amount paid by the Fund to the Bank	(841,332)	(266,092)	(31,091)	-
Benefits paid by the Bank	931,396	236,894	30,728	156,606
Re-measurement gains	8,189,205	519,963	143,044	(97,800)
Closing balance	12,306,781	427,558	272,5	

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Note	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
(Rupees in '000)				
Current service cost	40.5	24,202	221,414	2,445
Past service cost		-	-	-
Net interest on defined benefit (asset) / liability		(440,106)	5,125	(8,858)
Return allocated to other funds	40.8.1.1	58,355	-	-
Employees' contribution		-	-	(929)
		(357,549)	226,539	(7,342)
				370,803

41.8.1.1 This represents return allocated to those employees who exercised the conversion option offered in the year 2001, as referred to in note 4.15.

41.8.2 Re-measurements recognised in OCI during the year

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				
Losses / (gains) on obligation				
- Financial assumptions	1,597,769	(37,039)	16,578	18,927
- Experience adjustments	(696,990)	129,458	(48,317)	78,873
Return on plan assets over interest income	(9,160,340)	(614,442)	(111,667)	-
Adjustment for mark-up	70,356	2,060	362	-
Total re-measurements recognised in OCI	(8,189,205)	(519,963)	(143,044)	97,800

	2023			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
(Rupees in '000)				
Losses / (gains) on obligation				
- Financial assumptions	(462,000)	9,079	(6,823)	2,367
- Experience adjustments	(139,951)	55,754	(22,151)	(277,061)
Return on plan assets over interest income	(1,055,408)	(105,548)	(18,026)	-
Adjustment for mark-up	8,380	2,129	777	-
Total re-measurements recognised in OCI	(1,648,979)	(38,586)	(46,223)	(274,694)

Re-measurements recognised in OCI during the year pertaining to other schemes as disclosed in note 41.1.7 is Rs. 51.289 million (2023: Rs. 43.683 million).

41.9 Components of fair value of plan assets

	2024			2023		
	Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
(Rupees in '000)						
Cash and cash equivalents - net	67,218	46,578	3,880	59,992	47,923	3,921
Ordinary shares	19,980,648	1,086,895	229,043	6,814,050	505,699	106,568
Non-Government debt securities	812,272	1,077,785	12,239	1,873,198	23,481	12,969
Mutual funds units	-	-	-	-	-	-
Pakistan Investment Bonds	-	54,123	154,606	2,926,505	999,397	171,808
Market Treasury Bills	-	-	-	-	1,256	-
National Saving Certificates / Bonds	-	-	32,200	-	-	-
Certificate of Investments	-	-	-	-	-	11,500
Repurchase Agreements	-	144,300	-	255,700	74,400	-
	20,860,138	2,409,681	431,968	11,929,445	1,652,156	306,766

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

41.9.1 The Funds invests in Government Securities and accordingly do not carry any significant credit risk. These are subject to interest rate risk based on market movements. Investment in non-government securities are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Trustees of the employee funds.

41.10 Sensitivity analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarised below:

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
(Rupees in '000)				
Increase in discount rate by 1 %	(564,257)	(129,422)	(5,566)	(276,459)
Decrease in discount rate by 1 %	646,909	147,174	6,062	332,766
Increase in expected future increment in salary by 1 %	-	158,228	909	-
Decrease in expected future increment in salary by 1 %	-	(141,159)	(877)	-
Increase in expected future increment in pension by 1 %	672,731	-	-	-
Decrease in expected future increment in pension by 1 %	(593,692)	-	-	-
Increase in expected future increment in medical benefit by 1 %	-	-	-	321,954
Decrease in expected future increment in medical benefit by 1 %	-	-	-	(273,318)

41.11 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the pension and gratuity funds according to the actuary's advice. Contribution to the benevolent fund is made by the Bank as per the rates set out in the benevolent fund scheme. Based on actuarial advice, management estimates that the expected contribution and charge / (reversal) for the year ending December 31, 2025 would be as follows:

	2025			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
(Rupees in '000)				
Expected contribution	-	-	662	-
Expected charge / (reversals) for the year	(1,502,447)	292,864	(30,525)	347,145

	2024			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
(Rupees in '000)				
The weighted average duration of the obligation (in years)	7.45	6.95	2.82	9.46

41.12 Maturity profile

The risk arises due to inclusion of risky assets in the funds portfolio, inflation, interest rate volatility and change in price.

Changes in Bond Yields

The risk arises when bond yield is lower than the expected return on the planned assets (duration based PIB discount rate).

Price Risk

The risk arises when there is volatility in market price of the equity instrument invested by Funds.

Inflation Risk

The salary inflation is the major risk that the Gratuity and Compensated Absences liability carries. In pension fund the increase has been determined by the Supreme Court and does not carry this risk as the benefit is practically no longer exposed to future salary increases. Some of the post-retirement medical benefits are capped to a proportion of Pension, thus carrying no salary inflation risk. However, the hospitalisation benefit is susceptible to medical inflation risk.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Withdrawal Risk

Withdrawal risks is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

Other Risks

Though, not imminent and generally observable, over long term there are some risks that may crystallise. These include:

- Retention Risk – The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.
- Final Salary Risk – The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to a multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.
- Model Risk – The defined benefit gratuity liability is valued by actuary each year. Further, the assets in the Fund are also marked to market. This two-tier valuation gives rise to the model risk.
- Operational Risk related to a separate entity - Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes, and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit Funds. This gives rise to some specific operational risks.
- Compliance Risk – The risk that retirement benefits offered by the Bank do not comply with minimum statutory requirements.
- Legal / Political Risk – The risk that the legal / political environment changes and as a result, the Bank is required to offer additional or different retirement benefits than what the Bank projected. Specifically, in the light of recent Supreme Court decisions, this risk has materialised.

41.15 UBL Fund Managers Limited

41.15.1 Principal actuarial assumptions

UBL FM operates an approved funded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 years or earlier cessation of service in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service. The minimum qualifying eligible service for gratuity is 3 years for employees and executives. The latest actuarial valuation of the subsidiary's defined benefit plan, based on Projected Unit Credit Actuarial Cost Method, was carried out as at December 31, 2024. The main assumptions used in the actuarial valuation are as follows:

	2024	2023
	----- Per annum -----	
Discount rate	12.25%	15.50%
Expected rate of salary increase	20.00%	15.50%

41.15.2 The fair value of plan assets and the present value of defined benefit obligations of these scheme as at December 31, 2023 is as follows:

	2024	2023
	----- (Rupees in '000) -----	
Present value of obligations	(133,424)	(123,804)
Fair value of plan assets	181,636	138,323
Receivable / (payable)	<u>48,212</u>	<u>14,519</u>

41.15.3 Movement in (payable) / receivable during the year

Payable at the beginning of the year	14,519	(7,649)
Current service cost	(20,783)	(18,694)
Net interest expense	1,720	(1,399)
Employer contribution	32,321	20,093
Remeasurement gain / (loss)	20,435	22,168
Payable at the end of the year	<u>48,212</u>	<u>14,519</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

2024
----- (Rupees in '000) -----
2023

41.15.4 Movement in present value of defined benefit obligation

Obligation at the beginning of the year	123,804	103,799
Current service cost	20,783	18,694
Interest cost	19,989	15,774
Benefits paid	(32,038)	(7,418)
Remeasurement gain	886	(7,045)
Obligation at the end of the year	<u>133,424</u>	<u>123,804</u>

41.15.5 Movement in the fair value of plan assets

Fair value of plan assets at the beginning of the year	138,323	96,150
Interest income on plan assets	21,709	14,375
Contributions to the plan	32,321	20,093
Benefits paid	(32,038)	(7,418)
Remeasurement gain / (loss)	21,321	15,123
Fair value of plan assets at the end of the year	<u>181,636</u>	<u>138,323</u>

41.15.6 Composition of plan assets

Cash and cash equivalents - net	26,499	1,184
Debt securities	100,184	94,054
Mutual funds units	-	7,893
Ordinary shares	51,415	32,919
	<u>178,098</u>	<u>136,050</u>

41.15.7 Charge for defined benefit plan

Current service cost	20,783	18,694
Interest cost	19,989	15,774
Interest income on plan assets	(21,709)	(14,375)
	<u>19,063</u>	<u>20,093</u>
Actual return on plan assets	21,709	14,375

41.15.8 Maturity profile and expected future contribution

Based on actuarial advice, management estimates that the expected charge for the year ending December 31, 2025, would be Rs.19.118 million respectively. The weighted average duration of the obligation as of December 31, 2024, is 8.99 years.

41.15.9 Sensitivity Analysis

Sensitivity analysis has been performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligation under the defined benefit scheme. The increase / (decrease) in the present value of defined benefit obligation as a result of a change in each assumption is summarised below:

2024
Rupees in '000

Increase in discount rate by 1 %	123,190
Decrease in discount rate by 1 %	145,131
Increase in salary increment rate by 1%	144,379
Decrease in salary increment rate by 1%	123,656

42 OTHER EMPLOYEE BENEFITS

42.1 Defined contribution plan

The Bank operates a contributory provident fund scheme for 17,128 (2023: 12,982) employees who are not in the pension scheme. The employer and employee each contribute 8.33% of the basic salary to the funded scheme every month.

UBL FM operates a contributory provident fund scheme. The employer and employee each contribute 10% of the basic salary to the funded scheme every month.

Notes to and forming part of the Consolidated Financial Statements

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42.2 Employee Stock Option Scheme

UBL Fund Managers has an incentive scheme for its top performing employees in the form of share options under the policy of Employee Stock Option Scheme (ESOS). The options give a right to subscribe ordinary shares of the Company to the extent of the lower of two million shares or five percent of the share capital of the company as of the grant date. The scheme is divided into three phases and options are exercisable at their respective exercise price determined from time to time according to methodology provided in approved scheme. Each phase give a right to eligible employees to acquire options after a vesting period of two years, in two tranches i.e. 50% of the vested options are exercisable upon completion of vesting period, while remaining 50% can be exercised after one year. The last phase was completed in 2016 in which 18,121 shares were issued pursuant to exercise of the share options.

43. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

43.1 Total Compensation Expense

Items	2024					
	Directors		Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non-Executives			(Rupees in '000)
Fees and Allowances etc.	10,860	-	107,010	12,973	-	3,425
Managerial Remuneration						
i) Fixed	-	-	-	139,629	368,775	744,530
ii) Variable - Cash Bonus	-	-	-	48,000	358,410	505,039
Contribution to defined contribution plan	-	-	-	11,350	25,486	58,947
Charge for defined benefit plan	-	-	-	3,564	8,665	16,040
Rent & house maintenance	-	-	-	4,800	145,718	258,136
Utilities	-	-	-	-	64,238	111,192
Medical	-	-	-	-	33,816	69,314
Conveyance	-	-	-	6,251	127,163	153,753
Others	-	-	-	-	53,096	210,640
Sub-Total	10,860	-	107,010	12,973	213,594	1,188,792
Sign-on bonus	-	-	-	-	-	2,800
Total	10,860	-	107,010	12,973	213,594	1,191,592
Number of Persons	1	-	8	3	1	24
						270

Items	2023					
	Directors		Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non-Executives			(Rupees in '000)
Fees and Allowances etc.	13,670	-	89,030	12,641	-	-
Managerial Remuneration						
i) Fixed	-	-	-	149,916	607,984	1,186,323
ii) Variable - Cash Bonus	-	-	-	158,895	308,198	342,240
Contribution to defined contribution plan	-	-	-	12,230	48,928	102,941
Charge for defined benefit plan	-	-	-	4,649	7,886	28,022
Rent & house maintenance	-	-	-	14,031	104,096	285,957
Utilities	-	-	-	2,393	45,484	123,425
Medical	-	-	-	319	27,402	81,515
Conveyance	-	-	-	9,564	79,284	246,704
Others	-	-	-	34,572	33,892	149,272
Sub-Total	13,670	-	89,030	12,641	386,569	1,263,154
Awards	-	-	-	-	-	20,000
Total	13,670	-	89,030	12,641	386,569	1,283,154
Number of Persons	1	-	8	3	2	33
						193

The total amount of deferred bonus as at December 31, 2024 for the President / CEO, Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. Rs. 363.459 million (2023: Rs. 443.554 million). The deferred bonus is held in a trust fund.

Notes to and forming part of the Consolidated Financial Statements

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43.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	For Board Meetings	Meeting Fees and Allowances Paid							
			For Board Committees				Board Human Resource & Compensation Committee (HRCC)			
			Board Audit Committee (BAC)	Board Risk & Compliance Committee (BRCC)	Board IT Committee (BITC)	Board Nomination Committee (BNC)	Board International Committee (BIC)			
(Rupees in '000)										
1	Sir Mohammed Anwar Pervez, OBE, HPk	4,800	-	2,400	-	-	960	2,400	300	10,860
2	Lord Zameer M. Choudrey, CBE, SI Pk	4,800	-	3,200	3,200	-	800	4,000	450	16,450
3	The Honorable Haider Zameer Choudrey	4,800	3,200	-	-	3,840	800	3,200	350	16,190
4	Mr. Rizwan Pervez	4,800	3,200	-	-	3,200	-	3,200	450	14,850
5	Mr. Daniel Michael Howlett	4,800	-	-	3,840	3,200	-	3,200	-	15,040
6	Ms. Shazia Syed	4,800	3,840	3,200	-	-	-	3,200	-	15,040
7	Mr. Tariq Rashid	4,800	3,200	3,840	-	-	-	3,200	-	15,040
8	Mr. Muhammad Irfan A.sheikh	4,800	-	-	3,200	3,200	-	3,200	-	14,400
Total Amount Paid		38,400	13,440	12,640	10,240	13,440	2,560	25,600	1,550	117,870

Sr. No.	Name of Director	For Board Meetings	Meeting Fees and Allowances Paid							
			For Board Committees				Board Human Resource & Compensation Committee (HRCC)			
			Board Audit Committee (BAC)	Board Risk & Compliance Committee (BRCC)	Board IT Committee (BITC)	Board Nomination Committee (BNC)	Board Digital Banking Committee (BDC)	Allowance		
(Rupees in '000)										
1	Sir Mohammed Anwar Pervez, OBE, HPk	6,660	-	3,950	-	-	1,710	800	550	13,670
2	Lord Zameer M. Choudrey, CBE, SI Pk	5,550	-	1,600	3,150	1,550	1,550	800	600	14,800
3	The Honorable Haider Zameer Choudrey	5,550	3,150	-	-	3,310	1,550	800	600	14,960
4	Mr. Rizwan Pervez	5,550	3,150	2,350	-	1,600	-	800	600	14,050
5	Mr. Daniel Michael Howlett	4,000	-	-	1,920	1,600	-	960	-	8,480
6	Ms. Shazia Syed	5,550	3,780	1,600	1,550	-	-	800	-	13,280
7	Mr. Amar Zafar Khan*	1,550	-	-	-	-	-	-	-	1,550
8	Mr. Tariq Rashid	5,550	800	4,740	-	2,820	-	800	-	14,710
9	Mr. Muhammad Irfan A.sheikh	3,200	800	-	1,600	800	-	800	-	7,200
Total Amount Paid		43,160	11,680	14,240	8,220	11,680	4,810	6,560	2,350	102,700

43.3 Remuneration paid to Shariah Board Members

Items	2024		
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Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

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.

44.1 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).

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:

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

44.2 Fair value of financial assets

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

On-balance sheet financial instruments	2024			
	Fair value			
	Carrying Value	Level 1	Level 2	Level 3
(Rupees in '000)				
Financial assets measured at fair value				
Investments				
- Federal Government Securities	5,427,125,157	-	5,427,125,157	-
- Foreign Bonds - Market Treasury Bills	14,911,986	-	14,911,986	-
- Foreign Bonds - sovereign	93,826,601	-	93,826,601	-
- Foreign Bonds - others	1,238,358	-	1,238,358	-
- Ordinary shares of listed companies	20,452,691	20,452,691	-	20,452,691
- Non-Government debt securities	2,164,861	-	2,164,861	-
- Real Estate Investment Trust units	951,870	951,870	-	951,870
	5,560,671,524	21,404,561	5,539,266,963	-
			5,560,671,524	

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Financial assets - disclosed but not measured at fair value	2024			
	Fair value			
	Carrying Value	Level 1	Level 2	Level 3
(Rupees in '000)				
Investments				
- Federal Government Securities	277,953,188	-	278,216,586	-
- Foreign Bonds - Market Treasury Bills	8,042,379	-	8,042,379	-
- Foreign Bonds - sovereign	15,796,704	-	14,949,083	-
- Foreign Bonds - others	1,466,872	-	1,348,952	-
- Non-Government debt securities	19,339,444	-	19,556,848	-
	322,598,587	-	322,113,848	-
	5,883,270,111	21,404,561	5,861,380,811	-
			5,882,785,372	
Off-balance sheet financial instruments - measured at fair value				
Forward purchase and sale of foreign exchange contracts	582,473,911	-	(222,176)	-
FX options - purchased and sold (net)	-	-	-	-
Forward purchase and sale of Government Securities	319,286,690	-	1,256,494	-
2023				
Carrying Value	Fair value			
	Carrying Value	Level 1	Level 2	Level 3
	(Rupees in '000)			
On-balance sheet financial instruments				
Financial assets measured at fair value				
Investments				
- Federal Government Securities	3,883,185,846		3,883,185,846	-
- Foreign Bonds - Market Treasury Bills	67,785,996		67,785,996	-
- Foreign Bonds - sovereign	91,384,646		91,384,646	-
- Foreign Bonds - others	10,329,301		10,329,301	-
- Ordinary shares of listed companies	10,765,935	10,765,935	-	-
- Non-Government debt securities	3,128,337	-	3,128,337	-
- Real Estate Investment Trust units	616,232	616,232	-	-
	4,067,196,293	11,382,167	4,055,814,126	-
			4,067,196,293	
Financial assets - disclosed but not measured at fair value				
Investments				
- Federal Government Securities	303,809,670	-	303,809,670	-
- Foreign Bonds - Market Treasury Bills	15,875,336	-	15,875,336	-
- Foreign Bonds - sovereign	20,187,556	-	20,187,556	-
- Foreign Bonds - others	1,494,294	-	1,494,294	-
- Non-Government debt securities	21,471,009	-	21,471,009	-
	362,837,865	-	362,837,865	-
	4,430,034,158	11,382,167	4,418,651,991	-
			4,430,034,158	
Off-balance sheet financial instruments				
Forward purchase and sale of foreign exchange contracts	572,110,279	-	1,671,729	-
FX options - purchased and sold (net)	366,068	-	-	-
Forward purchase of Government Securities	19,956,300	-	26,617	-
2024				
Carrying Value	Fair value			
	Carrying Value	Level 1	Level 2	Level 3
	(Rupees in '000)			
44.3 Fair Value of non-financial assets				
Property and equipment				
Non-banking assets acquired in satisfaction of claims				
Property and equipment	60,922,041	-	-	60,922,041
Non-banking assets acquired in satisfaction of claims	42,075	-	-	42,075
	60,964,116	-	-	60,964,116
2023				
Carrying Value	Fair value			
	Carrying Value	Level 1	Level 2	Level 3
	(Rupees in '000)			
Property and equipment				
Non-banking assets acquired in satisfaction of claims				
Property and equipment	61,722,714	-	-	61,722,714
Non-banking assets acquired in satisfaction of claims	42,075	-	-	42,075
	61,764,789	-	-	61,764,789

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

45. SEGMENT INFORMATION

45.1 Segment details with respect to business activities

	2024							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)								
Profit & Loss								
Net mark-up / return / profit	61,540,701	200,057,676	(146,184,327)	38,235,548	21,275,103	16,761	(1,393,581)	173,547,881
Inter segment (expense) / revenue - net	(50,874,024)	(247,139,518)	289,412,290	-	-	-	8,601,252	-
Non mark-up / return / interest income	8,343,496	46,721,140	10,400,341	2,147,707	11,890,673	3,381,149	1,705,209	84,589,715
Total Income	19,010,173	(360,702)	153,628,304	40,383,255	33,165,776	3,397,910	8,912,880	258,137,596
Segment direct expenses	1,903,390	664,029	55,082,933	8,171,042	7,860,993	2,359,758	24,283,138	100,325,283
Inter segment expense allocation	402,004	913,915	9,608,813	-	-	-	(10,924,732)	-
Total expenses	2,305,394	1,577,944	64,691,746	8,171,042	7,860,993	2,359,758	13,358,406	100,325,283
Credit loss allowance - net	2,671,196	221,697	(167,806)	(8,250)	7,971,599	-	2,087,038	12,775,474
Profit / (loss) before tax	14,033,583	(2,160,343)	89,104,364	32,220,463	17,333,184	1,038,152	(6,532,564)	145,036,839
Balance Sheet								
Cash & Bank balances	29,906	99,428,160	64,494,602	44,862,676	160,898,813	1,090,465	-	370,804,622
Investments	10,156,363	5,613,070,387	-	119,366,357	140,744,551	4,350,495	2,077,688	5,889,765,841
Net inter segment lending	-	-	1,513,980,697	216,760,034	-	-	63,438,769	1,794,179,500
Lendings to financial institutions	-	18,492,483	-	-	-	-	-	18,492,483
Advances - performing net of credit loss allowance	912,361,408	2,238	57,221,149	147,626,192	316,182,001	-	1,996,657	1,435,389,645
Advances - non-performing net of credit loss allowance	1,328,491	-	298,848	260,774	6,204,186	-	-	8,092,299
Others	24,878,319	138,388,839	51,935,147	81,332,932	11,129,453	2,004,998	36,882,699	346,552,387
Total Assets	948,754,487	5,869,382,107	1,687,930,443	610,208,965	635,159,004	7,445,958	104,395,813	9,863,276,777
Borrowings	46,800,297	4,767,131,383	5,583,815	8,003,110	27,854,911	-	-	4,855,373,516
Subordinated debt	-	-	-	-	-	-	10,000,000	10,000,000
Deposits & other accounts	129,324,679	-	1,494,684,448	519,488,249	496,378,609	-	-	2,639,875,985
Net inter segment borrowing	753,056,630	1,032,301,065	-	-	8,821,805	-	-	1,794,179,500
Others	19,538,871	53,577,825	90,825,364	17,915,365	17,577,342	1,392,046	42,212,950	243,039,763
Total Liabilities	948,720,477	5,853,010,273	1,591,093,627	545,406,724	550,632,667	1,392,046	52,212,950	9,542,468,764
Equity	34,010	16,371,834	96,836,816	64,802,241	84,526,337	6,053,912	52,182,863	320,808,013
Total Equity & liabilities	948,754,487	5,869,382,107	1,687,930,443	610,208,965	635,159,004	7,445,958	104,395,813	9,863,276,777
Contingencies and Commitments								
	748,634,121	505,243,486	93,104,492	10,536,687	442,550,988	-	1,504,910	1,801,574,684

	2023							
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)								
Profit & Loss								
Net mark-up / return / profit	62,359,198	165,148,422	(121,897,300)	20,401,647	18,978,272	6,090,946	(2,106,116)	148,975,069
Inter segment (expense) / revenue - net	(56,002,151)	(237,721,792)	282,189,337	-	-	-	11,534,606	-
Non mark-up / return / interest income	6,459,446	11,618,653	11,528,592	256,665	4,066,004	1,878,747	(725,619)	35,082,488
Total Income	12,816,493	(60,954,717)	171,820,629	20,658,312	23,044,276	7,969,693	8,702,871	184,057,557
Segment direct expenses	1,755,992	662,195	43,123,087	4,271,579	7,917,826	5,815,687	8,946,469	72,492,835
Inter segment expense allocation	443,919	108,914	9,504,655	-	588,849	-	(10,646,337)	-
Total expenses	2,199,911	771,109	52,627,742	4,271,579	8,506,675	5,815,687	(1,699,868)	72,492,835
(Reversals) / provisions - net	(1,384,871)	129,130	(752,586)	12,640	4,029,594	(1,673,429)	619,679	980,157
Profit / (loss) before tax	12,001,453	(61,854,956)	119,945,473	16,374,093	10,508,007	3,827,435	9,783,060	110,584,565

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	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others	Total
(Rupees in '000)								
Balance Sheet								
Cash & Bank balances	11,358	91,058,816	101,463,285	27,886,564	86,963,694	3,402,414	-	310,786,131
Investments	12,055,059	3,829,744,363	-	-	331,496,374	199,730,588	54,043,558	8,680,928
Net inter segment lending	-	-	1,501,428,974	-	-	-	-	146,476,492
Lendings to financial institutions	-	21,947,852	-	12,500,000	-	-	4,868,418	-
Advances - performing	391,683,285	9,872	50,956,184	47,108,009	107,411,872	253,441,391	3,188,070	853,798,683
Advances - non-performing net of provision	2,710,229	-	614,905	79,176	9,792,924	5,034,015	11,000	18,242,249
Others	18,344,061	92,057,395	38,605,116	21,064,320	15,071,413	13,126,882	48,511,496	246,780,683
Total Assets	424,803,992	4,034,818,298	1,693,068,464	440,134,443	418,970,491	333,916,678	206,867,986	7,552,580,352
Borrowings	57,979,951	2,739,257,686	4,506,465	13,726,452	-	8,417,360	-	2,823,887,9

Notes to and forming part of the Consolidated Financial Statements

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Geographical segment analysis

	2023				
	Pakistan	Middle East	Europe	Export Processing Zones	Total
(Rupees in '000)					
Profit & Loss					
Net mark-up / return / profit	123,894,953	18,208,240	6,101,844	770,032	148,975,069
Non mark-up / return / interest income	31,816,603	4,041,228	(800,119)	24,776	35,082,488
Total Income	155,711,556	22,249,468	5,301,725	794,808	184,057,557
Segment direct expenses	60,006,959	7,883,702	4,568,050	34,124	72,492,835
Inter segment expense allocation	(588,849)	586,191	-	2,658	-
Total expenses	59,418,110	8,469,893	4,568,050	36,782	72,492,835
Provisions - net	(1,376,008)	3,471,953	(1,673,429)	557,641	980,157
Profit / (loss) before tax	97,669,454	10,307,622	2,407,104	200,385	110,584,565
Balance Sheet					
Cash & Bank balances	220,421,732	86,777,534	3,400,705	186,160	310,786,131
Investments	4,186,410,893	196,285,002	49,609,389	3,445,586	4,435,750,870
Net inter segment lending	1,647,905,466	-	-	-	1,647,905,466
Lendings to financial institutions	34,447,852	-	4,868,418	-	39,316,270
Advances - performing	492,945,422	105,933,631	253,441,389	1,478,241	853,798,683
Advances - non-performing net of provision	3,415,311	9,792,924	5,034,014	-	18,242,249
Others	219,360,361	14,687,435	12,348,909	383,978	246,780,683
Total Assets	6,804,907,037	413,476,526	328,702,824	5,493,965	7,552,580,352
Borrowings	2,816,966,160	-	6,921,754	-	2,823,887,914
Subordinated debt	10,000,000	-	-	-	10,000,000
Deposits & other accounts	2,025,265,992	319,856,028	285,230,612	4,363,470	2,634,716,102
Net inter segment borrowing	1,550,540,776	96,858,410	-	506,280	1,647,905,466
Others	52,992,928	90,719,656	2,916,746	3,568,945	150,198,275
Total Liabilities	6,455,765,856	507,434,094	295,069,112	8,438,695	7,266,707,757
Equity	349,141,181	(93,957,568)	33,633,712	(2,944,730)	285,872,595
Total Equity & liabilities	6,804,907,037	413,476,526	328,702,824	5,493,965	7,552,580,352
Contingencies and Commitments	1,027,165,181	287,920,806	42,251,714	120,521	1,357,458,222

46. TRUST ACTIVITIES

The Bank acts as a custodian for securities held in Investor Portfolio Securities (IPS) accounts. These are not assets of the Bank and, therefore, are not included in these consolidated financial statements. Assets held under trust in IPS accounts are shown in the table below:

Category	Number of IPS Accounts	2024				
		Securities held (Face Value)			Total	
		Pakistan Investment Bonds	GoP Ijara Sukuks	Market Treasury Bills		
(Rupees in '000)						
Asset Management Companies	2	-	1,006,800	-	1,006,800	
Corporates	37	132,351,400	-	163,621,760	295,973,160	
Individuals	199	215,800	17,500	5,282,750	5,516,050	
Insurance Companies	5	472,645,700	1,897,500	73,505,000	548,048,200	
NGO / Charitable Organisation	4	2,754,000	-	12,126,745	14,880,745	
Pension & Employee Funds	36	63,018,800	838,000	43,246,890	107,103,690	
Others	12	117,743,700	-	30,818,460	148,562,160	
Total	295	788,729,400	3,759,800	328,601,605	1,121,090,805	

Category	Number of IPS Accounts	2023				
		Securities held (Face Value)			Total	
		Pakistan Investment Bonds	GoP Ijara Sukuks	Market Treasury Bills		
(Rupees in '000)						
Asset Management Companies	3	-	8,284,500	-	8,284,500	
Corporates	27	32,321,700	-	105,059,490	137,381,190	
Individuals	246	262,500	21,000	7,532,275	7,815,775	
Insurance Companies	6	540,345,800	2,393,500	64,025,500	606,764,800	
NGO / Charitable Organisation	4	1,634,000	-	5,691,640	7,325,640	
Pension & Employee Funds	34	57,118,600	325,000	30,799,880	88,243,480	
Others	14	11,318,400	-	17,370,360	28,688,760	
Total	334	643,001,000	11,024,000	230,479,145	884,504,145	

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47. 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 persons 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 financial statements, are as follows:

47.1 Related party transactions

	Parent	Directors	Key management personnel	Associates	Other related parties	2024
(Rupees in '000)						
Lendings to financial institutions						
Opening balance	-	-	-	-	-	804,102
Addition during the year	-	-	-	-	-	2,191,560
Repaid during the year	-	-	-	-	-	(2,995,662)
Transfers in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	-	-	6,389,617
Investment made during the year	-	-	-	-	-	17,508,051
Investment redeemed / disposed off during the year	-	-	-	-	-	(17,793,670)
Transfer in / (out) - net	-	-	-	-	-	(37,406)
Equity method adjustments	-	-	-	-	-	202,357
Closing balance	-	-	-	-	-	6,306,355
Credit loss allowance for diminution in value of investments	-	-	-	-	-	1,417,485
Provision written off	-	-	-	-	-	-
Property and equipment / CWIP	-	-	-	-	-	197,026
Advances						
Opening balance	-	1,286	609,959	-	-	392
Addition during the year	-	7,566	365,352	-	-	231,103,164
Repaid during the year	-	(8,315)	(488,089)	-	-	(6,136)
Transfers in / (out)	-	-	109,061	-	-	-
Closing balance	-	537	596,283	-	-	231,097,420
Credit loss allowance held against advances	-	-	-	-	-	-
Other Assets						
Interest / mark-up accrued	-	-	133	-	-	5,094,682
Receivable from staff retirement funds	-	-	-	-	-	13,006,849
Prepaid insurance	-	-	-	-	-	144,558
Unrealised gain on forward foreign exchange contracts	-	-	-	-	-	134
Remuneration rece						

Notes to and forming part of the Consolidated Financial Statements

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	2024				
	Parent	Directors	Key management personnel	Associates	Other related parties
Borrowings					
Opening balance					
	-	-	-	-	402,800
Borrowings during the year	-	-	-	500,000	243,259,002
Settled during the year	-	-	-	(500,000)	(149,201,102)
Closing balance	-	-	-	-	94,460,700
Deposits and other accounts					
Opening balance	14,362	5,149,234	115,491	566,903	14,917,301
Received during the year	71,539,502	44,412,648	2,145,718	84,366,733	1,393,847,209
Withdrawn during the year	(71,550,659)	(42,298,845)	(2,101,517)	(84,337,211)	(1,368,907,854)
Transfer in / (out) - net	-	-	(7,622)	-	779,016
Closing balance	3,205	7,263,037	152,070	596,425	40,635,672
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	580	41,605	2,264	5,370	652,728
Dividend Payable	-	70	4	-	-
Payable to staff retirement fund	-	-	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	-	3,219
Unearned income	-	-	-	-	-
Other payable	-	4,310	-	-	21,604
Contingencies and Commitments					
Letter of guarantee	-	-	-	-	21,463
Forward Government securities sale	-	-	-	-	2,585,000
Profit and Loss Account					
Income					
Mark-up / return / interest earned	-	-	31,903	-	5,116,983
Commission / charges recovered	-	282	2,623	19,251	16,362
Dividend received	-	-	-	54,613	891,983
Net gain on sale of securities	-	-	-	-	-
Other income	-	-	-	-	78,256
Gain on sale of property and equipment	-	36	47	2,806	-
Remuneration from management of fund	-	-	-	2,439,655	-
Sales load	-	-	-	110,754	-
Other receivable	-	-	-	-	412,079
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	453,338
Expenses					
Mark-up / return / interest paid	64,931	294,892	20,328	66,690	3,114,972
Remuneration paid	-	-	1,268,666	-	-
Directors' fees and allowances	-	117,870	-	-	-
Net charge for defined contribution plans	-	-	34,580	-	657,313
Net charge for defined benefit plans	-	-	10,748	-	130,567
Credit loss allowance	-	-	-	-	-
Other expenses	-	-	3,997	-	365,806
Clearing charges	-	-	-	-	210,344
Donations	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	3,396	-	21,072

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024				
	Parent	Directors	Key management personnel	Associates	Other related parties
Other information					
Dividend Paid					
	27,796,071	989,492	33,061	-	7,491,134
Insurance premium paid	-	-	-	838,586	-
Insurance claims settled	-	-	-	379,205	-
2023					
	Parent	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)					
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	12,674,229
Repaid during the year	-	-	-	-	(11,870,127)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	804,102
Investments					
Opening balance	-	-	-	7,657,008	5,300,368
Investment made during the year	-	-	-	15,023,586	-
Investment redeemed / disposed off during the year	-	-	-	(14,680,742)	(58,518)
Transfer in / (out) - net	-	-	-	(225,000)	45,546
Equity method adjustments	-	-	-	(1,385,235)	-
Closing balance	-	-	-	6,389,617	5,287,396
Provision for diminution in value of investments					
Provision written off	-	-	-	-	-
Property and equipment / CWIP	-	-	-	-	29,000
Advances					
Opening balance	-	480	372,952	-	17,808,043
Addition during the year	-	5,664	577,328	-	14,944,269
Repaid during the year	-	(4,992)	(503,914)	-	(33,077,402)
Transfer in / (out) - net	-	134	163,593	-	325,482
Closing balance	-	1,286	609,959	-	392
Provision held against advances					
Other Assets					
Interest / mark-up accrued	-	-	8,612	-	120,906
Receivable from staff retirement funds	-	-	-	-	4,730,609
Prepaid insurance	-	-	-	100,000	-
Remuneration receivable from management of funds	-	-	-	180,417	-
Sales load receivable	-	-	-	25,069	-
Other receivable	-	-	-	213,326	-
Dividend receivable	-	-	-	-	-
Provision written off	-	-	-	-	-
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the year	-	-	-	-	27,041,450
Settled during the year	-	-	-	-	(26,638,650)
Closing balance	-	-	-	-	402,800

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2023				
	Parent	Directors	Key management personnel	Associates	Other related parties
Deposits and other accounts					
Opening balance					
Received during the year	14,327	13,924,363	142,761	483,935	17,181,731
Withdrawn during the year	123,898,655	64,480,148	1,647,717	93,425,031	780,514,685
Transfers (out) / in - net	(123,898,620)	(73,338,287)	(1,711,558)	(93,342,063)	(781,066,806)
Closing balance	14,362	5,149,234	115,491	566,903	14,917,301
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	-	17,676	188	33	49,967
Dividend Payable	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-
Unearned income	-	-	-	-	47,262
Other payable	-	4,310	-	5,000	14,583
Contingencies and Commitments					
Forward foreign exchange contracts purchase	-	-	-	-	-
Profit and Loss Account					
Income					
Mark-up / return / interest earned	-	-	38,271	-	2,247,937
Commission / charges recovered	-	174	1,501	16,219	23,975
Dividend received	-	-	-	261,066	610,556
Net gain on sale of securities	-	-	-	337,178	-
Other income	-	-	-	-	46,186
Gain on sale of property and equipment	-	-	7,072	1,235	-
Remuneration from fund under management	-	-	-	1,609,148	-
Sales load	-	-	-	54,314	-
Reimbursement of expenses by Funds	-	-	-	-	437,080
Reversal of provision	-	-	-	-	20,203
Switch revenue	-	-	-	-	351,280
Expenses					
Mark-up / return / interest paid	7,416	361,179	11,476	51,941	1,375,693
Remuneration paid	-	-	1,501,342	-	-
Post employment benefits	-	-	-	-	-
Directors' fee and allowances	-	102,700	-	-	-
Net charge for defined contribution plans	-	-	58,813	-	523,293
Net charge for defined benefit plans	-	-	12,535	-	410,532
Provision	-	-	-	999,985	227,626
Other expenses	-	26	69,026	500	240,736
Clearing charges	-	-	-	-	170,828
Donations	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	3,864	-	31,034
Other information					
Dividend paid	26,532,614	881,245	21,066	-	5,086,556
Insurance premium paid	-	-	4,811	690,432	-
Insurance claims settled	-	-	-	588,634	-

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
48. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,241,797	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	235,348,145	164,342,620
Eligible Additional Tier 1 (ADT 1) Capital	9,870,811	9,422,078
Total Eligible Tier 1 Capital	245,218,956	173,764,698
Eligible Tier 2 Capital	81,529,158	55,404,738
Total Eligible Capital (Tier 1 + Tier 2)	326,748,114	229,169,436
Risk Weighted Assets (RWAs):		
Credit Risk	984,217,218	1,001,013,090
Market Risk	275,897,396	301,826,815
Operational Risk	327,012,027	265,722,534
Total	1,587,126,641	1,568,562,439
Common Equity Tier 1 Capital Adequacy ratio		
	14.83%	10.48%
Tier 1 Capital Adequacy Ratio		
	15.45%	11.08%
Total Capital Adequacy Ratio		
	20.59%	14.61%
The SBP through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of accumulated losses) for Banks to be raised to Rs.10,000 million by the year ending December 31, 2015. The paid-up capital of the Bank for the year ended December 31, 2024 stood at Rs.12,241.797 million (2023: Rs.12,241.797 million) and is in compliance with SBP requirements. Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 10.0% plus capital conservation buffer of 2.5% of the risk weighted exposures of the Bank.		
In order to dampen the effects of COVID-19, the State Bank of Pakistan under BPRD Circular Letter No. 12 of 2020 has given a regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of August 15, 2013, for the time being, from its existing level of 2.5% to 1.5%, till further instructions.		
Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2024. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 20.59 % whereas CET 1 and Tier 1 ratios stood at 14.83% and 15.45% respectively.		
Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, UBL has been designated as a D-SIB under letter BSD-3/Bank/UBL/751777/2024 dated August 29, 2024. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.0%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.		
Under the current capital adequacy regulations, credit risk and market risk exposures are measured using the Standardised Approach and operational risk is measured using the Basic Indicator Approach. Credit risk mitigants are applied against the Bank's exposures based on eligible collateral under comprehensive approach.		
The Capital Adequacy Ratio excluding the transition benefit of ECL (net of tax) on adoption of IFRS 9 would be lower by 23 bps as at December 31, 2024.		

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	245,218,956	173,764,698
Total Exposures	7,858,268,797	6,589,218,905
Leverage Ratio	<u>3.12%</u>	<u>2.64%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,811,082,158	1,194,192,309
Total Net Cash Outflow	721,240,316	436,543,979
Liquidity Coverage Ratio	<u>251.11%</u>	<u>273.56%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,163,819,529	1,912,608,898
Total Required Stable Funding	2,007,567,831	1,310,982,494
Net Stable Funding Ratio	<u>107.78%</u>	<u>145.89%</u>

48.1 The full disclosures on the CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS as per SBP instructions issued from time to time are placed on the website. The link to the full disclosure is available at <https://www.ulbdigital.com/Investor-Relations/CAR-Statements>.

49. RISK MANAGEMENT

The Bank has an integrated risk management structure in place covering domestic and international operations. The Board Risk and Compliance Committee (BRCC), a sub-committee of the Board of Directors (BoD); oversees the entire risk management process of the Bank. Management Risk Committee (MRC) oversees all risks collectively at senior management level. The Committee is chaired by the President and comprises of Heads of all major areas such as Risk, Finance, SAM and Business Groups. The Risk and Credit Policy Group led by Group Executive Risk and Credit Policy (GE-R&CP) is responsible for the development and implementation of all risk policies approved by the BoD in line with the guidelines issued by SBP and respective overseas central banks. The group is organized into various functions such as Credit Risk Management, Credit Policy & Research, Market & Treasury Risk and Basel, Financial Institution Risk, Consumer Risk, Operational Risk, Credit Administration Division, Environmental, Social & Governance Risk and Information Security Risk. The role of the Risk and Credit Policy Group, inter alia, includes:

- Determining guidelines relating to the Bank's risk appetite.
 - Reviewing risks on an aggregate and enterprise level
 - Recommending risk management policies in accordance with the Prudential Regulations, Basel II / III framework, Regulatory framework of foreign countries where the bank operates and international best practices.
 - Reviewing policies / manuals and ensuring that these are in accordance with BRCC / BoD approved Risk Management Policy.
 - Approving credits and granting approval authority to qualified and experienced individuals.
 - Portfolio reviews focusing on quality assessment, risk profiles, industry concentrations etc.
 - Identify problem credits and level of provisioning required.
 - To establish an extensive Information Security (IS) Program and governance structure, to manage the security of the information assets.
 - Ensuring development of an effective MIS for timely identification, control and reporting of risks across the Bank.
 - Assessing the position of Bank's Risk Weighted Assets (RWAs) in line with the applicable standards under Basel for

The latter half of 2024 marked a period of stability for the global economy, as Central Banks around the globe began reducing their rates, signalling a potential shift in the global economic cycle and monetary policy approach.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

The year marked a return to macroeconomic stability, with declining inflation, stable exchange rate, a primary balance surplus, and a minimal current account deficit. Consequently, State Bank of Pakistan cumulatively decreased 900 basis points in its policy rate in the year 2024, in response to falling inflation and to stimulate economic activity .

The banking sector has been resilient and has grown tremendously in the past year and has managed to expand its asset base, largely weighed by investments, while advances have also shown substantial growth. Bank lending to the private sector surged, while the public sector continued to avail additional financing. Profitability witnessed a significant growth on back of Net Interest Income.

49.1 Credit risk

Credit risk is the risk that a customer or counterparty may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from the potential that a customer's or counterparty's willingness or ability to meet such an obligation is impaired, resulting in an economic loss to the Bank.

The credit risk management process is driven by the Bank's Risk Management Policy, Credit Policy for domestic operations, Collateral Management Policy, Credit Policy of respective overseas operation, which provide guidance in relation to credit initiation, approval, documentation and disbursement, credit maintenance and remedial management process.

Individual credit authorities are delegated to credit officers by the Group Executive - Risk & Credit Policy (authorized by BoD), according to their seasoning / maturity. Approvals for Consumer loans are centralized, while approval authorities for overseas operations, Corporate, Commercial, SME and Agri exposures are delegated at a Country / Regional level. Furthermore, credit authorities are also delegated to business teams in various regions for Commercial, SME and Agri lending. All credit policy functions globally are centrally organized.

Concentration of credit risk exists if clients are engaged in similar activities or are located in the same geographical region or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. The Bank manages, limits and controls concentrations of credit risk to individual counterparties and groups, and to industries, where appropriate. Limits are also applied to portfolios or sectors where the Bank considers it appropriate to restrict credit risk concentrations, to areas of higher risk, or to control the rate of portfolio growth. To manage cross border exposure, the bank has a Country Risk Policy in place which provides the framework for managing Country and FI related risks.

The Risk Management function of the Bank regularly conducts assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the continuously evolving business and economic environment. The Bank has been continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the ongoing economic crisis.

IFRS 9 became applicable in the current year for domestic operations and has been applicable for some of the international branches of the Bank. This standard requires the estimation of Expected Credit Losses (ECL) based on various parameters such as probability of default, loss given default, exposure at default, significant increase in credit risk as well as current and forecasted macro-economic variables as detailed in note 4.2.6

49.1.1 Lendings to financial institutions

Credit risk by public / private sector	2024				
	Gross lendings	Non-performing lendings	Credit loss allowance held		
			Stage 1	Stage 2	Stage 3
(Rupees in '000)					
Public / Government	-	-	-	-	-
Private	18,492,483	-	-	-	-
	18,492,483	-	-	-	-

49.1.2 Investment in debt securities

Credit risk by industry sector	2024					
	Gross investments	Non-performing investments	Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)						
Chemical and pharmaceuticals	528,106	28,108	135	-	28,108	28,243
Financial	5,769,754,137	360,000	30,121	1,556,327	360,000	1,946,448
Food	912	912	-	-	912	912
Production and transmission of energy	18,396,008	-	-	808,278	-	808,278
Metal and allied	78,125	-	15	-	-	15
Textile	229,263	229,263	-	-	229,263	229,263
Others	2,823,628	-	948	-	-	948
	5,791,810,179	618,283	31,219	2,364,605	618,283	3,014,107

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2023					
	Gross investments	Non-performing investments	Provision held			
(Rupees in '000)						
Chemical and pharmaceuticals	541,190	49,811	49,811			
Financial	4,375,162,776	360,000	360,000			
Food	912	912	912			
Production and transmission of energy	19,531,036	-	-			
Metal and allied	140,625	-	-			
Textile	314,978	229,263	229,263			
Others	40,547,530	1,397	1,397			
	4,436,239,047	641,383	641,383			
2024						
	Gross investments	Non-performing investments	Credit loss allowance held			
	Stage 1	Stage 2	Stage 3	Total		
(Rupees in '000)						
Credit risk by public / private sector						
Public / Government	5,780,602,176	-	898	618,283	619,181	
Private	11,208,003	618,283	30,321	2,364,605	2,394,926	
	5,791,810,179	618,283	31,219	2,364,605	618,283	
	3,014,107					
2023						
	Gross investments	Non-performing investments	Provision held			
	(Rupees in '000)					
Credit risk by public / private sector						
Public / Government	4,407,061,662	-	-			
Private	29,177,385	641,383	641,383			
	4,436,239,047	641,383	641,383			
49.1.3 Advances						
2024						
	Gross advances	Non-performing advances	Credit loss allowance held			
	Stage 1	Stage 2	Stage 3	Total		
(Rupees in '000)						
Agriculture	275,734,417	660,312	118,864	61,123	551,904	731,891
Airlines	3,299,910	541,988	5,425	-	541,988	547,413
Automobile and transportation equipment	41,490,727	6,527,855	26,339	655,641	6,527,855	7,209,835
Education and medical	116,358,274	14,427,837	3,000	1,784	14,427,837	14,432,621
Cables	820,927	406,751	2,661	-	406,751	409,412
Cement	39,427,138	-	7,121	17,116	-	24,237
Chemical and pharmaceuticals	110,732,085	112,625	16,678	29,652	112,625	158,955
Construction	33,479,000	6,081,446	20,698	222,381	6,076,997	6,320,076
Electronics and electrical appliances	19,158,986	13,043,157	9,505	26,257	10,305,162	10,340,924
Engineering	240,160	6,000	117	15,660	6,000	21,777
Fertilizer	4,700,728	22,271	14,198	220	19,112	33,530
Financial	135,942,642	2,668,316	772,401	439,623	2,668,316	3,880,340
Food, tobacco and beverages	6,811,367	1,668,358	26,959	24	1,650,358	1,677,341
Glass and allied	432,433	-	3,860	-	-	3,860
Hotel and tourism	8,522,263	770,670	20,426	14,599	770,670	805,695
Individuals	93,359,602	5,635,275	1,374,529	189,153	4,787,328	6,351,010
Paper and allied	1,435,163	18,064	2,896	2,093	18,064	23,053
Production and transmission of energy	152,060,404	2,251,178	631,355	872,635	1,706,657	3,210,647
Shoes and leather garments	1,941,913	875,612	3,825	1,992	875,612	881,429
Sugar	62,488,619	13,248	253,972	-	13,248	267,220
Metal and allied	9,411,152	3,547,124	40,471	82	2,604,869	2,645,422
Telecommunication	76,991,849	3,222,056	148,336	177	3,222,056	3,370,569
Textile composite	48,962,873	3,332,141	98,701	1,499,408	3,332,141	4,930,250
Textile	54,541,500	5,573,926	121,118	278,840	5,573,926	5,973,884
Textile spinning	22,134,021	2,584,881	80,251	157,708	2,584,881	2,822,840
Textile weaving	2,172,353	133,991	4,076	79,626	133,991	217,693
Wholesale and retail trade	26,611,853	8,686,562	21,736	3,470	8,657,355	8,682,561
Others	215,865,002	33,180,306	2,180,070	3,166,914	30,323,948	35,670,932
	1,565,127,361	115,991,950	6,009,588	7,736,178	107,899,651	121,645,417

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2023					
	Gross advances	Non-performing advances	Specific Provision held			
(Rupees in '000)						
Agriculture	39,869,832	570,313	360,204			
Airlines	4,030,362	541,988	541,988			
Automobile and transportation equipment	17,463,053	123,217	121,342			
Education and medical	24,910,241	14,556,606	13,140,102			
Cables	1,368,158	481,751	481,751			
Cement	4,590,950	492,327	492,327			
Chemical and pharmaceuticals	10,208,853	112,625	112,625			
Construction	16,398,062	4,224,696	4,215,026			
Contractors	95,860	-	-			
Electronics and electrical appliances	15,775,572	13,334,844	10,601,138			
Engineering	750,184	6,000	6,000			
Fertilizer	1,588,246	14,372	7,622			
Financial	31,561,147	2,690,299	2,690,299			
Food, tobacco and beverages	7,765,325	1,910,943	1,910,943			
Glass and allied	-	-	-			
Hotel and tourism	9,485,463	669,906	669,906			
Individuals	101,198,906	8,838,394	4,265,561			
Paper and allied	1,832,461	37,064	37,064			
Polyester and fiber	-	-	-			
Production and transmission of energy	159,712,149	2,520,767	1,013,366			
Shoes and leather garments	1,795,996	828,152	828,152			
Sugar	9,394,147	29,748	29,748			
Metal and allied	7,663,731	1,350,868	408,613			
Telecommunication	41,498,040	-	-			
Textile composite	44,644,860	3,558,063	3,558,063			
Textile	35,365,478	5,883,025	5,750,212			
Textile spinning	14,945,777	2,863,027	2,863,027			
Textile weaving	2,679,116	146,232	146,232			
Wholesale and retail trade	15,715,348	5,019,853	4,999,619			
Others	353,395,291	39,769,456	33,081,357			
	975,702,608	110,574,536	92,332,287			
2024						
	Gross advances	Non-performing advances	Credit loss allowance held			
	Stage 1	Stage 2	Stage 3	Total		
(Rupees in '000)						
Credit risk by public / private sector						
Public / Government	470,275,453	999,450	1,689,157	444,979	22,349	2,156,485
Private	1,094,851,908	114,992,500	4,320,431	7,291,199	107,877,302	119,488,932
	1,565,127,361	115,991,950	6,009,588	7,736,178	107,899,651	121,645,417
2023						
	Gross advances	Non-performing advances	Specific Provision held			
	(Rupees in '000)					
Credit risk by public / private sector						
Public / Government	219,632,641	964,604	22,349			
Private	756,069,967	109,609,932	92,309,938			
	975,702,608	110,574,536	92,332,287			

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2024	2023		
	----- (Rupees in '000) -----			
49.1.4 Contingencies and Commitments				
Credit risk by industry sector				
Agri business	47,675,276	61,910,577		
Airlines	701,407	146,972		
Automobile and transportation equipment	34,334,323	8,104,503		
Cables	590,684	761,688		
Cement	24,576,331	10,970,043		
Chemical and pharmaceuticals	114,013,140	7,836,473		
Construction	55,620,268	20,447,024		
Contractors	16,592,159	19,344,346		
Electronics and electrical appliances	15,917,539	6,012,816		
Engineering	6,312,074	6,948,442		
Fertilizer dealers	28,121,284	19,636,147		
Financial	681,377,492	654,641,272		
Food, tobacco and beverages	21,983,965	13,526,395		
Glass and allied	676,722	136,874		
Hotel and tourism	2,375,535	1,064,119		
Individuals	23,376,647	19,688,970		
Paper and allied	4,478,131	3,497,866		
Polyester and fiber	3,707,328	4,214,793		
Production and transmission of energy	261,949,358	220,094,251		
Shoes and leather garments	1,703,028	1,374,174		
Sugar	4,864,721	801,482		
Telecommunication	16,862,904	10,195,604		
Textile	84,184,116	57,665,189		
Wholesale traders	8,139,301	4,597,270		
Others	341,440,951	203,840,932		
Credit risk by public / private sector	1,801,574,684	1,357,458,222		
Public / Government	402,453,384	439,325,265		
Private	1,399,121,300	918,132,957		
	1,801,574,684	1,357,458,222		

49.1.5 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs.846,033 million (2023: Rs. 478,848 million) are as follows:

	2024	2023
	----- (Rupees in '000) -----	
Funded	650,326,358	166,962,464
Non Funded	195,706,719	311,886,407
Total Exposure	846,033,077	478,848,871

The sanctioned limits against these top 10 exposures aggregated to Rs. 1,037,771 million (2023: Rs. 531,971 million).

None of the exposure against these top 10 exposures is classified.

For the purpose of this note, exposure means outstanding funded facilities and utilised non-funded facilities as at the reporting date.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

49.1.6 Advances - Province / Region-wise Disbursement & Utilisation

Province / Region	Disburse- ments	2024 Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
----- (Rupees in '000) -----							
Punjab	754,018,770	754,018,770	-	653,255,392	-	580,446	-
Sindh	653,255,392	-	653,255,392	-	-	2,494,308	-
KPK including FATA	580,446	-	-	-	-	-	-
Balochistan	2,494,308	-	-	-	-	153,608,772	-
Islamabad	153,608,772	-	-	-	-	42,682	-
AJK including Gilgit-Baltistan	42,682	-	-	-	-	-	-
Total	1,564,000,370	754,018,770	653,255,392	580,446	2,494,308	153,608,772	42,682

Province / Region	Disburse- ments	2023 Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
----- (Rupees in '000) -----							
Punjab	348,177,061	348,177,061	-	279,441,191	-	1,424,469	-
Sindh	279,441,191	-	279,441,191	-	1,424,469	-	114,525
KPK including FATA	1,424,469	-	-	-	-	56,846,157	88,965
Balochistan	114,525	-	-	-	-	-	-
Islamabad	56,846,157	-	-	-	-	-	-
AJK including Gilgit-Baltistan	88,965	-	-	-	-	-	-
Total	686,092,368	348,177,061	279,441,191	1,424,469	114,525	56,846,157	88,965

49.2 Market Risk

Market risk is the risk of changes in market conditions that may adversely impact the value of assets or liabilities, following a negative impact on earnings. Market risk mainly arises from trading activities carried out by Treasury and Capital Market (TCM) like lending / borrowing, Investments and client facilitating activities.

To ensure effective management of Market Risk, a robust Risk Management Policy, which includes management of market risk, has been formulated and sanctioned by the Board of Directors. This policy delineates the appropriate risk metrics, control mechanisms, and methodologies employed for proactive market risk management.

The Bank carries out market risk management through effective risk measurement tools including Value at Risk (VaR), Price Value per Basis Point (PVBP), Duration, Beta, and Expected Shortfall on regular basis. Bank also ascertains the impact of changes in market factors on Bank's earnings through regular stress testing and Internal Capital Adequacy Assessment Processes (ICAAP).

49.2.1 Balance sheet split by trading and Banking books

	Banking book	Trading book	2024			2023		
			Total	Banking book	Trading book	Total	Banking book	Trading book
----- (Rupees in '000) -----								
Cash and balances with treasury banks	310,836,376	-	310,836,376	277,355,760	-	277,355,760	-	33,430,371
Balances with other banks	59,968,246	-	59,968,246	33,430,371	-	33,430,371	-	39,316,270
Lendings to financial institutions	18,492,483	-	18,492,483	13,261,270	-	13,261,270	-	4,435,750,870
Investments	1							

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

The FX risk and associated concentration risk is managed through approved currency wise net open position limits, tenor wise limits and an overall Foreign Exchange limit.

The currency risk is effectively monitored against the applicable regulatory limits. Market risk monitors that the FX exposure remains under limits prescribed by SBP and Internal Limits approved by GALCO.

2024				2023			
Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
(Rupees in '000)							

United States Dollar	390,776,942	207,960,797	(183,932,859)	(1,116,714)	265,451,398	144,775,639	(118,350,114)	2,325,645
Great Britain Pound	2,153,311	16,222,269	14,090,143	21,185	309,541,301	290,156,031	(1,245,609)	18,139,661
Japanese Yen	5,480	221,517	212,403	(3,634)	11,186	219,567	211,086	2,705
Euro	2,743,380	18,579,385	15,853,031	17,026	4,303,909	15,843,059	10,861,483	(677,667)
UAE Dirham	271,661,251	404,871,579	132,592,756	(617,572)	203,371,384	275,837,544	73,244,044	777,884
Bahraini Dinar	13,696,018	42,480,832	28,001,813	(783,001)	13,118,985	43,475,886	32,157,881	1,800,980
Qatari Riyal	36,000,718	55,174,415	19,218,594	44,897	39,308,930	52,195,508	12,837,243	(49,335)
Other Currencies	29,187,203	25,109,030	(4,058,452)	19,721	23,877,709	23,635,229	7,955,861	8,198,341
	746,224,303	770,619,824	21,977,429	(2,418,092)	858,984,802	846,138,463	17,671,875	30,518,214

2024		2023	
Banking book	Trading book	Banking book	Trading book
Rupees in '000			

Impact of 1% change in foreign exchange rates on
- Profit and loss account
- Other comprehensive income

24,181 - (305,182) -

49.2.3 Equity position Risk

Equity risk is the risk that the fair value of an equity instrument will fluctuate due to changes in the prices of individual stocks or market indices.

To manage equity risk, the Group has a well-defined criterion for identifying the Investible Universe based on the Market Capitalisation & Average Daily Traded Value.

The Group has an active and regular monitoring mechanism for utilisation against approved portfolio limits, scrip wise limits, sector limits and timely escalation of Management Action Trigger Levels (MAT).

2024		2023	
Banking book	Trading book	Banking book	Trading book
Rupees in '000			

Impact of 5% change in equity prices on,
- Profit and loss account
- Other comprehensive income

47,594 1,022,635 30,812 538,297

49.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB) - Basel II Specific

Interest rate risk is the risk that fair value of a financial instrument will fluctuate as a result of changes in interest rates, including changes in the shape of yield curves. Interest rate risk is inherent in the overall business of the Bank and arises from mismatches between the contractual maturities and the re-pricing of on and off-balance sheet assets and liabilities.

Interest rate risk is monitored and managed by performing periodic gap analysis, sensitivity analysis and stress testing. In case of any distressed event the results and corresponding action plan is presented at the relevant management / BoD committee.

2024		2023	
Banking book	Trading book	Banking book	Trading book
Rupees in '000			

Impact of 1% change in interest rates on
- Profit and loss account
- Other comprehensive income

- 201,828 - 194,691

32,387,768 8,887,116 22,655,407 17,862,013

Notes to and forming part of the Consolidated Financial Statements

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49.2.5 Mismatch of interest rate sensitive assets and liabilities

Effective yield / interest rate	Total	Exposed to yield / interest rate risk						Non-interest bearing financial instruments		
		Up to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years
(Rupees in '000)										
On-balance sheet financial instruments										
Assets										
Cash and balances with treasury banks	1.25%	310,836,376	27,531,695	2,693,859	-	-	-	-	-	
Balances with other banks	5.00%	59,968,246	9,478,017	18,492,483	3,490,053,762	321,878,483	551,133,261	470,536,853	442,21,818	
Lendings to financial institutions	20.03%	18,492,483	23,152,612	906,265,964	52,364,062	5,106,073	2,435,941	8,963,938	784,866	
Investments	18.13%	5,889,765,841	298,801,812	131,759,813	-	-	-	-	-	
Advances	15.10%	1,443,481,944	234,460,834	-	-	-	-	-	-	
Other assets	7.55%	7,557,005,724	377,456,819	1,497,271,689	3,621,843,575	374,424,545	556,239,334	472,972,794	362,273,163	
Liabilities										
Bills payable	19.38%	44,221,818	4,721,822,352	64,748,742	39,272,296	269,849	1,688,052	2,426,323	17,587,110	
Borrowings	4,855,373,516	89,068,605	680,161,994	275,658,050	72,164,680	1,772,020	6,490,400	275,629	200,000	
Deposits and other accounts	2,638,875,985	-	-	-	117,669	-	200,996	2,298,841	1,509,507,336	
Lease liabilities	12,381,018	10,000,000	10,000,000	-	-	-	-	53,556	-	
Subordinated debt	10,000,000	120,244,443	7,682,096,780	4,820,890,957	744,910,736	314,920,376	3,460,072	-	120,244,443	
Other liabilities	7,682,096,780	4,820,890,957	752,360,953	3,306,913,199	30,169,064,7	552,779,262	9,117,719	9,330,255	19,937,507	
On-balance sheet gap										
Off-balance sheet financial instruments										
FX Options - Purchase	-	-	-	-	-	-	-	-	-	
FX Options - Sale	-	-	-	-	-	-	-	-	-	
Forward Government Securities - Purchase	296,701,690	265,441,250	15,417,840	-	-	-	-	-	-	
Forward Government Securities - Sale	(22,585,000)	(22,585,000)	-	-	-	-	-	-	-	
Foreign currency forward - Purchase	111,262,471	92,020,436	92,427,041	(94,024,477)	(93,157,410)	(93,068,663)	-	-	-	
Foreign currency forward - Sale	(280,255,782)	(280,255,782)	(280,255,782)	-	-	-	-	-	-	
Off-balance sheet Gap										
Total Yield / Interest Rate Risk Sensitivity Gap	570,987,981	(4,181,880,649)	770,641,879	3,321,158,363	303,690,056	552,779,262	463,885,075	352,042,908	70,230,742	
Cumulative Yield / Interest Rate Risk Sensitivity Gap	(4,181,880,649)	(3,411,238,770)</td								

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

49.3 Operational risk

In compliance with the Regulatory Guidelines, an Operational Risk Division is established within Risk & Credit Policy Group. Operational Risk Division is primarily responsible for oversight of operational risk management across the Bank including International locations. The implementation of operational risk management framework is supported by operational risk is recognized as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

In accordance with the Operational Risk framework, a database covering losses, control breaches and near misses is being maintained by the division. Major risk events are analysed from the control breach perspective and mitigating controls are assessed on design and operating effectiveness. Quarterly updates on Operational Risk events are being presented to the Senior Management and Board Risk & Compliance Committee of the Bank. Periodic workshops are conducted for Risk & Control Self-Assessment and key risk exposures are identified and monitored on an ongoing basis.

Business Continuity Plans have been implemented across the Bank, clearly defining the roles and responsibilities of respective stakeholders, and covering recovery strategy, IT and structural backups scenarios and impact analyses and testing directives. Business Continuity Plans (BCP) for respective areas are in place and tested under domain of Operations Group processes, are subject to comprehensive operational risk assessments, before implementation.

49.4 Liquidity risk

Liquidity risk is defined as the risk that a bank, though solvent, either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can secure them only at excessive costs.

It is the Bank's policy to maintain adequate liquidity at all times, in order to meet all obligations, repay depositors and fulfill commitments to lend under both normal and stressed conditions, without incurring unacceptable losses or incurring damage to the business franchises. Liquidity risk measures comprises of various risk management tools including concentration ratios, market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the Bank's business.

The Bank has a comprehensive Contingency Funding Plan in place which clearly defines and identifies the trigger events that could cause a liquidity crisis and describes the actions to be taken to manage the crisis and return the Bank to business as usual.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

49.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Group

2024

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 Years	
	(Rupees in '000) -----														
Assets															
Cash and balances with treasury banks	310,836,376	-	24,880,044	-	285,956,332	-	-	-	-	-	-	-	-	-	
Balances with other banks	59,968,246	9,951,821	9,388,184	-	40,628,241	-	-	-	-	-	-	-	-	-	
Lendings to financial institutions	18,492,483	-	18,492,483	-	3,714,376	100,993,164	1,588,208	8,527,921	440,035,183	170,915,031	160,831,307	600,926,620	48,193,250	1,020,777,992	
Investments	5,889,765,541	-	256,975	23,801,157	25,681,958	48,884,976	439,093,785	33,752,061	30,375,024	123,579,099	20,439,826	27,556,175	49,355,415	133,072,297	
Advances	1,443,481,944	-	124	38,197	44,563	443,262	906,635	666,090	655,098	1,931,862	253,823	370,609	2,314,199	4,709,767	
Property and equipment	85,591,999	-	6,370	23	-	310,753	196,238	193,673	547,536	551,263	474,337	1,885,084	1,436,837	2,174,638	
Right-of-use assets	10,231,121	-	2,792,016	23	-	698,789	19,123,790	4,319,669	7,459,116	31,234,116	41,360	41,548	636,532	849,976	2,239,123
Intangible assets	2,792,016	-	247,837,251	20,680,568	671,116	698,789	19,123,790	4,319,669	7,459,116	31,234,116	41,360	41,548	636,532	849,976	41,028
Other assets	8,069,097,277	267,697,038	79,151,982	53,342,704	887,455,962	40,513,688	47,213,089	597,628,559	199,306,942	287,504,094	646,106,786	566,252,099	1,199,750,533	3,207,173,801	
Liabilities															
Bills payable	44,221,818	-	117,295	5,106,483	44,104,523	2,913,007,975	52,330,404	2,910,379	3,813,986	173,230	96,320	1,688,052	2,426,323	6,574,226	
Borrowings	4,835,373,516	49,933,585	1,763,525,433	4,150,184	2,462,566,886	18,686,910	12,645,373	21,273,402	11,937,751	5,794,882	20,109,070	9,315,179	4,884,232	17,787,110	
Deposits and other accounts	2,639,875,985	51,405,412	7,452,647	123,810,18	23,832	102,776	119,906	663,420	469,156	1,233,670	759,314	2,446,406	1,702,666	1,979,187	
Lease liabilities	10,000,000	-	-	-	-	39,311,263	-	-	-	-	-	-	-	-	10,000,000
Subordinated debt	39,311,263	-	147,125,664	1,450,199	2,662,116	842,021	18,380,089	3,835,838	14,136,959	86,488,159	4,997,203	4,421,864	5,296,36	5,617,205	718,590
Deferred tax liabilities	147,125,664	-	7748,289,264	102,813,028	1,773,860,267	10,218,604	5,476,034,126	75,332,308	30,117,243	146,689,217	18,076,778	11,072,380	29,539,664	19,061,373	14,166,295
Other liabilities	8,069,097,277	43,124,100	(4,588,578,164)	(34,818,620)	(16,94,708,285)	320,808,013	164,884,010	(1,694,708,285)	17,095,846	446,929,342	181,230,164	276,431,714	616,567,122	537,190,726	1,185,584,238
Net assets	320,808,013	493,10	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	320,808,013	3,167,875,820
Represented by:															
Share capital	12,241,197														
Reserves	114,734,831														
Surplus on revaluation of assets	77,309,324														
Unappropriated profit	116,472,051														
Non-controlling interest	493,10														
	320,808,013														

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2023

	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 Years	
	(Rupees in '000) -----														
Assets															
Cash and balances with treasury banks	277,355,760	8,384,948	8,068,190	2,616,640	266,670,930	-	-	2,818,606	1,268,373	1,212,001	-	-	5,637,212	-	
Balances with other banks	33,430,371	-	39,316,270	39,316,270	-	14,109,231	-	-	-	-	-	-	-	-	
Lendings to financial institutions	39,316,270	-	1,791,934	11,084,368	8,195	27,689,020	20,360,947	17,271,229	53,870,779	21,833,322	1,847,442,841	345,818,780	546,296,320	876,039,845	474,639,378
Investments	4,435,750,870	-	57,816,412	11,268,311	15,752,275	56,439,517	31,917,886	34,318,186	66,831,322	21,886,889	40,948,685	102,054,977	88,159,473	204,544,380	130,168,258
Advances	872,040,932	-	76,460,159	8,611,473	4,595	95,250	-	600,279	1,006,207	570,373	36,094	1,857,803	2,836,028	4,984,647	52,246,167
Property and equipment	8,611,473	-	2,552,398	58,808	14,602	35,892	148,143	149,467	425,726	424,639	1,613,043	1,297,551	1,864,797	2,042,723	30,022
Right-of-use assets	2,552,398	-	159,156,653	8,637,934	21,182,205	-	17,036	78,584	75,355	207,883	182,104	868,927	583,553	153,290	-
Intangible assets	159,156,653	-	5,904,674,886	87,963,001	100,879,283	22,290,350	3,860,312	10,764,954	29,093,588	9,804,534	58,274,536	495,916	444,372	5,029,618	1,652,120
Deferred tax assets	5,904,674,886	-	87,963,001	100,879,283	2										

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49.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

Assets and Liabilities having contractual maturity dates are bucketed as per their respective maturities. The maturity profile of non-contractual deposits and bills payable is estimated using an Exponentially Weighted Moving Average model based on historical data. The methodology and the assumptions used to derive the maturity profile of non-contractual liabilities has been approved by Global Asset and Liabilities Committee (GALCO).

	2024									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	
Assets										
Cash and balances with treasury banks	310,836,376	159,942,051	27,183,472	26,635,201	36,643,785	53,675,811	486,750	771,873	4,186,833	1,310,600
Balances with other banks	59,968,246	59,968,246	-	-	-	-	-	-	-	-
Lendings to financial institutions	18,492,483	18,492,483	-	-	-	-	-	-	-	-
Investments	5,889,765,841	7,276,064	10,136,697	440,608,808	345,538,439	600,472,987	482,588,775	1,016,885,441	2,902,748,356	83,510,274
Advances	1,443,481,944	756,332,965	70,075,547	133,225,987	150,174,382	43,884,322	68,219,763	102,241,206	105,126,389	14,201,383
Property and equipment	85,591,999	584,896	1,275,210	2,379,571	509,067	2,817,439	3,933,387	8,157,784	4,775,031	61,159,064
Right-of-use assets	10,231,121	204,038	403,111	566,073	1,060,322	1,948,904	1,485,482	2,248,261	2,314,930	-
Intangible assets	2,792,016	264	3,238	344,500	93,285	638,122	710,100	973,117	29,390	-
Other assets	247,937,251	27,446,475	22,733,414	23,815,250	13,403,703	13,802,211	19,738,772	32,476,555	24,801,848	69,719,023
	8,069,097,277	1,030,247,482	131,810,689	627,575,390	547,422,983	717,239,796	577,163,579	1,163,754,237	3,043,982,777	229,900,344
Liabilities										
Bills payable	44,221,818	14,679,381	10,746,051	18,790,575	5,811	-	-	-	-	-
Borrowings	4,855,373,516	4,722,607,219	64,748,741	39,272,296	269,549	1,688,052	2,426,323	6,574,226	17,587,110	200,000
Deposits and other accounts	2,639,875,985	498,483,040	376,061,053	348,712,107	483,054,621	673,327,577	43,330,256	61,191,272	151,069,666	4,646,383
Lease liabilities	12,381,018	554,379	921,558	1,158,499	1,781,486	2,522,234	1,755,441	2,040,533	1,562,814	84,094
Subordinated debt	10,000,000	-	-	-	-	-	-	-	10,000,000	-
Deferred tax liabilities	39,311,263	-	27,110,551	11,652,777	22,136,572	9,292,847	5,988,996	284,472	4,072,385	4,564,055
Other liabilities	147,125,664	62,023,009	479,587,954	419,586,254	517,075,833	696,688,525	63,328,833	79,918,320	184,291,975	9,494,542
	7,748,289,264	5,298,347,028	(347,777,265)	207,989,136	30,347,150	20,581,271	513,834,746	1,083,835,917	2,859,690,802	220,405,302
	Net assets	320,808,013	(4,268,099,546)							
Represented by:										
Share capital	12,241,797									
Reserves	114,734,831									
Surplus on revaluation of assets	77,309,424									
Unappropriated profit	116,472,051									
Non-controlling interest	49,910									
	320,808,013									

Net assets

Represented by:

Share capital

Reserves

Surplus on revaluation of assets

Unappropriated profit

Non-controlling interest

320,808,013

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

	2023									
	Total	Upto 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 5 years	Over 5 years to 10 years	Over 10 years	
Assets										
Cash and balances with treasury banks	277,355,760	143,001,191	10,675,676	10,462,587	15,145,941	21,069,986	16,167,569	23,868,881	35,644,777	1,319,152
Balances with other banks	33,430,371	29,419,647	2,818,606	-	1,192,118	-	-	-	-	-
Lendings to financial institutions	39,316,270	39,316,270	-	-	-	-	-	-	-	-
Investments	4,435,750,870	19,819,430	36,995,911	51,988,367	1,781,116,168	648,051,289	569,296,092	860,945,394	456,643,203	10,895,016
Advances	872,040,932	159,009,604	65,877,792	62,771,391	62,235,855	10,180,788	88,324,698	203,176,606	96,785,349	32,028,849
Property and equipment	76,460,159	12,093,090	670,241	979,650	52,1,718	2,136,328	2,492,563	4,960,202	1,967,242	50,639,126
Right-of-use assets	8,611,473	106,392	302,950	431,460	860,771	1,634,769	1,315,027	1,889,913	1,936,033	134,201
Intangible assets	2,552,398	75,451	150,212	205,212	390,992	877,372	628,734	222,950	1,402	-
Other assets	159,156,653	41,575,870	41,654,810	57,496,894	1,397,354	5,659,807	1,841,170	5,630,449	2,424,132	1,476,167
	5,904,374,886	444,416,945	159,146,281	184,335,561	1,862,860,863	78,1,260,339	680,065,853	1,100,694,395	595,402,138	96,492,511
Liabilities										
Bills payable	21,734,531	7,074,366	5,362,501	9,202,476	95,188	-	-	-	-	-
Borrowings	2,823,887,914	2,750,156,594	33,638,488	5,109,196	966,398	1,684,598	2,511,768	7,795,661	21,895,986	129,225
Deposits and other accounts	2,634,716,102	259,807,188	208,407,556	228,320,319	396,031,807	385,196,997	261,412,706	382,756,896	511,175,955	1,606,678
Lease liabilities	10,474,561	194,954	-	192,753	379,230	774,539	1,486,718	1,389,245	2,403,089	3,391,731
Subordinated debt	10,000,000	-	-	-	-	10,000,000	-	-	-	262,302
Deferred tax liabilities	2,079,220	-	-	-	-	519,805	519,805	519,805	519,805	-
Other liabilities	115,909,963	29,482,330	13,122,299	18,167,408	44,223,822	5,820,155	597,475	1,519,339	2,067,581	963,554
	5,618,802,291	3,0								

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

49.5 Information Security Risk

Information security risk is the probability of exposure or loss resulting from a cyberattack or data breach on the Bank. It is the potential for unauthorised use, disruption, modification or destruction of information such incidents can violate privacy, disrupt business, damage assets and facilitate other crimes like frauds.

UBL has a dedicated Information Security Division, functioning within Risk and Credit Policy Group which manages information security risks to protect the technology and information assets by preventing, detecting and responding to threats, both internal and external.

Offensive security unit within the information security division manages Penetration Testing by simulating the real world hacking scenarios. This unit remains responsible for establishing, implementing, maintaining and continually improving an information / cyber security management system through control design and controls validation, primarily in the domain of applications / network penetration testing, and also supporting the other domains of information security i.e. security monitoring and threat hunting.

Moreover, to overcome social engineering frauds, extensive awareness campaigns are launched to provide specific training and guidance on information security related matters such as phishing, identity theft, online transaction frauds, etc. through various mechanisms such as social media, website, email advisories, SMS, webinars, phishing simulation exercises, new joiner's orientation, and targeted awareness sessions for executive leadership. These initiatives by Governance, Risk and Compliance Unit are focused on elevating level of awareness for both internal as well as external customers to better equip them to counter security challenges. This unit manages the security compliance efforts, risk management and the development and implementation of information security policies, procedures, guidelines and standards. Cyber & Infrastructure Security unit ensures that the IT Infrastructure function and services are resilient, secure, well-designed, accessible, and adaptable to the organisation's changing demands. This unit is responsible for the continuous improvement of information / cyber security architecture that protects against both internal and external threats.

Significant progress has been made in securing the international territories as well by deploying 24/7 Security Operation Center (SOC) at UBL. This unit deals with security issues. The unit continuously shares awareness news, alerts, announcements, advisories and threats intelligence research reports to relevant stakeholder for securing the bank's assets.

Application Security in Information Security (IS) manages IS Risk Analysis on software applications, APIs, Mobile Apps, Digital Channels, Cloud Computing, ATM including review of security aspects of assets, enterprise architecture design controls of the Applications in accordance with applicable policies, standards & controls.

Further, The Payment Card Industry Data Security Standard (PCI-DSS) program was initiated which aims to enhance security for customer card data by setting guidelines for any company that accepts, stores, processes, or transmits card information. This compliance framework is an industry-mandated set of standards intended to keep customer card data safe when it is used by merchants and service providers.

Moving ahead, Bank's main focus remains on the continuous improvement of UBL's security posture and to effectively prevent, monitor and rapidly respond to emerging threats and vulnerabilities.

49.6 Financial Crime Compliance (FCC) risk management and Pakistan FATF & APG action plan

The Bank monitors key risks on an ongoing basis to strengthen risk management in an effort to meet challenges emanating from a volatile market environment and the complexity driven by the changing Regulatory frameworks. By utilising comprehensive risk management processes and sophisticated control systems, the Bank aims to minimise the negative impact that may arise from varied degrees of risk exposures.

In response to changing landscape around FCC risks across the globe and in response to Financial Action Task Force (FATF) & Asia Pacific Group (APG) action plan and State Bank of Pakistan's Anti-Money Laundering, Combating the Financing of Terrorism & Countering Proliferation Financing (AML / CFT / CPF) Regulations, the Bank embarked upon a comprehensive Financial Crime Compliance Transformation Program under the guidance of Board of Directors (BOD), specifically geared towards uplifting FCC Framework and fortifying controls across Process, People and Technology (Regtech) work streams in line with international best practices and Standards. Targeted investments were done across these work streams, brief highlights are as under:

1. Under FCC Process Workstream; the Bank uplifted the framework at Design level with key deliverables as:

- FCC Strategy
- Bank's FCC Risk Appetite Statement
- Target Operating Model (TOM) across three lines of defense
- FCC Policies & Standards

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

- Enterprise Wide FCC Risk Assessment Methodologies/Internal Risk Assessment Review (EWRA/IRAR) with focus on AML, CFT, Sanctions / CPF & Transnational Risks etc.focus on AML, CFT, Sanctions / CPF & Transnational Risks etc.

- Management Information (MI) Suite.

2. The Bank rolled out comprehensive Role based FCC training modules and Staff capacity assessment carried out under FCC Transformation People Workstream.

3. On Regtech work stream, the Bank upgraded and implemented best in class Transaction Monitoring (TM) and payments screening systems. These systems were independently reviewed by a reputed international third party expert.

4. Effective risk governance sets a solid foundation for comprehensive risk management discipline. The Bank's risk governance framework is based on "three line of defense" governance model, wherein each line has a specific role with defined responsibilities and work in close collaboration to identify, assess and mitigate risks. Key management and board committee covering FCC and compliance matters is Compliance Committee of Management (CCM) and Board Risk & Compliance Committee (BRCC).

Moreover, FCC Transformation & Controls Fortification Programme is an ongoing initiative that is managed by Compliance Governance team in consultation with FCC teams across first and second line of defence.

49.7 Derivative Risk

There are a number of risks undertaken by the Bank, which need to be monitored and assessed.

Credit risk

Credit risk refers to the risk of non-performance or default by a party to a derivatives transaction, resulting in an adverse impact on the Bank's profitability. Credit risk associated with derivatives transactions is categorised into settlement risk and pre-settlement risk. Credit proposals for derivatives transactions are approved by the Credit Committee. The credit exposure of each counterparty is estimated and monitored against approved counterparty limits by Treasury Middle Office (TMO) on a daily basis.

Market risk

The Bank, as a policy, hedges back-to-back all options transactions. In addition, the Bank does not carry any exchange risk on its Cross Currency Swaps portfolio as it hedges the exposure in the interbank market. To manage the interest rate risk of Interest Rate Derivatives, the Bank has implemented various limits which are monitored and reported by TMO on a daily basis.

Liquidity risk

Derivatives transactions, usually being non-funded in nature, do not carry a specific funding liquidity risk.

The liquidity risk arises from the fact that in Pakistan, interest rate derivatives generally have a uni-directional demand, and no perfect hedge is available. The Bank mitigates its risk by limiting the portfolio in terms of tenor, notional and sensitivity limits, and can also hedge its risk by taking on and off balance sheet positions in the interbank market, where available.

Operational risk

The staff involved in the trading, settlement and risk management of derivatives is carefully trained to deal with the complexities involved in the process. Adequate systems and controls are in place to carry out derivatives transactions smoothly. Each transaction is processed in accordance with the product program or a transaction memo, which contains detailed guidance on the accounting and operational aspects of the transaction to further mitigate operational risk. In addition, TMO and the Compliance and Control Department are assigned the responsibility of monitoring any deviation from policies and procedures. The Bank's Audit and Inspection Group also reviews this function, with a regular review of systems, transactional processes, accounting practices and end-user roles and responsibilities.

The Bank uses FX and Derivatives module of Treasury System which provides an end-to-end valuation solution, supports the routine transactional process and provides analytical tools to measure various risk exposures, carry out stress tests and sensitivity analysis.

TMO produces various reports on a periodic basis which are reviewed by senior management. These reports provide details of the derivatives business profile such as outstanding positions, profitability, risk exposures and the status of compliance with limits.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2024

50. 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 appear 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.

51. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

- 51.1** The Board of Directors, in its meeting held on February 19, 2025 has proposed a final cash dividend of Rs. 11.0 per share for the year 2024. This is in addition to Rs 33.0 already paid during the year bringing the total dividend for the year to Rs. 44.0 per share (2023: Rs. 44.0 per share). This appropriation is expected to be approved by the shareholders in forthcoming Annual General Meeting. The consolidated financial statements for the year ended December 31, 2024 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2025.

52. GENERAL

- 52.1** Comparative information has been reclassified, rearranged or additionally incorporated in these consolidated financial statements for the purposes of better presentation.
- 52.2** Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

53. DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on February 19, 2025 by the Board of Directors of the Bank.

Consolidated Statement of Financial Position in USD

As at December 31, 2024

	2024	2023
	(US Dollars in '000)	
ASSETS		
Cash and balances with treasury banks	1,115,909	984,017
Balances with other banks	215,287	118,606
Lendings to financial institutions	66,388	139,488
Investments	21,144,376	15,737,387
Advances	5,182,129	3,093,872
Property and Equipment	307,277	271,270
Right-of-use of assets	36,730	30,552
Intangible assets	10,023	9,056
Deferred tax assets	-	-
Other assets	890,100	564,664
	28,968,219	20,948,912
LIABILITIES		
Bills payable	158,757	77,111
Borrowings	17,430,887	10,018,736
Deposits and other accounts	9,477,207	9,347,582
Lease liabilities	44,448	37,162
Subordinated debt	35,900	35,479
Deferred tax liabilities	141,128	7,377
Other liabilities	528,185	411,231
	27,816,512	19,934,678
NET ASSETS	1,151,707	1,014,234
REPRESENTED BY:		
Share capital	43,948	43,432
Reserves	411,900	414,288
Surplus on revaluation of assets - net	277,543	158,149
Unappropriated profit	418,137	345,486
Total equity attributable to the equity holders of the Bank	1,151,528	961,355
Non-controlling interest	179	52,879
	1,151,707	1,014,234

These figures have been converted at Rs. 278.55 per US Dollar from the audited consolidated financial statements

Syed Manzoor Hussain Zaidi
Chief Financial Officer

Muhammad Jawaid Iqbal
President & Chief Executive Officer

Shazia Syed
Director

Daniel Michael Howlett
Director

Sir Mohammed Anwar Pervez, OBE, HPk
Chairman

Consolidated Profit and Loss Account in USD

For the year ended December 31, 2024

	2024	2023
----- (US Dollars in '000) -----		
Mark-up / return / interest earned	3,893,884	1,898,851
Mark-up / return / interest expensed	3,270,844	1,370,310
Net mark-up / interest income	623,040	528,541
 Non mark-up / interest income		
Fee and commission income	77,312	70,074
Dividend income	6,253	5,728
Foreign exchange income	45,091	45,114
Gain / (Loss) on derivatives	4,419	(232)
Gain on securities - net	152,909	1,890
Capital gain on derecognition of financial assets measured at amortised cost	10,391	-
Other income	4,089	5,404
Total non mark-up / interest income	300,464	127,978
Total income	923,504	656,519
 Non mark-up / interest expenses		
Operating expenses	348,606	248,682
Workers' Welfare Fund	11,293	7,659
Other charges	270	853
Total non mark-up / interest expenses	360,169	257,194
Share of gain / (loss) of associates	3,214	(3,511)
Profit before credit loss allowance	566,549	395,814
Credit loss allowance / provisions and write-offs - net	45,864	3,477
Profit before taxation from continuing operations	520,685	392,337
Taxation	252,012	191,987
Profit after taxation from continuing operations	268,673	200,350
 Discontinued operations		
Profit from discontinued operations - net of tax	3,370	-
	272,043	200,350
 Attributable to:		
Equity holders of the Bank	268,620	195,646
from continuing operations	1,192	-
from discontinued operations	269,812	195,646
Non-controlling interest	54	4,704
from continuing operations	2,177	-
from discontinued operation	2,231	4,704
	272,043	200,350
----- (Rupees) -----		
Earnings per share for profit from continuing operations attributable to the equity holders of the Bank	0.22	0.16
Basic and diluted	0.22	0.16
Earnings per share for profit attributable to the equity holders of the Bank	0.22	0.16
Basic and diluted	0.22	0.16

These figures have been converted at Rs. 278.55 per US Dollar from the audited consolidated financial statements

Category of Shareholders

As on December 31, 2024

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO & CHILDREN	14	29,247,454.00	2.39
BANKS, DFI & NBFI	19	17,678,799.00	1.44
INSURANCE COMPANIES	18	53,651,802.00	4.38
MUTUAL FUNDS	47	15,530,860.00	1.27
GENERAL PUBLIC (LOCAL)	21,011	107,298,227.00	8.76
GENERAL PUBLIC (FOREIGN)	1,450	20,900,823.00	1.71
OTHERS	68	84,088,252.00	6.87
GOVERNMENT OF PAKISTAN	1	1,714.00	0.00
FOREIGN COMPANIES	43	668,030,561.00	54.57
GOVT. OWNED ENTITIES / BANKS	1	2,200,000.00	0.18
JOINT STOCK COMPANIES	139	224,733,098.00	18.36
CHARITABLE TRUSTS	12	818,097.00	0.07
Total	22,823	1,224,179,687.00	100.00

Details of Mutual Funds & Modarabas

As on December 31, 2024

MUTUAL FUNDS				
Folio No	Name	Code	Balance Held	Percentage
003277003785	TRUSTEE CHERAT CEMENT CO.LTD.EMP.PRO.FND	006	11648	0.0010
005371000028	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	006	1015000	0.0829
005645000024	CDC - TRUSTEE HBL INVESTMENT FUND	006	100000	0.0082
005652000023	CDC - TRUSTEE JS LARGE CAP. FUND	006	99790	0.0082
005777000029	CDC - TRUSTEE HBL GROWTH FUND	006	337000	0.0275
005959000027	CDC - TRUSTEE ATLAS STOCK MARKET FUND	006	2866649	0.2342
006171000021	CDC - TRUSTEE FAYSAL STOCK FUND	006	2432	0.0002
006197000029	CDC - TRUSTEE ALFALAH GHP VALUE FUND	006	33500	0.0027
006213000025	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	006	63100	0.0052
006411000021	CDC - TRUSTEE AKD INDEX TRACKER FUND	006	161076	0.0132
007252000020	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	006	1200	0.0001
007377000026	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	006	930332	0.076
009480000021	CDC - TRUSTEE NBP STOCK FUND	006	251050	0.0205
009506000026	CDC - TRUSTEE NBP BALANCED FUND	006	15792	0.0013
010603000021	CDC - TRUSTEE APF-EQUITY SUB FUND	006	174360	0.0142
010728000027	CDC - TRUSTEE HBL - STOCK FUND	006	105000	0.0086
011049000029	MC FSL - TRUSTEE JS GROWTH FUND	006	144468	0.0118
011262000023	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	006	49000	0.0040
011809000026	CDC - TRUSTEE ALFALAH GHP STOCK FUND	006	782757	0.0639
011924000022	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	006	218409	0.0178
012120000028	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	006	2043734	0.1669
012195000021	CDC - TRUSTEE ABL STOCK FUND	006	566398	0.0463
012310000025	CDC - TRUSTEE AL HABIB STOCK FUND	006	497362	0.0406
012336000023	CDC - TRUSTEE LAKSON EQUITY FUND	006	548775	0.0448
012625000027	CDC - TRUSTEE NBP SARMAYA IZFA FUND	006	7876	0.0006
014134000025	CDC - TRUSTEE ATLAS INCOME FUND - MT	006	90290	0.0074
014472000025	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	006	20233	0.0017
014514000028	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	006	15000	0.0012
014860000027	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	006	150269	0.0123
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	006	560960	0.0458
015388000025	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	006	13000	0.0011
016030000025	CDC - TRUSTEE AWT STOCK FUND	006	20200	0.0017
016188000028	CDC-TRUSTEE NITPF EQUITY SUB-FUND	006	41000	0.0033
016535000024	CDC - TRUSTEE LAKSON TACTICAL FUND	006	15632	0.0013
017277000026	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	006	27000	0.0022
017442000025	CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	006	34959	0.0029
017483000021	CDC - TRUSTEE UBL FINANCIAL SECTOR FUND	006	495643	0.0405
017640000020	CDC - TRUSTEE ALLIED FINERGY FUND	006	18252	0.0015
018002000026	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	006	45655	0.0037
018010000025	CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	006	24034	0.002
018051000021	CDC - TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND	006	28518	0.0023
018234000029	CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	006	28350	0.0023
018291000023	CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND - MT	006	2471049	0.2019
018721000029	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	006	42594	0.0035
018770000024	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	006	245004	0.02
018911000026	CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN	006	35000	0.0029
019323000027	CDC - TRUSTEE JS GLOBAL BANKING SECTOR EXCHANGE TRADED FUND	006	81510	0.0067

Pattern of Shareholding

As on December 31, 2024

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
5535	1	100	294,161	0.02
13228	101	500	5,680,998	0.46
1134	501	1000	948,080	0.08
1528	1001	5000	3,743,316	0.31
388	5001	10000	2,986,020	0.24
149	10001	15000	1,895,388	0.15
103	15001	20000	1,854,656	0.15
77	20001	25000	1,789,053	0.15
60	25001	30000	1,700,591	0.14
47	30001	35000	1,561,403	0.13
35	35001	40000	1,340,653	0.11
21	40001	45000	896,892	0.07
43	45001	50000	2,095,969	0.17
20	50001	55000	1,056,828	0.09
22	55001	60000	1,292,304	0.11
9	60001	65000	566,498	0.05
7	65001	70000	477,317	0.04
15	70001	75000	1,104,400	0.09
11	75001	80000	869,940	0.07
4	80001	85000	336,022	0.03
8	85001	90000	711,182	0.06
8	90001	95000	735,089	0.06
33	95001	100000	3,289,551	0.27
8	100001	105000	818,301	0.07
7	105001	110000	752,093	0.06
11	110001	115000	1,247,566	0.10
4	115001	120000	473,468	0.04
7	120001	125000	862,750	0.07
3	125001	130000	386,835	0.03
6	130001	135000	798,000	0.07
5	135001	140000	694,866	0.06
5	140001	145000	720,790	0.06
13	145001	150000	1,941,573	0.16
5	150001	155000	758,419	0.06
5	155001	160000	792,095	0.06
7	160001	165000	1,138,625	0.09
4	165001	170000	668,417	0.05
4	170001	175000	697,074	0.06
4	175001	180000	710,559	0.06
3	180001	185000	544,105	0.04
1	185001	190000	185,700	0.02
4	190001	195000	773,769	0.06
15	195001	200000	2,991,648	0.24
4	200001	205000	807,985	0.07
3	205001	210000	626,333	0.05

Pattern of Shareholding

As on December 31, 2024

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
6	210001	215000	1,276,828	0.10
6	215001	220000	1,306,209	0.11
4	220001	225000	895,147	0.07
2	225001	230000	456,581	0.04
1	230001	235000	235,000	0.02
3	235001	240000	714,700	0.06
2	240001	245000	486,079	0.04
6	245001	250000	1,491,504	0.12
4	250001	255000	1,008,176	0.08
4	255001	260000	1,032,748	0.08
1	260001	265000	262,022	0.02
1	265001	270000	268,000	0.02
2	270001	275000	541,581	0.04
2	285001	290000	580,000	0.05
1	290001	295000	293,413	0.02
4	295001	300000	1,195,120	0.10
1	300001	305000	300,500	0.02
4	310001	315000	1,253,446	0.10
1	315001	320000	317,204	0.03
2	320001	325000	644,382	0.05
2	325001	330000	658,000	0.05
1	335001	340000	337,000	0.03
2	350001	355000	703,500	0.06
2	360001	365000	727,247	0.06
2	365001	370000	732,835	0.06
2	370001	375000	746,500	0.06
3	375001	380000	1,131,999	0.09
1	385001	390000	387,467	0.03
1	390001	395000	392,339	0.03
3	395001	400000	1,200,000	0.10
1	410001	415000	415,000	0.03
1	415001	420000	418,962	0.03
2	425001	430000	854,804	0.07
1	430001	435000	431,300	0.04
1	440001	445000	443,000	0.04
2	445001	450000	898,793	0.07
1	455001	460000	455,480	0.04
1	475001	480000	475,243	0.04
1	480001	485000	484,197	0.04
1	490001	495000	494,080	0.04
5	495001	500000	2,488,248	0.20
1	500001	505000	502,045	0.04
1	510001	515000	510,474	0.04
1	515001	520000	517,698	0.04
2	520001	525000	1,045,000	0.09

Pattern of Shareholding

As on December 31, 2024

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
2	525001	530000	1,052,847	0.09
1	530001	535000	535,000	0.04
1	535001	540000	535,700	0.04
2	545001	550000	1,098,775	0.09
1	555001	560000	555,600	0.05
1	560001	565000	560,960	0.05
1	565001	570000	566,398	0.05
1	580001	585000	583,125	0.05
1	585001	590000	587,005	0.05
3	595001	600000	1,799,220	0.15
1	620001	625000	624,058	0.05
2	625001	630000	1,252,872	0.10
1	645001	650000	650,000	0.05
1	650001	655000	651,606	0.05
1	660001	665000	662,400	0.05
1	675001	680000	675,500	0.06
1	680001	685000	680,490	0.06
1	695001	700000	695,427	0.06
1	705001	710000	710,000	0.06
1	710001	715000	712,500	0.06
1	730001	735000	734,298	0.06
2	745001	750000	1,499,206	0.12
1	780001	785000	782,757	0.06
1	795001	800000	800,000	0.07
1	805001	810000	809,665	0.07
1	815001	820000	816,899	0.07
1	820001	825000	820,530	0.07
2	840001	845000	1,683,956	0.14
1	850001	855000	850,001	0.07
1	895001	900000	900,000	0.07
1	920001	925000	922,837	0.08
1	930001	935000	930,332	0.08
1	965001	970000	969,111	0.08
1	975001	980000	978,500	0.08
1	980001	985000	983,150	0.08
1	985001	990000	989,945	0.08
2	995001	1000000	2,000,000	0.16
1	1000001	1005000	1,000,800	0.08
1	1010001	1015000	1,015,000	0.08
1	1015001	1020000	1,019,916	0.08
1	1050001	1055000	1,055,000	0.09
1	1085001	1090000	1,085,900	0.09
1	1100001	1105000	1,101,097	0.09
1	1155001	1160000	1,157,791	0.09
1	1175001	1180000	1,180,000	0.10

Pattern of Shareholding

As on December 31, 2024

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
1	1195001	1200000	1,197,246	0.10
1	1210001	1215000	1,212,343	0.10
1	1255001	1260000	1,255,646	0.10
1	1320001	1325000	1,321,235	0.11
1	1365001	1370000	1,368,943	0.11
1	1425001	1430000	1,429,000	0.12
1	1435001	1440000	1,438,944	0.12
1	1470001	1475000	1,474,200	0.12
1	1475001	1480000	1,479,849	0.12
1	1485001	1490000	1,489,100	0.12
2	1545001	1550000	3,097,830	0.25
1	1575001	1580000	1,580,000	0.13
1	1600001	1605000	1,603,131	0.13
1	1710001	1715000	1,710,184	0.14
1	1785001	1790000	1,787,000	0.15
1	1925001	1930000	1,925,232	0.16
1	1955001	1960000	1,956,808	0.16
2	1995001	2000000	4,000,000	0.33
1	2020001	2025000	2,021,586	0.17
1	2025001	2030000	2,026,192	0.17
1	2040001	2045000	2,043,734	0.17
1	2195001	2200000	2,200,000	0.18
1	2215001	2220000	2,220,000	0.18
1	2245001	2250000	2,245,894	0.18
1	2270001	2275000	2,275,000	0.19
1	2345001	2350000	2,348,870	0.19
1	2390001	2395000	2,394,492	0.20
1	2445001	2450000	2,448,940	0.20
1	2450001	2455000	2,453,287	0.20
1	2470001	2475000	2,471,049	0.20
1	2555001	2560000	2,556,413	0.21
1	2610001	2615000	2,610,321	0.21
1	2645001	2650000	2,645,595	0.22
1	2840001	2845000	2,843,560	0.23
1	2865001	2870000	2,866,649	0.23
1	2955001	2960000	2,956,245	0.24
1	3175001	3180000	3,176,500	0.26
1	3260001	3265000	3,262,500	0.27
1	3890001	3895000	3,894,802	0.32
1	4175001	4180000	4,176,017	0.34
1	4685001	4690000	4,689,858	0.38
1	4900001	4905000	4,905,000	0.40
1	4995001	5000000	5,000,000	0.41
1	5755001	5760000	5,755,171	0.47
1	6920001	6925000	6,924,562	0.57

Pattern of Shareholding

As on December 31, 2024

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
1	7645001	7650000	7,650,000	0.62
1	8850001	8855000	8,852,544	0.72
1	11165001	11170000	11,170,000	0.91
1	12440001	12445000	12,442,568	1.02
1	13945001	13950000	13,950,000	1.14
1	16105001	16110000	16,108,420	1.32
1	27995001	28000000	28,000,000	2.29
1	39995001	40000000	40,000,000	3.27
1	43050001	43055000	43,055,000	3.52
1	45915001	45920000	45,916,255	3.75
1	118660001	118665000	118,663,770	9.69
1	631725001	631730000	631,728,895	51.60
Total			1,224,179,687	100

**Shares Trading (Sale/ Purchase) By Directors, Sponsors,
Executives of UBL and their Spouses and Minor Children
During the Period From 01 January 2024 to 31 December 2024**

Name	Sale / Purchase / Gift	No of Shares
Sir Mohammed Anwar Pervez OBE, HPk	Gift Out to Dawood Pervez	200,000
Sir Mohammed Anwar Pervez OBE, HPk	Purchase	450,000
Lord Zameer M. Choudrey	Purchase	2,102,607
Mrs. Rakshanda Choudrey Spouse of Zameer Choudrey	Purchase	55,000
Haider Zameer Choudrey	Purchase	114,000
Umair Zameer Choudrey	Purchase	95,000
Muhammad Irfan A Sheikh	Purchase	150,000
Tahira Sheikh Spouse of Muhammad Irfan A Sheikh	Purchase	9,000
Farzana Younus Sheikh Spouse of M.Younus Sheikh	Purchase	526,192
Bestway Cement Limited	Purchase	20,808,357
Muhammad Jawaid Iqbal	Purchase	435,000
Abdul Malik	Purchase	2,000
Nadia Tabassum	Purchase	70,000
Imran Sultan (Spouse of Nadia Tabassum)	Purchase	30,000
Alee Khalid Ghaznavi	Sale	19,500
Syed Zia Ijaz	Sale	29,363
Syed Asrar Hussain	Sale	1,500
Irfan Farooq Memon	Sale	38,824
Suleman Pervez	Sale	7
Muhammad Nauman Ghani	Sale	2,500
Niaz Ahmed Siddiqui	Sale	7,500
Total		25,146,350

Directors / Memberships in other Corporate Bodies – Sir Mohammed Anwar Pervez, OBE, HPk

Position as of 31 December 2024

S. No.	Name of Corporate Bodies	Position held
1.	Bestway Group Limited, Guernsey	Chairman Emeritus
2.	Bestway Group UK Limited, Guernsey	Chairman Emeritus
3.	Bestway Group Investments Limited, Guernsey	Chairman Emeritus
4.	Bestway Northern Limited, England & Wales	Director
5.	Bestway Healthcare Holdings Limited, England & Wales	Director
6.	Bestway Healthcare Finco Limited, England & Wales	Director
7.	Bestway Panacea Holdings Limited, England & Wales	Director
8.	Buybest Limited, England & Wales	Director
09.	Bestway Cement Limited, Pakistan	Chairman
10.	Bestway Packaging Limited, Pakistan	Director
11.	Bestway Consultancy Services Pvt. Limited, Pakistan	Director
12.	Bestway Renewable Technologies Limited, Pakistan	Director
13.	Bestway Foundation, UK	Chairman
14.	Bestway Foundation, Pakistan	Patron-in-Chief

Directors / Memberships in other Corporate Bodies – Lord Zameer M. Choudrey, CBE, SI Pk

Position as of 31 December 2024

S. No.	Name of Corporate Bodies	Position held
1	Bestway Group Limited, Guernsey	Chairman
2	Bestway Group UK Limited, Guernsey	Chairman
3	Bestway UK Holdings Limited, Guernsey	Director
4	Bestway UK Finco Limited, Guernsey	Director
5	Bestway Group Investments Limited, Guernsey	Chairman
6	Bestway Wholesale Holdings Limited, England & Wales	Director
7	Bestway Wholesale Limited, England & Wales	Director
8	Bestway Northern Limited, UK	Director
9	Bestway Retail Limited, England & Wales	Director
10	MAP Trading Limited, England & Wales	Director
11	Batleys Properties Limited, England & Wales	Director
12	Palmbest Limited, England & Wales	Director

13	Euroimpex Limited, England & Wales *	Director
14	Bestway Limited, England & Wales *	Director
15	Bestway Healthcare Holdings Limited, England & Wales	Director
16	Bestway Healthcare Finco Limited, England & Wales	Director
17	Bestway Panacea Holdings Limited, England & Wales	Director
18	Buybest Limited UK	Director
19	5 Lakes Investments Limited, Guernsey	Director
20	Bestway Cement Limited, Pakistan	Director
21	Bestway Packaging Limited, Pakistan	Director
22	Bestway Consultancy Services Pvt. Limited, Pakistan	Chief Executive
23	Bestway Renewable Technologies Limited, Pakistan	Chief Executive
24	Institute of Chartered Accountants England & Wales, UK	Fellow
25	Bestway Foundation, UK	Trustee
26	Crimestoppers Trust, UK	Trustee
27	British Asian Trust UK Advisory Council, UK	Chairman
28	Conservative Friends of Pakistan, UK	Chairman
29	Bestway Foundation, Pakistan	Chairman

*Dormant

10	Bestway Healthcare Holdings Limited, England & Wales	Director
11	Bestway Healthcare Finco Limited, England & Wales	Director
12	Bestway Panacea Holdings Limited, England & Wales	Director
13	5 Lakes Investments Limited, Guernsey	Director
14	Bestway Cement Limited, Pakistan	Director
15	Bestway Packaging Limited, Pakistan	Director
16	Bestway Consultancy Services Pvt. Limited, Pakistan	Director
17	Bestway Renewable Technologies Limited, Pakistan	Director
18	Institute of Chartered Accountants England & Wales,	Fellow
19	Bestway Foundation, UK	Trustee
20	Bestway Foundation, Pakistan	Trustee

Directors / Memberships in other Corporate Bodies Haider Zameer Choudrey

Position as of 31 December 2024

S.no	Name of Corporate Bodies	Position held
1	Bestway Group Limited, Guernsey	Chief Executive Officer
2	Bestway International Holdings Limited, Guernsey	Director
3	Bestway Group UK Limited, Guernsey	Chief Executive Officer
4	Bestway UK Holdings Limited, Guernsey	Director
5	Bestway UK Finco Limited, Guernsey	Director
6	Bestway Group Investments Limited, Guernsey	Chief Executive Officer
7	Bestway Wholesale Holdings Limited, England & Wales	Director
8	Batleys Properties Limited, England & Wales	Director
9	Palmbest Limited, England & Wales	Director

Directors / Memberships in other Corporate Bodies- Rizwan Pervez

Position as of 31 December 2024

S. No	Name of Corporate Bodies	Position held
1	Bestway Northern Limited, UK	Director
2	Bestway Wholesale Limited, UK	Director
3	Bestway Wholesale Holdings Limited, UK	Director
4	Batleys Properties Limited, UK	Director
5	Palmbest Limited, UK	Director
6	Bestway Retail Limited, UK	Director
7	MAP Trading Limited, UK	Managing Director
8	UBI- Insurers Limited, Pakistan	Director
9	RP Investments Limited, UK	Director
10	RP Property Trading Limited, UK	Director
11	Buybest Limited, UK	Partner

12	Bestway Foundation, UK	Trustee
13	Institute of Chartered Accountants of England & Wales	Member
14	Bestway Group Limited, Guernsey	Director
15	Bestway UK Holdings Limited, Guernsey	Director
16	Bestway UK Finco Limited, Guernsey	Director
17	Bestway Group UK Limited, Guernsey	Director
18	Bestway Group FS Limited, Guernsey	Director

Directors / Memberships in other Corporate Bodies – Shazia Syed

Position as of 31 December 2024

Name of Company / Entity	Position held
Unilever Personal Care Business-Pakistan, Turkey, Arabia and Bangladesh	General Manager

Directors / Memberships in other Corporate Bodies – Daniel M. Howlett

Position as of 31 December 2024

Name of Corporate Bodies	Position held
University of Plymouth	Independent Governor
Boparan Private Office	Non-executive Director
Panmure Liberum	Vice Chair
United Bank Limited UK	Non-executive Director
Falcon Group	Non-executive Director

Directors / Memberships in other Corporate Bodies – Muhammad Irfan A. Sheikh

Position as of 31 December 2024

Name of Corporate Bodies	Position held
Bestway Cement Limited	Director
Bestway Packaging Limited	Director
Bestway Consultancy Services (Pvt) Ltd.	Director
Bestway Renewable Technologies Limited	Director

MAP Rice Mills (Pvt) Limited	Director
Bestway Foundation	Trustee

Directors / Memberships in other Corporate Bodies – Tariq Rashid

Position as of 31 December 2024

Directorships / Memberships of Bodies Corporate	Position held in other Undertaking(s)
Bestway Cement Limited	Director

Directors / Memberships in other Corporate Bodies – Muhammad Jawaad Iqbal

Position as of 31 December 2024

Directorships / Memberships of Bodies Corporate	Position held in other Undertaking(s)
Karachi Education Initiative	Director
Institute of Bankers Pakistan	Council Member
Pakistan Banks' Association	Member Executive Committee
Overseas Investors Chamber of Commerce and Industry	Member Managing Committee

Notice of 66th Annual General Meeting of United Bank Limited

Notice is hereby given that the 66th Annual General Meeting ("AGM") of the Shareholders of United Bank Limited (the "Bank" or "UBL") will be held on Wednesday, 19 March 2025 at 9:30 a.m. at Islamabad Serena Hotel, Islamabad to transact the following businesses:

Ordinary Business:

1. To confirm the minutes of last Extra-Ordinary General Meeting held on 30 December 2024.
2. To receive, consider and, if thought fit, adopt the Annual Audited Financial Statements (consolidated and unconsolidated), Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 of the Bank for the year ended 31st December, 2024 together with the Directors' Report and Auditors' Reports thereon.
3. To consider and, if thought fit, approve and declare final cash dividend, as recommended by the Board of Directors, at the rate of Rs.11/- per share i.e.110%, in addition to 330% interim cash dividend already declared/paid for the year ended 31 December 2024.
4. To consider and, if thought fit, appoint External Auditors to hold office from this AGM till the conclusion of the next AGM of the Bank and to fix their remuneration. It is notified that Board Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. EY Ford Rhodes Chartered Accountants, who being eligible, has offered themselves for reappointment.

Special Business:

5. To consider, and if thought fit, pass the following Special Resolutions (with or without modifications) under Section 83(1)(b) of the Companies Act, 2017 subject to review and approval by State Bank of Pakistan ("SBP") for: (i) issuance by way of other than rights of a maximum of 60,000,000 ordinary shares having face value of PKR 10/- each of United Bank Limited ("Bank") upon the conversion of a privately placed and over the counter listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible Shariah compliant Sukuk for an amount up to PKR 20,000,000,000 (inclusive of green shoe option) ("Proposed Sukuk Issuance"); or (ii) in the event that the Proposed Sukuk Issuance is not approved by the SBP for any regulatory reason or the management of UBL determines that issuance of the Proposed Sukuk Issuance is not otherwise viable on the terms and structure approved/proposed by SBP, for issuance by way of other than rights of a maximum of 60,000,000 ordinary shares having face value of PKR 10/- each of the Bank upon the conversion of conventional Term Finance Certificates proposed to be issued as BPRD circular # 06 dated August 15, 2013 ("Basel III Circular") compliant Additional Tier 1 instrument in the form of redeemable capital under Section 66 of the Companies Act, 2017 of up to an amount of PKR 20,000,000,000 (inclusive of green shoe option) ("Proposed TFC Issuance").

RESOLVED THAT, subject to receipt of regulatory approvals (including approvals of the SBP and the Securities and Exchange Commission of Pakistan ("SECP")), required under applicable laws in connection with the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, and fulfilment of all requisite formalities, the issuance by way of otherwise than rights of a maximum of 60,000,000 ordinary shares of the Bank having face value of PKR 10/- each upon conversion of the Proposed Sukuk Issuance, or a maximum of 60,000,000 ordinary shares of the Bank having face value of PKR 10/- each upon conversion of the Proposed TFC Issuance, as the case may be, proposed to be issued by the Bank as Tier I Capital under the Basel III framework implemented by the SBP vide the Basel III Circular, in each case, be and is hereby approved on the terms and conditions stated in the statement of material facts.

FURTHER RESOLVED THAT, that Mr. Muhammad Jawaid Iqbal, President & CEO, Syed Manzoor Hussain Zaidi, Chief Financial Officer, and Mr. Aqeel Ahmed Nasir, Company Secretary, be and are hereby authorized singly or jointly on behalf of the Bank to complete any/all the necessary corporate and regulatory formalities, sign all documents/agreements in respect of the above, including but not limited to filing of application with the SECP for approval under Section 83(1)(b) of the Companies Act, 2017 and/or to do any other acts, deeds, things and matters in respect of the above.

Attached to the Notice is the Statement of Material Facts as required under section 134(3) to the Companies Act, 2017.

By order of the Board
Sd/-

Aqeel Ahmed Nasir
Company Secretary &
Chief Legal Counsel

Karachi, 26 February 2025



Notice of 66th Annual General Meeting of United Bank Limited

Notes:

1. The Share Transfer Books of the Bank shall remain closed from 13 March 2025 to 19 March 2025 (both days inclusive). Transfers received at M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan., the Registrar and Share Transfer Agent of the Bank, by the close of the business on 12 March 2025 will be treated in time for the purpose of attending this AGM.
2. A member entitled to attend and vote at this AGM is entitled to appoint a person as a proxy to attend and vote for and on his/her behalf. A proxy need not be a member. The instrument appointing a proxy and the power of attorney/Board Resolution or other authority (if any) under which it is signed or a notarized certified copy of the power or authority shall be deposited at the office of M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, the Registrar and Share Transfer Agent of the Bank, not later than forty-eight (48) hours before the time of holding the AGM, and must be duly stamped, signed and witnessed.
3. Pursuant to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.
4. The CDC Account Holders and Sub-Account Holders, whose registration details are available in the Share Book Details Report, shall be required to produce their respective original Computerized National Identity Card (CNIC) or original Passport at the time of attending the AGM to facilitate identification. Such Account Holders and Sub-Account Holders should also bring / know their respective participation I.D. No. and the CDC Account No. and in case of proxy, he/she must enclose an attested copy of his/her CNIC or Passport. Representative(s) of corporate member(s) should bring attested copy of Board Resolution / Power of Attorney and/or all such documents that are required for such purpose under Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP").
5. Members are requested to timely notify any change in their addresses and provide copies of their CNIC / NTN (if not provided earlier) to Bank's Registrar / Share Transfer Agent, M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500.
6. **Deduction of Withholding Tax on the Amount of Dividend:**

As per the provisions of Section 150 of the Income Tax Ordinance, 2001 ("Ordinance"), different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. The current withholding tax rates are as under

- (a) For filers of income tax returns: 15.00%
(b) For non-filers of income tax returns: 30.00%

To enable UBL to make tax deduction on the amount of cash dividend @ 15.00% instead of 30.00%, all the shareholders whose names are not entered/appring into the Active Taxpayers List (ATL) provided on the website of the Federal Board of Revenue ("FBR"), despite the fact that they are filers, are advised to make sure that their names are entered/appring into ATL before the date of issuance of Dividend Warrants, otherwise tax on their cash dividend will be deducted @ 30.00%.

The corporate shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to UBL or Bank's Share Registrar and Share Transfer Agent, M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective Folio numbers.

As per FBR's clarification letters C.No.1(29) WHT/2006 dated June 30, 2010 and C.No.1(43) DG(WHT)/2008-Vol-II.664 17-R dated May 12, 2015, a valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47(B) of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to our Registrar and Share Transfer Agent, otherwise tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on "Filer / Non-Filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and Joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:

Folio/CDC Account No.	Total shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

Notice of 66th Annual General Meeting of United Bank Limited

For any query/difficulty/information, the members may contact UBL's Share Registrar and Share Transfer Agent, at the following address, phone/fax numbers or e-mail address:

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

7. Audited Financial Statements through e-mail and available on Website

In pursuant to Section 223(6) of the Companies Act 2017 and SECP S.R.O. 389 (I) / 2023 dated March 21, 2023, Annual Report 2024 which includes Auditors' Report along with Audited Financial Statements, Directors' Report, Chairman's Review Report and Notice of Annual General Meeting are being e-mailed to the members who have provided their e-mail addresses. Members are also requested to intimate change (if any) in their registered e-mail addresses to the relevant Participants / Investor Account Services of the CDC / Share Registrar of the Bank (as the case may be) for the aforesaid purpose. Member of the Bank who wish to receive the hard copy of Annual Report are requested to send request to our Share Registrar or Secretary's Department of the Bank.

The Annual Report of the Bank has also been uploaded on the website of the Bank which can be downloaded from the following weblink or QR enabled code given on the top right of this notice.

Weblink: <https://ubldigital.com/Investor-Relations/Financial-Statements>

8. Participation of Shareholders through Online Facility:

To facilitate the shareholders, UBL will also be providing the online platform / facility to participate in the AGM through webinar/webex/zoom.

The shareholders will be able to login and participate in the AGM proceedings through their smart phones or computer devices after completing all the formalities required for the verification and identification of the shareholders.

The login facility will be opened at 09:00 a.m. on 19 March 2025 enabling the participants to join the proceedings which will start at 9:30 a.m. sharp.

The shareholders interested in attending the AGM of UBL through online facility are requested to get themselves registered with the Company Secretary at least 24 hours before the time of AGM at the following e-mail address: general.meeting@UBL.com.pk

The shareholders are requested to provide the information as per the below format. The related link to the webinar/webex/zoom will be sent on the provided email address accordingly:

S. No.	Name of the Shareholder	CNIC Number	Folio/CDC Account No.	Cell Number	Email Address

9. Consent for Video Link Facility:

Members can attend and participate in the AGM through video-link. The Bank will provide the facility of video-link on demand of members residing in a city, collectively holding 10% or more shareholding in the Bank. Members who wish to avail this facility are requested to fill the below Video Link Form and submit it to the Bank at its registered office at least seven (7) days prior to date of the AGM.

The Bank will intimate members regarding venue of video-link facility at least five (5) days before the date of the AGM along with complete information necessary to enable them to get an access to such facility.

Video Link Form

I/We, _____ of _____, being a member of United Bank Limited, holder of _____ Ordinary Share(s) as per Register Folio No./CDC Account No. _____ hereby opt for video link facility at _____.

Signature of the Member

Notice of 66th Annual General Meeting of United Bank Limited

10. E-Voting:

The members of United Bank Limited "the Bank" are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of United Bank Limited will be allowed to exercise their right to vote through electronic voting facility and voting by post for the special business in its AGM to be held on 19 March 2025 at 9:30 a.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Bank's website at <https://www.ubldigital.com/Investor-Relations/Stock-Information>

Procedure for E – Voting:

Shareholders, who for any reason, could not claim their dividends or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividends or pending shares, if any.

- Details of the e-voting facility will be shared through an e-mail with those members of the Bank who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Bank by the close of business of 12 March 2025.
- The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of THK Associates (Pvt.) Limited (being the e-voting service provider).
- Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- E-Voting lines will start from 15 March 2025, 09:00 a.m. and shall close on 18 March 2025 at 5:00 p.m. Members can cast their votes any time during the said timelines. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

Procedure for E – Voting:

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on 13th Floor UBL Building, Jinnah Avenue, Blue Area, Islamabad or email at general.meeting@UBL.com.pk before 17:00 on Tuesday, 18 March 2025. The signature on the ballot paper shall match with the signature on CNIC.

11. Urgent Provision of Valid CNIC Copy (Mandatory)

As per the regulatory requirements issued by the Securities & Exchange Commission of Pakistan ("SECP"), the payment of cash dividend shall only be made to the Shareholders who have provided copies of their valid CNIC/ NICOP/ Passport (in the case of Individuals) and NTN certificate (in the case of corporate entities) and valid details of designated International Bank Account Number ("IBAN"). In case of non-availability of the said information, the Bank will hold the payment of cash dividend. Therefore, shareholders who have not yet provided the required information are requested to provide copies of their valid CNIC/NICOP/NTN/Passport and details of valid IBAN.

The Members are requested to submit a copy of their valid CNIC/NTN/Passport Number within ten (10) days from the date of this Notice to the Bank's Registrar and Share Transfer Agent. In case you have already provided copy of your valid CNIC, please ignore this instruction.

The Members are also requested to timely notify any change in their addresses and provide copies of their CNIC /NTN (if not provided earlier) to Bank's Registrar / Share Transfer Agent, M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500.

12. Submission of Bank Mandate with International Bank Account Number (IBAN) for payment of Cash Dividend Electronically into the Bank Accounts of the Shareholders (Mandatory Requirement)

In pursuance of Section 242 of the Companies Act, 2017, it is mandatory for all listed companies to pay dividend only by way of electronic mode, directly into the bank accounts of entitled shareholders.

Keeping in view the same, all cash dividends, will be directly transferred in bank accounts of the registered shareholders. In order to enable us to follow the directives of the regulators in regard to payment of divided through electronic mode only, the members are requested to please provide/update their bank account details, if not already provided/updated, on the bank mandate form available on the below given link. <https://www.ubldigital.com/Portals/0/InvestorRelation/Bank%20Mandate%20Form.pdf>

For any query/difficulty/information, the members may contact the Bank's Share Registrar and Share Transfer Agent, at the following address, phone/fax numbers or e-mail address:

Notice of 66th Annual General Meeting of United Bank Limited

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

The shareholders who hold shares in CDC are requested to submit the above mentioned Dividend Mandate Form, duly filled-in, to the relevant Broker/Participants/Investor Account Services of the CDC where member's CDC account is being dealt.

The shareholders who hold physical shares are also requested to submit IBAN (bank account number) as per the above mentioned Dividend Mandate Form, duly filled-in, to our Share Registrar namely THK Associates (Pvt.) Limited in order to directly credit their dividends in their respective bank accounts.

13. Zakat Declaration

That pursuant to the Zakat and Ushr Ordinance, 1980 read with the Zakat (Collection and Refund) Rules, 1981, UBL is required to deduct zakat from dividend(s) and to deposit the same with the relevant Authority.

To avail an exemption from said deduction, the shareholder(s) are advised to provide a duly executed declaration form i.e. CZ-50, with respect to faith and fiqh, at least 30 days prior to the first day of Ramadhan.

UBL, in any case, bears no legal responsibility/obligation or any financial liability whatsoever in this regard.

14. Unclaimed Dividend and Bonus Shares:

Shareholders, who for any reason, could not claim their dividends or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividends or pending shares, if any.

15. Conversion of Physical Shares into Book Entry Form:

In accordance with Sub Section 2 of Section 72 of the Companies Act, 2017, Companies are required "to replace its physical shares with book entry form" in the manner specified by the Commission.

To enable compliance with the aforementioned requirement, we request the shareholders to kindly convert shares held by them in Physical Form into Book Entry Form as soon as possible. The shareholders may contact a Broker, a PSX Member, CDC Participant or CDC Investor Account Service to obtain assistance for opening a CDS Account and subsequent conversion of the physical shares into Book Entry Form.

For further information or clarification, please feel free to contact THK Associates (PVT) Ltd. on Tel: # 021-35310191-93 or email at sfc@thk.com.pk

Statement of Material Facts Under Section 134(3) of the Companies Act, 2017, relating to the Special Business:

This statement of material facts pertain to the special business to be transacted at the Annual General Meeting of United Bank Limited ("Bank"), to be held on 19 March 2025

Issuance of shares, without rights issuance, upon conversion of Sukus or TFCs, as the case may be, by the Bank as Additional Tier I Capital.

1. In order to strengthen the regulatory capital position (and in particular, the capital adequacy ratio) and to support the growth of the long term strategic plan of United Bank Limited ("Bank"), the management is proposing to raise capital through the issuance of Additional Tier 1 instrument in accordance with the Basel III Guidelines issued by the State Bank of Pakistan ("SBP") vide BPRD Circular # 06 dated August 15, 2013 ("Basel III Circular") in the form of a privately placed and over the counter listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible Shariah compliant Sukuk for an amount up to PKR 20,000,000,000 (inclusive of green shoe option) ("Proposed Sukuk Issuance"). The Proposed Sukuk Issuance is subject to the approvals of the SBP under the Basel III Circular, and to be finalized based on the input received from the SBP. The Proposed Sukuk Issuance is also subject to receipt of regulatory approvals, from the Securities and Exchange Commission of Pakistan ("SECP") and the Pakistan Stock Exchange Limited ("PSX").
2. In the event that the Proposed Sukuk Issuance is not approved by the SBP for any regulatory reason or the management determines that the issuance is not otherwise viable on the terms and structure approved/proposed by the SBP, it is proposed that the Basel III Circular compliant Additional Tier I instrument be issued in the form of conventional Term Finance Certificates as redeemable capital under Section 66 of the Companies Act, 2017 of up to an amount of PKR 20,000,000,000 (inclusive of green shoe option) ("Proposed TFC Issuance"), which will be substantially on the same commercial terms as the Proposed Sukuk Issuance, subject to approvals of the SBP under the Basel III Circular and to be finalized based on the input received from the SBP. The Proposed TFC Issuance is also subject to receipt of regulatory approvals, from the SECP and the PSX.
3. The Basel III Circular prescribes a mandatory loss absorption feature for Additional Tier I capital instruments pursuant to which the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, will, if directed by the SBP, be subject to mandatory conversion into ordinary shares of the Bank, on the occurrence of the following trigger events: (i) the CET 1 Trigger Event (described below); (ii) if directed by the SBP, the PONV Event (described below); or (iii) if directed by the SBP, failure by the Issuer to comply with the Non-Cumulative Feature or Lock-In Clause (as specified in paragraph (iii)(g) of Annexure 2 of the Basel III Circular). Accordingly, the Bank will be under an obligation to mandatorily convert the Sukuk or TFCs, as the case may be, on the occurrence of any of the aforementioned trigger events.

Note: The Basel III Circular can be accessed from http://www.sbp.org.pk/bprd/2013/Basel_III_instructions.pdf

4. In accordance with the requirements of the Basel III Circular, the Bank has determined, subject to review and approval by the SBP, that upon the occurrence of any of the trigger events, a maximum of 60,000,000 ordinary shares of the Bank, having face value of PKR 10/- each, will be issued for the conversion of the Proposed Sukuk Issuance, or, a maximum of 60,000,000 ordinary shares of having face value of PKR 10/- each of the Bank will be issued for the conversion of the Proposed TFC Issuance, as the case may be.

To secure the Bank's obligation to convert the Sukus or TFCs, as the case may be, the Basel III Circular expressly requires that there should be no impediments (legal or other) to the conversion i.e. the Bank should have all prior authorizations (sufficient room in authorized capital etc.) including regulatory approvals to issue the common shares upon conversion. To the extent ordinary shares will be issued to the Sukuk holders or TFC holders, as the case may be, on a without rights basis at the time of conversion of the Sukus or TFCs, as the case may be, the Bank is required to comply with Section 83(1)(b) of the Companies Act, 2017 which requires the Bank to obtain the approval of its shareholders and the SECP. Such approvals are, in terms of the Basel III Circular required to be procured before the issuance of the Sukus or TFCs, as the case may be.

5. The shareholders are therefore requested to consider and give their approval by way of special resolution for the issuance otherwise than by way of rights of ordinary shares of the Bank upon conversion of the Proposed Sukuk Issuance or the Proposed TFC Issuance, as the case may be. The terms of conversion of the Proposed Sukuk Issuance or the Proposed TFC Issuance, as the case may be, are set out in more detail herein below:

FORM OF PROXY

66th Annual General Meeting of United Bank Limited

Conversion Trigger Events	The issuance of shares is dependent on a future contingent event. The Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, shall, in terms of the Conversion Amount, be permanently converted into ordinary shares upon (i) the CET 1 Trigger Event (as defined in paragraph A-5-2 of Annexure 5 of the Basel III Circular); (ii) if directed by the SBP, the PONV Event (as defined in paragraph A-5-3 of Annexure 5 of the Basel III Circular); or (iii) Lock-In Event, i.e. failure by the Bank to comply with the lock-in clause (as specified in paragraph (iii)(g) of Annexure 2 of the Basel III Circular) or the non-cumulative feature of the Sukuk or the TFC, as the case may be (as specified in paragraph (iii)(a) of Annexure 2 of the Basel III Circular).
Conversion Amount	In the case of Pre-Specified Trigger Event, the Bank will have full discretion to determine the amount of the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, to be converted into ordinary shares, which amount shall at least be the amount required to immediately return the Bank's CET 1 ratio to above the Pre-Specified Trigger Event but will not exceed the amount required to bring the CET 1 ratio to 8.5% of RWA. In the case of a PONV Trigger Event or Lock-In Event, the amount of the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, to be converted will be determined by the SBP in its sole discretion.
Quantum of shares to be issued in terms of number of shares and their percentage of paid-up capital before and after conversion	Number of shares to be issued to the Sukuk holders or TFC holders, as the case may be, at the time of conversion will be equal to: No. of Shares = Conversion Amount Conversion Price Provided that: (i) in the case of Proposed Sukuk Issuance, the maximum number of shares to be issued to the Sukuk holders upon conversion will be capped at 60,000,000 ordinary shares having face value of PKR 10/- each (representing 4.90% of the paid up and issued share capital of the Bank before conversion and 4.67% of the paid up and issued share capital of the Bank after conversion); or (ii) in the case of Proposed TFC Issuance, the maximum number of shares to be issued to the TFC holders upon conversion will be capped at 60,000,000 ordinary shares having face value of PKR 10/- each (representing 4.90% of the paid up and issued share capital of the Bank before conversion and 4.67% of the paid up and issued share capital of the Bank after conversion). <i>The maximum number of shares represents the maximum dilution that will be faced by the shareholders of the Bank upon conversion of the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be.</i>
Conversion Price/Issue Price	For Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, conversion price shall be the market price per ordinary share of the Bank, or, in case market price is not available, the book value of a share of the Bank certified by the independent auditor, as on the date of trigger of the Pre-Specified Trigger Event or declaration by the SBP of the PONV Trigger Event or Lock-In Event.
Consideration against which shares are to be issued i.e. cash or other than cash	Shares shall be issued against cash consideration received by the Bank as subscription monies by virtue of the Proposed Sukuk Issuance or the Proposed TFC Issuance, as the case may be.
To whom the ordinary shares will be issued	Sukuk holders or TFC Holders, as the case may be, at the time of conversion and comprising of Qualified Institutional Buyers in accordance with Section 66 of the Companies Act 2017.
Type of Ordinary Shares	For Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, the ordinary shares to be issued upon conversion of the Sukuk or TFCs (as applicable) will rank pari passu in all respects with existing ordinary shares of the Bank.
Other Conditions	In the case of Proposed Sukuk Issuance, permanent conversion of the Proposed Sukuk Issuance on terms provided herein shall only take place if, at the time of the Conversion Trigger Events, the Bank will be a full-fledged Islamic Bank.
Purpose, Justification and Benefit of the Proposed Sukuk Issuance / Proposed TFC Issuance	The Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, will contribute towards the Bank's Additional Tier-I Capital to strengthen the Bank's regulatory capital position (and in particular, the capital adequacy ratio) and to support the growth of its Islamic Banking operations. The Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, is mandatorily required to be converted upon a Pre-Specified Trigger Event or PONV Trigger Event as per the Basel III Circular resulting in an issuance of ordinary shares to Sukuk holders or TFC holders, as the case may be, on a without rights basis.
Breakup value per share as per the latest available audited and reviewed account	Not applicable
Authorized Capital	The authorised capital of the Bank is currently PKR 20,000,000,000/- (Pak Rupees 20 billion only) which is sufficient to allow the conversion of the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, as provided above.
Consent of the person(s) to whom the shares are to be issued	Not applicable
Average market price of the shares during the last three months and latest available market price	Not applicable
Value of Non-Cash Assets or Services or intangible assets	Not applicable

I/We, _____ of _____ being a member of United Bank Limited ("UBL") and holder of _____ ordinary shares as per Share Register Folio No. _____ and / or CDC Participation I.D. No. _____ and Account No. _____ hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 66th Annual General Meeting of UBL scheduled to be held on **Wednesday, 19 March 2025 at 09:30 a.m.** at Islamabad Serena Hotel, Islamabad and at any adjournment thereof.

Signed this _____ day of _____ 2025

Witness 1:

Signature: _____

Name: _____

CNIC No. or Passport No: _____

Address: _____

(Signature should agree with the specimen signature registered with the Registrar)

Witness 2:

Signature: _____

Name: _____

CNIC No. or Passport No: _____

Address: _____

NOTE:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a person as proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporation (other than Government of Pakistan), its common seal should be affixed on the instrument.
3. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar/ Share Transfer Agents, **M/s. THK Associates (Pvt.) Limited**, Plot no.32-C, Jami Commercial Street-2, D.H.A. Phase VII, Karachi not less than 48 hours before the time of holding the meeting.
4. If a member appoints more than one proxy, and more than one instrument of proxy are deposited by a member with the Registrar, all such instruments of proxy shall be rendered invalid.
5. Applicable stamp duty shall be paid/affixed on the proxy form in accordance with the place of execution.
6. The proxy form shall be witnessed by two persons whose names, addresses and CNIC / Passport No. shall be mentioned on the form.
7. Attested copies of CNIC or the Passport of the beneficial owners of the proxy shall be furnished with the proxy form.
8. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
9. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted along with proxy form to the company.

پرائی فارم

یونائیٹڈ بینک لمیٹڈ کا 66 والے اجلاس عام



Affix
Correct
Postage

Registrar

M/s. THK Associates (Pvt.) Limited,
Plot No. 32-C, Jami Commercial Street 2,
DHA Phase VII, Karachi-75500,
Pakistan.

میں اہم سکھنے یونائیٹڈ بینک لمیٹڈ ("UBL") کے ممبر کی حیثیت سے عومنی شیر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں، جیسا کہ شیر رجڑہ فلیو نمبر اور / یا سی ڈی سی پارٹی سسپیشن آئی ڈی نمبر اور اکاؤنٹ نمبر میں درج ہے، یہاں پر سکھنے کو اور ان کی عدم موجودگی میں اس جگہ پر کوئی اہم انتہا مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ پر ووٹ کا حق استعمال کر سکے اور میری / ہماری جگہ پر 19 مارچ 2025 بروز بده صبح 09:30 بجے، اسلام آباد میں منعقد ہونے والے یوبی ایل کے 66 ویں سالانہ اجلاس عام یا اس کے ملتوی شدہ اجلاس میں شرکت کے مجاز ہوں گے۔

دستخط دیں ارزوں 2025 کے لئے

گواہ: 1

دستخط:

نام:

قومی شناختی کارڈ نمبر / پاسپورٹ نمبر:

پختہ:

گواہ: 2

دستخط:

نام:

قومی شناختی کارڈ نمبر / پاسپورٹ نمبر:

پختہ:

نوت:

- اجلاس عام میں شرکت اور ووٹ کا حق رکھنے والا میر اپنی جگہ کسی بھی شخص کو اجلاس میں شرکت اور ووٹ دینے کے لیے پرائی مقر رکھ سکتا ہے اور سکتی ہے۔
- پرائی کو مقر رکھنے کی دستاویز پر لازمی طور پر میر یا اس کے اٹارنی کے تحریری طور پر تصدیق شدہ دستخط ہوں۔ اگر میر کوئی کارپوریشن (حکومت پاکستان کے علاوہ دیگر) ہے تو اس کی عام میر (common seal) بھی دستاویز پر چھپاں ہوگی۔
- پرائی کو مقر رکھنے والی دستاویز، پاوار آف اٹارنی کے ساتھ، اگر کوئی ہو، جس کے تحت اس کی دستخط شدہ یا تصدیق شدہ کا پی ہمارے رجڑار اشیئر ٹرانسفر ایجنٹس، میسرزٹی ایچ کے ایسوئی ایٹس (پائیوٹ) لمیٹڈ، پلات نمبر C-32، جامی کرشنل اسٹریٹ نمبر 2، ڈی ایچ اے فیر ۷۷، کراچی، کو اجلاس کے انعقاد سے 48 گھنٹے پہلے وصول ہو جانی چاہیے۔
- اگر کوئی میر ایک سے زیادہ پرائی کی دستاویزات رجڑار کو اسال کرتا ہے تو ایسی تمام پرائیز کی دستاویزات کو منسوخ قرار دیا جائے گا۔

- پرائی فارم کے جاری کیے جانے والی جگہ کے مطابق قابل اطلاق اسٹیپ ڈیوٹی ادا کی جائے گی۔
- پرائی فارم پر جن دو افراد کی گواہی ہوئی ہے، ان کے نام، پیداوار قومی شناختی کارڈ / پاسپورٹ نمبر بھی درج ہونے چاہیں۔
- پرائی فارم کے ساتھ پرائی مقر رکھنے والے فرد کا قومی شناختی کارڈ یا پاسپورٹ نمبر بھی درج ہونے چاہیں۔
- پرائی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نمونہ کے دستخط پر پرائی فارم کے ساتھ کمپنی کے پاس جمع کرنے ہوں گے۔

POSTAL BALLOT PAPER FOR VOTING THROUGH POST

United Bank Limited

Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held on Wednesday, 19 March 2025 at 09:30 a.m. at Islamabad Serena Hotel, Islamabad.
[Website: www.ulbdigital.com](http://www.ulbdigital.com).

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of corporate body, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), you poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below:

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<p>Agenda Item 5:</p> <p>To consider, and if thought fit, pass the following Special Resolution (with or without modifications) under Section 83(1)(b) of the Companies Act, 2017 subject to review and approval by State Bank of Pakistan ("SBP") for: (i) issuance by way of other than rights of a maximum of 60,000,000 ordinary shares of having face value of PKR 10/- each of United Bank Limited ("Bank") upon the conversion of a privately placed and over the counter listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible Shariah compliant Sukuk for an amount up to PKR 20,000,000,000 (inclusive of green shoe option) ("Proposed Sukuk Issuance"); or (ii) in the event that the Proposed Sukuk Issuance is not approved by the SBP for any regulatory reason or the management determines that issuance of the Proposed Sukuk Issuance is not otherwise viable on the terms and structure approved/proposed by SBP, for issuance by way of other than rights of a maximum of 60,000,000 ordinary shares having face value of of PKR 10/- each of the Bank upon the conversion of conventional Term Finance Certificates proposed to be issued as BPRD circular # 06 dated August 15, 2013 ("Basel III Circular") compliant Additional Tier 1 instrument in the form of redeemable capital under Section 66 of the Companies Act, 2017 of up to an amount of PKR 20,000,000,000 (inclusive of green shoe option) ("Proposed TFC Issuance").</p> <p>RESOLVED THAT, subject to receipt of regulatory approvals (including approvals of the SBP and the Securities and Exchange Commission of Pakistan ("SECP")), required under applicable laws in connection with the Proposed Sukuk Issuance or Proposed TFC Issuance, as the case may be, and fulfilment of all requisite formalities, the issuance by way of otherwise than rights of a maximum of [60,000,000 ordinary shares of the Bank having face value of of PKR 10/- each upon conversion of the Proposed Sukuk Issuance, or a maximum of 60,000,000 ordinary shares of the Bank having face value of of PKR 10/- each upon conversion of the Proposed TFC Issuance, as the case may be, proposed to be issued by the Bank as Tier I Capital under the Basel III framework implemented by the SBP vide the Basel III Circular, in each case, be and is hereby approved on the terms and conditions stated in the statement of material facts.</p> <p>FURTHER RESOLVED THAT, that Mr. Muhammad Jawaad Iqbal, President & CEO, Syed Manzoor Hussain Zaidi, Chief Financial Officer, and Mr. Aqeel Ahmed Nasir, Company Secretary, be and are hereby authorized singly or jointly on behalf of the Bank to complete any/all the necessary corporate and regulatory formalities, sign all documents/agreements in respect of the above, including but not limited to filing of application with the SECP for approval under Section 83(1)(b) of the Companies Act, 2017 and/or to do any other acts, deeds, things and matters in respect of the above.</p>		

NOTES:

1. Duly filled postal ballot paper should be sent to the Chairman of United Bank Limited registered office at 13th Floor, UBL Building, Jinnah Avenue, Blue Area, Islamabad or email at general.meeting@ulb.com.pk
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the at least one day before the Annual General Meeting i.e. on 18 March 2025 before 17:00. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Postal Ballot Paper form has also been placed on the website of the Bank at: <https://www.ulbdigital.com/Investor-Relations/Stock-Information>
Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Date _____

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)



where *you* come first

UNITED BANK LIMITED

Corporate Affairs & Marketing Department

12th Floor, UBL Head Office, I.I. Chundrigar Road, Karachi-74000, Pakistan.

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