

سیناروں سے آگے

جہاں اور بھی ہیں

BEYOND LIMITS,
INTO THE FUTURE

ANNUAL REPORT 2025

BEYOND LIMITS, INTO THE FUTURE



SITARON SAY AAGAY

JAHAN AUR BHI HAIN

Inspired by the timeless words of Allama Iqbal, this Annual Report is a reflection of a belief deeply embedded in our Bank's DNA; that progress never ends at the visible horizon.

Every milestone UBL has achieved in 2025, is not a destination, but a marker along a longer, more ambitious journey. Guided by purpose and powered by trust, the Bank has continued to strengthen its foundations, expand its capabilities, and deliver consistent performance in a rapidly evolving financial landscape. Beyond the many industry benchmarks that the Bank has set so far, lie new opportunities to serve, to innovate, and to lead.

As Pakistan's financial needs evolve, so do we — striving relentlessly to remain a trusted partner to individuals, businesses, and communities. For us, 'beyond the stars' is not just a metaphor; it is a promise to keep moving forward, with vision, integrity, and an unwavering belief that there will always be greater horizons ahead.

CONTENTS

08-58

Company Information	08
Chairman's Profile	10
Board of Directors	12
Chairman's Review Report To The Members	22
Directors' Report to the Members 2025	23
Environmental, Social & Governance at UBL in 2025	40
Management Team	54
Growth at a Glance	58

64-75

UBL International Network	64
Complaint Management at UBL	65
Shariah Board's Report for the Financial Year-2025	66
Independent Auditor's Review Report on the Statement of Compliance	72
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2025	73
Annual Statement on Internal Controls 2025	75

78-87

Financial Statements 2025	78
Auditor's Report on Unconsolidated Financial Statements to the Members	79
Unconsolidated Statement of Financial Position	83
Unconsolidated Profit and Loss Account	84
Unconsolidated Statement of Financial Comprehensive Income	85
Unconsolidated Statement of Changes in Equity	86
Unconsolidated Cash Flow Statement	87

88-191

Notes to and forming part of the Unconsolidated Financial Statements	88
Annexure 'I' as referred to in note 9.9 of the Bank's Unconsolidated and Consolidated Financial Statements	174
Annexure 'II' as referred to in note 2.3 and 9.1 of the Bank's Unconsolidated and Consolidated Financial Statements	184
Annexure 'III' as referred to in note 10.6 of the Bank's Unconsolidated and Consolidated Financial Statements	191

192-291

Auditor's Report on Consolidated Financial Statements to the Members	192
Consolidated Statement of Financial Position	195
Consolidated Profit and Loss Account	196
Consolidated Statement of Comprehensive Income	197
Consolidated Statement of Changes in Equity	198
Consolidated Cash Flow Statement	199
Notes to and forming part of the Consolidated Financial Statements	200
Consolidated Statement of Financial Position in USD	291

292-308

Consolidated Profit and Loss Account in USD	292
Category of Shareholders	293
Details of Mutual Funds & Modarabas	294
Pattern of Shareholding	296
Shares Trading (Sale / Purchase) during the year 2025	302
Directorship / Membership of UBL's Directors in other Corporate Bodies	303
Notice of 67 th Annual General Meeting	308
Form of Proxy	

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



امید سے آگے

جہاں اور بھی ہیں

OUR PROGRESS IS DEFINED
BY THOSE WHO WALK THIS
JOURNEY WITH US.

At UBL, we move forward in unison with our shareholders, employees, customers, regulators, suppliers, and communities — balancing growth with governance and ambition with accountability. While each relationship is shaped by its own dynamics and responsibilities, together we move forward as one, aligned by shared purpose. Every step is taken with purpose, ensuring that opportunity is pursued responsibly and performance remains sustainable.

Through disciplined execution, strengthened transparency, robust risk management, and trusted partnerships, each decision is anchored in long-term value creation. Because for us, 'Umeed Se Aagay Jahan Aur Bhi Hain' — and enduring success is built by moving forward together, with trust, consistency, and clarity of purpose.



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 Jawaid Iqbal
President & CEO

Committees of the Board Board Audit Committee (BAC)

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

Board Human Resource & Compensation Committee (HRCC)

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

Board Risk & Compliance Committee (BRCC)

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

Board IT Committee (BITC)

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

Board 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, H Pk
Member
The Honourable Haider Zameer Choudrey
Member
Mr. Rizwan Pervez
Member
Mr. Tariq Rashid
Member
Ms. Shazia Syed
Member
Mr. Daniel Michael Howlett
Member
Mr. Muhammad Irfan A. Sheikh
Member
Mr. Muhammad Jawaid Iqbal
Member
Mr. Munawar Raza Shah
Secretary

Chief Financial Officer

Syed Manzoor Hussain Zaidi

Company Secretary & Chief Legal Counsel

Mr. Aqeel Ahmed Nasir

Registered Office

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

UBL Head Office

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

Share Registrar

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

Auditors

M/s. EY Ford Rhodes
Chartered Accountants

Legal Advisors

M/s. Mehmood Abdul Ghani & Co,
Advocates

Contacts

UAN: 111-825-111
Contact Centre: 111-825-888
Website: www.ubldigital.com
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 one of largest 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 largest listed private bank in Pakistan. The Group provides employment to over 55,000 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 University 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), the Board Nomination Committee (BNC) and the Board International Committee (BIC).

He is the Chairman of Bestway Group, which is the one of the largest family-owned business in UK with annual turnover of £5.23 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 largest listed private bank in Pakistan. The Group provides employment to over 55,000 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 Accounts of England & Wales. He is the Chairman of Conservative Friends of Pakistan.

Lord Choudrey is a trustee of Bestway Foundation UK and Chairman of Bestway Foundation Pakistan. He is also 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.



The Honourable Haider Zameer Choudrey, FCA 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, Board Nomination Committee and the Board International Committee (BIC).

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 one of largest family-owned businesses in UK with annual turnover of £5.23 billion. The Group is the largest independent wholesaler in the UK, the 2nd largest retail pharmacy in the UK, the largest cement producer in Pakistan and the largest listed private bank in Pakistan. The Group provides employment to over 55,000 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).

Haider is a Fellow of His Majesty the King Charles III's British Asian Trust.

BOARD OF DIRECTORS



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).

BOARD OF DIRECTORS

Tariq Rashid

Director

Mr. Tariq Rashid has been a Member of the Board of Directors of United Bank Limited since 25 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 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 Foundations various projects.

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

BOARD OF DIRECTORS

Daniel M. Howlett Director

Mr. Daniel M. Howlett has been a Member of the Board of Directors 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 banks at senior managerial positions.

Mr. Iqbal did his Master in Business Administration from Pakistan; Chartered Financial Analyst (CFA) from CFA Institute, USA; and Advanced Management Program from Harvard Business School, USA.

پرواز سے آگے جہاں اور بھی ہیں

OUR PEOPLE GIVE FLIGHT TO OUR AMBITION.

At UBL, we create an environment where potential finds wings and every individual is encouraged to rise. By attracting and nurturing diverse talent — especially the energy and promise of our youth — we open new skies for learning, growth, and professional excellence, enabling our people to chart paths beyond the ordinary. Striving for perpetual self-evolution, our employees rise with purpose and perseverance, carrying the Bank forward on a path of continued achievement.

Through continuous development, meaningful wellbeing initiatives, and a culture that values balance and belonging, we invest in journeys that are built to last. Because for UBL, 'Parwaaz Se Aagay Jahaan Aur Bhi Hain' — and it is our people who continue to carry us higher, every day.



CHAIRMAN’S REVIEW REPORT TO THE MEMBERS

On behalf of the Board of Directors, it is a privilege to present the annual report and audited financial statements of United Bank Limited (UBL) for the year ended December 31, 2025.

2025 has been a remarkable year for UBL, as the Bank delivered the highest profit levels in the industry alongside excellent shareholder returns. I extend my deepest gratitude to our customers for their unwavering trust and to our dedicated staff for their continued professionalism and commitment.

The year marks a transformative chapter in our history. Our domestic franchise outperformed the industry with the highest mobilization of low-cost deposits, which served as the primary driver of our profitability and contributed to significant balance sheet expansion. This was further supported with strong fee and commission income, principally from trade, card related fees, and our continuing leadership in domestic home remittances. We continued to expand our branch network, increasing our physical touchpoints and strengthening our core banking operations across both conventional and Islamic segments. During the year, the successful integration of Silk Bank Limited deepened our market penetration, with a particular emphasis on the consumer banking segment.

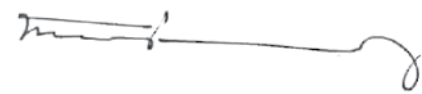
In 2025, UBL further strengthened its leadership in digital banking by delivering innovative, customer-centric enhancements across our digital offerings and maintaining our

competitive edge through continued investment in technology and digital products. We continued to set industry benchmarks, earning several prestigious recognitions for excellence in financial services and digital innovation.

Our exceptional performance saw UBL emerge as the second largest listed company on the Pakistan Stock Exchange with a market capitalization exceeding USD 4 billion, up from a level of below USD 500 million just three years ago. This stellar achievement is a testament to the hard work, dedication, and commitment of our entire management team.

The Bank remains committed to working closely with regulators and actively engages in significant nation-building initiatives to support the broader economy. We remain dedicated to offering financial services to Pakistan's unbanked population and will continue to invest in emerging industries to make a meaningful contribution to the country's growth.

In conclusion, I would like to extend my heartfelt gratitude to our customers for their steadfast trust in the UBL brand and to our management team for their resolute dedication. I also wish to express my sincere appreciation to my fellow board members for their invaluable contributions and to the regulators for their continued support and guidance.



Sir Mohammed Anwar Pervez, OBE, HPk
February 25, 2026

DIRECTORS’ REPORT TO THE MEMBERS 2025

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, 2025.

Performance Overview

On a standalone basis, UBL recorded Profit Before Tax (PBT) of Rs. 288.3 billion for the year ended December 31, 2025, with a robust growth of 92% year on year. Profit After Tax (PAT) stood at Rs. 128.0 billion for 2025 as compared to Rs. 80.5 billion for 2024 with Earnings per share (EPS) of Rs. 51.33 compared to Rs. 32.89 for last year. On a consolidated basis, UBL reported PAT of Rs. 130.0 billion (2024: Rs. 75.8 billion) with consolidated EPS of Rs. 52.13 (2024: Rs. 30.70). The overall growth in 2025 was supported by strong performance in both domestic and international operations.

The Board of Directors declared a final cash dividend of Rs. 8 per share in their meeting held in Islamabad on February 25, 2026, bringing the total cash dividend to Rs. 29.5 per share for the full year 2025.

Economy Review

The recovery in the Pakistan economy remained on track with GDP growing by 3% and the current account registering the first surplus in 14 years of USD 1.9bn in FY 2025. Although trade deficit has widened in the wake of a substantial increase in import volumes and a decline in exports, the external account position has been buffered by resilient worker remittances which came in at a record \$38 billion in FY '25 and have shown continued growth of 11% year on year in the period July to December 2025.

Pakistan undertook policy efforts to rebuild confidence while operating under a challenging global environment resulting in gross reserves standing at \$16.1 billion by Dec 2025 compared to \$11.7bn in Dec 2024. Despite the damaging floods in June 2025, the economy maintained stability and Pakistan successfully completed the second review of the 37-month Extended Fund Facility IMF program and the first review of the Resilience and Sustainability Facility in October 2025.

Economic activity continued to gain traction with the GDP growing by 3.7% for Q1 FY '26 led by the industrials and agriculture sectors. Average inflation remained largely in-line with SBP estimates of 5-7% through July to November 2025. SBP has maintained a prudent monetary policy stance throughout the year with the policy rate currently at 10.5% - a 150 basis points drop from 12% in January 2025, but with real interest rates continuing to be significantly positive.

The KSE-100 Index continued to perform strongly throughout the year and posted a remarkable 51.2% return for the year, closing at 174,054. Overall, 2025 represented a transition from sharp stabilization toward early-stage recovery, characterized by low inflation, continued monetary easing, a manageable external position, and sustained exchange rate stability.

Financial Performance

The Bank's gross revenues were Rs. 419.6 billion in 2025, a year-on-year growth of 61%. Net mark-up income was recorded at Rs. 361.6 billion, a 108% increase over the previous year. This was led by the expansion in UBL's current account which grew by 71% year on year and a strong portfolio of

treasury bills and long-term bonds. Bank period end current deposits came in at Rs. 2.7 trillion in 2025, significantly outperforming the growth in the industry, with a net incremental increase of Rs. 1.1 trillion in the portfolio.

The Bank earned non-markup income of Rs. 58.0 billion in 2025 with a solid build up in core revenues.

Fees and commission income of Rs. 28.0 billion was earned in 2025, an overall growth of 48%. This was led by a strong growth of 24% in trade and guarantee income to Rs. 5.6 billion, a 65% increase in income from debit and credit card fees to Rs. 6.3 billion and UBL's continued leadership position in the domestic home remittances space with a market share of 20%.

The Bank's operating expenses recorded a 37% increase over 2024 and stood at Rs. 130.2 billion in 2025. This was mainly due to staff costs increasing by 32% to Rs. 49.7 billion, in line with the focus on growth and better customer service across the network. Property related expenses were up 36% at Rs. 16.2 billion, while IT expenses stood at Rs 12.0 billion with an increase of 36% as the Bank continues to invest in its core systems infrastructure, digital offerings, and cyber security posture.

UBL recorded a net provision reversal of Rs. 4.7 billion for 2025 against net provision charge of Rs. 12.8 billion in 2024, mainly resulting from recoveries in both domestic and international portfolios. Bank level Non-Performing Loans (NPLs) stood at Rs. 112.0 billion as of Dec'25 (Dec'24: Rs. 116.0 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. Consolidated CAR stood at 20.97% as of Dec'25 (Dec'24: 20.59%), with a comfortable buffer of 7.97% over the minimum regulatory requirement of 13.0%. The Common Equity Tier 1 (CET-1) ratio stood at 15.92% as of Dec'25 (Dec'24: 14.83%). The Total Tier 1 Capital ratio was measured at 16.31% at Dec'25 (Dec'24: 15.45%).

During the year, Silk Bank Limited was amalgamated with and into the Bank with an effective date of March 11, 2025. The scheme of amalgamation was approved by the Board of Directors in their meeting held on December 02, 2024, and by the shareholders in an Extraordinary General Meeting held on December 30, 2024. The State Bank of Pakistan approved the scheme of amalgamation on March 10, 2025. In accordance with approved scheme, the Bank issued 27,944,188 new ordinary shares of Rs.10 each in aggregate to the shareholders of SBL as result of agreed swap ratio of 1 new ordinary share of the Bank for every 325 shares of SBL, at book closure date. At close of business on March 10, 2025, UBL completed the amalgamation of SBL under the scheme sanctioned by the SBP and accordingly all of Silk Bank Limited's assets, liabilities, rights, and obligations vested in UBL. For details on the final accounting treatment of the amalgamation, please refer to Note 1.1 of the Annual Financial Statements for December 31, 2025.

Technology & Digital

In 2025, UBL further strengthened its leadership in digital banking by delivering innovative, customer-centric enhancements across its Digital App, reinforcing its position as

the industry leader among banking applications. A major milestone was the launch of Pakistan's first AI-powered Voice Command feature, enabling customers to perform everyday banking transactions through simple voice instructions and significantly improving accessibility for senior citizens and customers with literacy or visual challenges. Under RAAST P2M, UBL enabled Request-to-Pay functionality, allowing merchants to initiate secure payment requests directly to customers. Merchant alias payment options were expanded to include Till Code, Free Text, Merchant ID, and Virtual Payment Address, while QR-based payments were introduced for agri-sector customers under the Prime Minister's Agriculture Scheme.

Customer convenience was further enhanced through dormancy account activation via the Digital App, enabling seamless reactivation without branch visits. UBL also introduced credit cards as an alternate payment method for utility bill payments and mobile top-ups, expanding customer choice and flexibility. UBL strengthened its digital engagement channels by expanding its chatbot, Digital Buddy, to support customers via WhatsApp for fund transfers, bill payments, and information services. In-app notifications were upgraded to deliver real-time transaction and account alerts, enhancing transparency and customer control. Integration with Jazz enabled real-time bill payments, prepaid top-ups, and access to over 50 hybrid bundles, while increased daily transaction limits provided customers with greater operational flexibility.

Alongside customer-facing initiatives, UBL achieved key strategic milestones to enhance digital capabilities, security, and operational efficiency. Google Wallet was enabled for Visa and MasterCard customers, expanding secure and contactless payment options. Cybersecurity was further strengthened through enhanced threat intelligence and data loss prevention controls. The successful amalgamation of ex-Silk Bank and the enablement of NFC acquiring on ATMs further underscored UBL's commitment to innovation and the delivery of a secure, modern digital banking ecosystem

Human Resources

In 2025, United Bank Limited, with a strong commitment to sustainable growth, focused on workforce optimization (hiring of over 10,000 staff), digital enablement, and fostering an inclusive work environment. Considerable progress was made in strengthening employees' capabilities through structured training programs, targeted upskilling initiatives, and leadership development frameworks designed to build future-ready talent across the organization.

To further support employee well-being amid evolving economic conditions, UBL enhanced its benefits portfolio by expanding health coverage to staff's parents, introducing Employee Assistance Program under Sehat Sarmaya, and launching Commute Allowance for Persons with Special Abilities. These steps reinforce our commitment to equity and inclusion. The year 2025 also witnessed the launch of Cloud-based Oracle Fusion across the Bank offering our employees ease of systems access via cellphones so that they can timely manage their HR related matters.

As a result of our employee-centric policies and continued investment in talent development, attrition remained well contained, while staff productivity improved and customer service standards were further strengthened.

Credit Rating

VIS Credit Rating Company Limited (VIS) re-affirmed the entity rating of UBL at "AAA / A-1+" (Triple A / A-One Plus) on June 30, 2025. Moreover, UBL's Additional Tier-1 (ADT-1) TFC has also been re-affirmed at 'AA+' (Double A plus). Outlook on the assigned ratings is 'Stable'.

Awards and Recognition

In 2025, UBL continued to establish industry benchmarks, earning several prestigious recognitions across financial services, digital innovation, and social impact. The State Bank of Pakistan bestowed UBL with many top honors including awards for "Commitment to Agriculture Finance Literacy 2024-2025"; "Pakistan's #1 Primary Dealer 2024-2025" and "Top Bank in Pakistan Remittance Market 2025".

At the same time, UBL was recognized at the international platform by Euro money which declared UBL "Pakistan's Best Digital Bank for 2025".

Further accolades for UBL in 2025 included:

- “Customer Experience Initiative of the Year 2025” – Asian Banking & Finance Awards
- “Digital Transformation of the Year 2025” – Asian Banking & Finance Awards
- “Best Digital Payment Processor 2025” – Pakistan Digital Awards
- “Corporate Finance House of the Year 2024 – Fixed Income 2025” – CFA Society Pakistan's Excellence Awards
- “Best Digital Banking Services – Commercial Banks 2025” – CFA Society Pakistan's Excellence Awards
- “Excellence in Financial Literacy for PWDs Award 2025” – Pakistan PWD's Finclusion Awards
- “Accessible Infrastructure Excellence Award 2025” – Pakistan PWD's Finclusion Awards

These achievements highlight UBL's continued commitment to innovation, excellence, and leadership.

Future Outlook

UBL has delivered a strong performance across all core operating areas through leveraging our branch network, which is now the largest in the country post the successful merger with Silk Bank. Going forward, we will continue to strengthen our franchise in both conventional and Islamic banking with a focus on deepening within our customer base, growing our market share in low-cost deposits and building fee and commission income streams. Our award-winning digital proposition serves as a recognition of the success we have achieved while also providing a strong foundation for future growth. Delivering superior customer service and experience remains the cornerstone of our strategy which is reflected in our continued investments in technology platforms and in our transformation agenda. Strengthening compliance and control standards in line with international best practices is an ongoing initiative where we remain fully committed as an organization. At the same time, we will continue to invest in our employees, developing talent and future leaders to sustain long term success. Looking ahead, we remain focused on delivering continued profitability and strong value creation for our customers, employees and shareholders.

Corporate Governance
Directors’ statement

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.12.8 billion has been transferred to Statutory Reserve for the year 2025.
- 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 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. Munawar Raza Shah	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 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 technological 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 the Board sub-committees 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 Board in accordance with the Articles of Association and the applicable laws, rules, 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, rules and regulations regarding diversity, size of the Board and have no conflicts of interest.

The active role of Independent Directors is to ensure enhancing 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 safeguard the interest of minority shareholders and demonstrate the transparency and fairness in their role and also to provide an 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

“In accordance with the amendments introduced through BPRD Circular Letter No.24 of 2025 dated December 12, 2025, issued by the State Bank of Pakistan, read together with the Corporate Governance Regulatory Framework guidelines issued under BPRD Circular No.5 of 2021 dated November 22, 2021, the Board approved revisions to the Directors’ Remuneration Policy at its meeting held on December 18, 2025. The revised policy has been recommended to the General Meeting for post facto approval, in compliance with the requirements of the aforementioned circulars.

Under the revised policy, non-executive directors, including the Chairman, shall be entitled to a fee of Rs.1,200,000/- for attending each meeting of the Board and/or its committees. In addition to the meeting fee, the Chairman of the Board and/or its committees shall be entitled to an additional amount equivalent to 20% of the applicable Board or committee meeting fee in consideration of holding the office of Chairman.

The policy also provides for reimbursement of traveling, logistics, and accommodation expenses, as well as daily allowance entitlements.”

The details of compensation of Directors in 2025 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 Five (5) 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	4
Lord Zameer M. Choudrey, CBE, SI Pk	Director	5
The Honourable Haider Zameer Choudrey	Director	5
Mr. Rizwan Pervez	Director	5
Mr. Daniel Michael Howlett	Director	5
Mr. Tariq Rashid	Director	5
Ms. Shazia Syed	Director	5
Mr. Muhammad Irfan A. Sheikh	Director	5
Mr. Muhammad Jawaid Iqbal	President & CEO	5

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	5	4	4	4	4	1
Number of meetings attended:						
Sir Mohammed Anwar Pervez, OBE, HPk	-	-	3	-	3	1
Lord Zameer M. Choudrey, CBE, SI Pk	-	4	4	-	4	1
The Honourable Haider Zameer Choudrey	5	-	-	4	4	1
Mr. Rizwan Pervez	5	-	-	4	4	-
Mr. Muhammad Irfan A. Sheikh	-	4	-	4	4	-
Mr. Daniel Michael Howlett	-	4	-	4	4	-
Mr. Tariq Rashid	5	-	4	-	4	-
Ms. Shazia Syed	5	-	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, 2024, are as follows: -

Fund Name	Rupees in ‘000
Employees’ Provident Fund	8,112,149
Employees’ Gratuity Fund	2,358,184
Staff Pension Fund	20,766,443
Staff General Provident Fund	715,137
Officers / Non-Officers’ Benevolent Fund	427,272

Pattern of Shareholding

The pattern of shareholding as at December 31, 2025 is given

Shareholders	No. of Shares	% of Ordinary Shares
Bestway Group (BG)	1,602,726,548	64.00%
General Public & Others	731,202,968	29.20%
Banks, DFIs & NBFIs	38,640,424	1.54%
Insurance Companies	84,425,429	3.37%
Mutual Funds	45,711,265	1.83%
International GDRs (non-voting shares)	1,537,688	0.06%
Finance Division, Ministry of Finance, Govt. of Pakistan	3,428	0.00%
Total Outstanding Shares	2,504,247,750	100.00%

The aggregate shares held by the following are:

	No. of Shares
a) Associated Companies, undertakings & related parties	
- Bestway International Holdings Limited *	1,263,457,790
- Bestway Cement Limited	240,765,870
- Providus Capital (Pvt) Limited	112,200,000
- Other related parties	129,986,873
b) Mutual Funds **	45,711,265
c) Directors & CEO ***	
- Sir Mohammed Anwar Pervez, OBE, HPk	27,461,710
- Lord Zameer M. Choudrey, CBE, SI PK	2,200,000
- The Honourable Haider Zameer Choudrey	16,543,893
- Mr. Rizwan Pervez	1,093,090
- Mr. Muhammad Irfan A. Sheikh	1,370,000
- Mr. Daniel Michael Howlett	5,000
- Mr. Tariq Rashid	5,000
- Ms. Shazia Syed	5,000
- Mr. Muhammad Jawaid Iqbal	10,000
d) Executives	1,184,224
e) Public sector companies, corporations and others	539,182,182
f) Banks, DFIs, NBFIs, Insurance Companies	123,065,853

* 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	1,263,457,790	50.45
Bestway Cement Limited	240,765,870	9.61

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 an 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 are determined and proposed by the Human Resources department which ensures an appropriate balance between fixed and variable pay, considering the employee’s 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 the following committees:

- Management Risk Committee (MRC)
- Information Technology Steering Committee (ITSC)

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 Chief Information & Digital Officer and comprises Group executives of multiple 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, a number of initiatives continued, including selective onboarding of high-quality assets within advances, emphasis on cost efficiencies, proactive management of the portfolio, alignment of policies with the domestic framework, as well as gap analysis against regulatory guidelines applicable in the respective jurisdictions.

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, a number of initiatives continued, including selective onboarding of high-quality assets within advances, emphasis on cost efficiencies, proactive management of the portfolio, alignment of policies with the domestic framework, as well as gap analysis against regulatory guidelines applicable in the respective jurisdictions.

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 the 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.

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.

Environment, Social & Climate-related financial risks could materialize due to environmental factors (such as environmental non-compliance, pollution etc.) social factors (such as labor and community safety, etc.) and climatic factors (such as physical risks and transitions risks) and can impact the bank's traditional risk categories i.e. credit, market, liquidity and operational risks.

Environmental, Social & Governance (ESG) Division is primary responsible for the management of Environmental, Social & Climate-related financial risks across the bank. The ESG risk management framework of the Bank is governed by the ESG policy and procedures, while the implementation is supported by environmental, social & climate risk screening & due diligence process as well as designated coordinators within different departments across the Bank.

Further, as part of the Bank's ongoing commitment to enhance services and to ensure Bank-wide risk awareness culture, ESG Division has also organized special workshops/online trainings tailored for domestic and international teams.

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 information and 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 real-world 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 2025

In keeping with UBL's steadfast commitment to the principles of ESG, the bank's sustainability efforts consistently support projects that positively impact and empower communities. Throughout 2025, UBL donated to various projects within its core sustainability focus areas of education, healthcare, and community welfare. Under the area of education, the bank sponsored scholarships for deserving students and provided essential infrastructure for the development of educational institutions. For healthcare, amongst other projects, UBL offered free medical services to patients who could not afford proper medical care and donated critical 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 underprivileged families during the Holy month of Ramzan. Additionally, UBL encouraged employee involvement in community welfare efforts, with teams across Pakistan volunteering and becoming pillars of support within 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 2026 at a fee of Rs. 25 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

Daniel Michael Howlett
Director

Islamabad,
February 25, 2026

سان فٹ زئس سرمایہ کاری کی مالیت بمطابق 31 دسمبر 2024 تازہ ترین آڈٹ شدہ مالیاتی گمشواروں کی بنیاد پر درج ذیل ہیں:

فٹ کا نام	روپے میں
ایسپلائر پروڈیٹ فٹ	8,112,149
ایسپلائر گریجویٹ فٹ	2,358,184
اسٹاف ٹیشن فٹ	20,766,443
اسٹاف جنرل پروڈیٹ فٹ	715,137
آفیسرز/ٹان آفیسرز کے ہیڈ وینٹ فٹ	427,272

شیر ہولڈنگ پئیرن

31 دسمبر 2025 کے مطابق شیر ہولڈنگ پئیرن درج ذیل میں دیا گیا ہے:

شیر ہولڈرز	شیرز کی تعداد	آرڈینری شیرز کا فیصد
بیسٹ ویس گروپ (BG)	1,602,726,548	64.00%
عوام انانس ورگٹر	731,202,968	29.20%
ٹیکس اور DFI NBFI	38,640,424	1.54%
انشورنس کمپنیاں	84,425,429	3.37%
میچل فٹرز	45,711,265	1.83%
انٹرنیشنل GDRs (ٹان ونگ شیرز)	1,537,688	0.06%
ٹائٹس ڈویژن، بنسٹری آف ٹائٹس، سیکورس	3,428	0.00%
پاکستان		
ٹوٹل آڈٹ اسٹینڈنگ شیرز	2,504,247,750	100.00%

درج ذیل کی جدول میں موجود مجموعی شیرز:

		شیرز کی تعداد
a	ملک کمپنیاں، معاہدہ جات اور حلقہ پارٹنراں	
	بیسٹ ویس انٹرنیشنل ہولڈنگز لمیٹڈ*	1,263,457,790
	بیسٹ ویس ہولڈنگز	240,765,870
	پروڈیٹس کونسل (پرائیویٹ) لمیٹڈ	112,200,000
	دیگر حلقہ پارٹنرز	129,986,873
b	میچل فٹرز**	45,711,265
c	ڈائریکٹرز اور سی ای او	
	سرگھوانو پرویز، OBE، مالی اعتبار پاکستان	27,461,710
	لارڈ خیمبرجے ہری، CBE، سٹار وائیڈ پاکستان	2,200,000
	مسوز حمید خیمبرجے ہری	16,543,893
	مستزم رضوان پرویز	1,093,090
	مستزم محمد رفان اسے شیخ	1,370,000
	مستزم اعلیٰ مانگیا ڈاؤنٹ	5,000
	مستزم طارق راشد	5,000
	مستزم شازبہ سید	5,000
	مستزم محمد جاوید اقبال	10,000
d	ایگزیکٹو	1,184,224
e	پبلک سیکرٹریاں اور کارپوریٹس	539,182,182
f	ٹیک، DFI، NBFI، انٹرنیشنل کمپنیاں	123,065,853

* ٹینک بیسٹ ویس انٹرنیشنل ہولڈنگز لمیٹڈ کا یو ای ادارہ ہے جو Guemsey میں قائم شدہ ہے۔

** میچل فٹرز لمیٹڈ نام تفصیلات شیر ہولڈرز کی کنٹیکٹرز کے ساتھ منسلک ہیں۔

5 فیصد یا لامحدود ہنگ کے حقوق رکھنے والے شیر ہولڈرز	شیرز کی تعداد	فیصد
بیسٹ ویس انٹرنیشنل ہولڈنگز لمیٹڈ	1,263,457,790	50.45
بیسٹ ویس ہولڈنگز	240,765,870	9.61

ڈائریکٹرز، ایگزیکٹو اور ان کے / ان کی شریک حیات اور ذمہ داریوں کی طرف سے کیا گیا یو ای ایل کے شیرز کا لیٹن دین پئیرن آف شیر ہولڈنگ کے ہمراہ منسلک ہے۔

شرعیہ بورڈ

شرعیہ بورڈ اور اس کے ممبران سے متعلق تفصیلات جیسا کہ ڈائریکٹرز کی رپورٹ میں ظاہر کرنا ضروری ہے، سالانہ رپورٹ کے حصے کے طور پر شرعیہ بورڈ کی رپورٹ میں شامل ہیں:

معاہدے کا فریم ورک

ریگولیٹری ہدایات کی تعمیل میں یو ای ایل نے معاہدے کی ایک جامع پالیسی ترمیم دی ہے تاکہ یہ یقینی بنایا جاسکے کہ بینک کا معاہدے کا طریقہ کار بہترین ٹیلنٹ کو راغب کرنے، برقرار رکھنے اور انعام دینے کے لیے، ریگولیٹری ہدایات کے مطابق ہے اور بینک کے مجموعی اسٹریٹجک مقاصد کے ساتھ منسلک ہے۔

بورڈ یو این ریسیورس اینڈ کنٹینینیشن کمیٹی (HRCC) کی سفارشات کی بنیاد پر معاہدے کے فریم ورک کے نفاذ کا جائزہ لینے، منظوری دینے اور اس کی نگرانی یو ای ایل کے بورڈ آف ڈائریکٹرز کی مجموعی ذمہ داری ہے۔

بینک مقررہ اور قابل تبدیل دعوں کا سرپر مشتمل معاہدے کا فریم ورک پیش کرتا ہے۔ معاہدے کے فریم ورک کی کچھ اہم خصوصیات درج ذیل ہیں:

مقررہ معاوضہ: یہ بنیادی تنخواہ پر مشتمل ہے، بشمول کوئی سالانہ اضافہ، اور بنیادی مقررہ لاؤنسز، اگر قابل اطلاق ہوں۔ مقررہ معاہدے میں کارکردگی کے ساتھ فرق نہیں آتا اور یہ نقد رقم میں قابل ادا ہنگی ہے۔

کارکردگی پر قابل تبدیل معاوضہ: ان کا تعین بینک کی مجموعی کارکردگی، مختلف کاروباری یونٹ کے مبالغہ اور ملازم کی انفرادی کارکردگی کی بنیاد پر کیا جاتا ہے۔ اس طرح کا معاوضہ سالانہ یا معیادی یونٹس اور سیکل مراعات کی شکل اختیار کرتا ہے۔

کارکردگی پر قابل تبدیل معاوضہ: ان کا تعین بینک کی مجموعی کارکردگی، مختلف کاروباری یونٹ کے مبالغہ اور ملازم کی انفرادی کارکردگی کی بنیاد پر کیا جاتا ہے۔ اس طرح کا معاوضہ سالانہ یا معیادی یونٹس اور سیکل مراعات کی شکل اختیار کرتا ہے۔

دیگر فوائد: یہ ملازمت کے انفرادی چاہدوں اور مقامی مارکیٹ کے طریقوں کی بنیاد پر دیے جاتے ہیں۔ ان میں دیگر کے علاوہ سہلے کے قرضے، اخراجات کے لاؤنسز/آری امبرسمنس، لائف انشورنس، طبی دیکھ بھال اور نقل مکانی کے لاؤنسز شامل ہیں۔

سائن ان ایجنڈا ہنگ یونٹ: اسے قابل تبدیل تنخواہ کا حصہ سمجھا جاتا ہے اور یو این ریسیورس کی پالیسیوں کے مطابق صرف غیر معمولی حالات میں دیا جاتا ہے۔

طیہ گی کی ادائیگی: یہ ملازم کی قابل تبدیل تنخواہ کا حصہ ہیں اور اس میں ملازم کو ان کی عام ریٹائرمنٹ، طبیہ گی یا برطرفی کے فوائد پر بلا ترمیم، طبیہ گی یا معاہدہ ختم کرنے کے وقت عام ریٹائرمنٹ، طبیہ گی یا برطرفی کی مراعات کی دہش کی کمی کوئی بھی ادائیگی شامل ہے۔

معمول رسک ٹکڑز (MRTs) اور معمول رسک کنٹرولز (MRCs)

ضابطے کے رہنما اصولوں اور بہترین اعمال کے مطابق ملازمین کو تفصیلی شدہ MRC/MRT کے معیار کو ترمیم دیا گیا ہے۔ MRT اور MRC کو پورے ملازم اور عہدہ ایک پیمانے کے ساتھ معیروں کے اختیار اور انضباط ہوتی ہے اور MRC کو ادارے کی تنگی ساخت کے اندر ہی اختیار کیا جاتا ہے اور ان کی طے شدہ معیروں آزادی اور پورنگ لائنز ہوتی ہیں۔

MRC اور MRT میں ملازمین اور ان کے عہدے بھی شامل ہیں جیسے صدر اور سی ای او، ممبر مینجمنٹ ٹیم جو براہ راست صدر اور سی ای او کو رپورٹ کرتے ہیں، اہم کمپنیوں کے ممبران، کاروباری انتظام، رسک اینڈ کنٹرولز کرنے والے اہم امور کے سربراہ، دیگر دولت ملک شاخوں کے کنٹری ہیڈز، MRT اور MRC میں وہ ملازمین بھی شامل ہیں جو اہم فیصلے میں شامل ہوتے ہیں جو بینک کی جانب سے کریڈٹ رسک، مارکیٹ رسک، آپریشنل رسک اور ٹیکنیڈیٹری رسک کے معاملات کی انجام دہی کرتے ہیں اور بینک پر اثر انداز ہوتے ہیں۔

MRT اور MRC میں risk-adjusted سٹینڈرڈ اسکور کا رڈ، باہمی تعلق کو یقینی بناتے ہوئے اور رسک اور ایوارڈز میں توازن کو استعمال کرتے ہوئے کارکردگی کی پیمائش کی جاتی ہے۔ اس کے علاوہ مختلف مالیاتی اور غیر مالیاتی مقدار کی کے ساتھ ساتھ خطراتی رڈ و بدل کے عوام کو بھی مد نظر رکھا جاتا ہے۔ ہر درجہ بندی کے اندر اسکور کا رڈ بشمول کیئر جیتی عوامل اور KPI ہوتے ہیں، جن کا معیروں شیخ مارکس اور اہداف کی بنیاد پر جائزہ لیا جاتا ہے۔ خطرات کے رڈ و بدل کی بنیاد پر کارکردگی کا جائزہ لے کر MRTs اور MRCs میں ریٹنگ دی جاتی ہے۔ ان اسکور کا رڈ کا ہر سال جائزہ لیا جاتا ہے اور اگر ذمہ داری حالات میں کوئی اہم تبدیلی رونما ہو تو اس صورت میں عبوری جائزہ بھی لیا جاتا ہے۔

MRTs اور MRCs کا معیار

MRT اور MRC کے معاہدے کے ذرائع کا تعین اور تجویز یو این ریسیورس ڈپارٹمنٹ کرتا ہے جو ملازم کی پوزیشن، کردار اور ذمہ داریوں کے ساتھ ساتھ مالیاتی اور غیر مالیاتی مقاصد اور KPIs کے متقابل کارکردگی کو مد نظر رکھتے ہوئے مقررہ اور قابل تبدیل تنخواہ کے وریمیان ایک مناسب توازن کو یقینی بناتا ہے۔ بینک کے تمام ملازمین کے لیے MRT اور MRC کے معاہدے کی پالیسی کے ذرائع سے طے چلتے مقررہ اور قابل تبدیل عتاصر شامل ہیں۔

مقررہ معاوضہ بنیادی تنخواہ، انگریجس اور کردار پر مبنی مقررہ الاؤنسز پر مشتمل ہوتا ہے، اگر قابل اطلاق ہوں۔ یو این ریسیورس ڈپارٹمنٹ ملازمین کو راغب کرنے اور برقرار رکھنے کے لیے ہر دو فی مارکیٹ ڈیٹا کا استعمال کرتے ہوئے ایک مناسب شیخ مارک استعمال کرتا ہے تاکہ مقررہ معاہدے کے مناسب ہونے کو یقینی بنایا جاسکے۔

قابل تبدیل معاوضہ کارکردگی کی بنیاد پر ہوتا ہے جیسا کہ بینک کے دیگر ملازمین کو ملتا ہے۔

مالیاتی کارکردگی میں ناکافی کامیابی، بلاوجہ خطرے کی زد میں آنا، سیکٹر سے متعلق مسائل، غیر موثر آڈٹ / انٹرنل کنٹرولز اور کمپائٹنس کے ماحصر کے لیے ملازم کے اسکور میں کمی کی جاسکتی ہے۔

انوار کا شمار

MRT اور MRC کے قابل تبدیل معاہدے کا ایک مخصوص حصہ ایک متعین مدت کے لیے روک دیا جانے گا جبکہ ختم ہونے کا اختیار بھی ادا کیا جائے گا۔ اس کا مقصد ملازمین اور اسٹیک ہولڈرز کے مفادات کو ہم آہنگ کرنا اور اس پر زور دینا ہے کہ معاوضہ مناسب طریقے سے طویل مدتی پائیدار کارکردگی سے منسلک ہے۔ تمام MRTs اور MRCs کے لیے انوار کا تناسب 20 فیصد ہے، جب کہ تمام MRTs اور MRCs کے لیے انوار کی مدت تین سال ہوگی، اور انوار کی مدت کے دوران، استحقاق کے مطابق سالانہ قسطوں کے ذریعے، تناسب سے ادا کی جائے گی۔

رسک مینجمنٹ فریم ورک

یو ای ایل رسک اینڈ کریڈٹ پالیسی گروپ درج ذیل شعبوں کا حامل ہے:

- کریڈٹ رسک ڈپارٹمنٹ

- کارپوریٹ رسک

- SME رسک

- فنانشل اینشورینس رسک

- انٹرنیشنل رسک

- کریڈٹ پالیسی اینڈ ریسرچ ڈپارٹمنٹ

- مارکیٹ اینڈ ٹریڈری رسک اینڈ فنانشل ڈپارٹمنٹ

- آپریشنل رسک ڈپارٹمنٹ

- کنزرویٹرس رسک ڈپارٹمنٹ

- کریڈٹ اینڈ سٹریٹین ڈپارٹمنٹ

- انفارمیشن ٹیکنالوجی ڈپارٹمنٹ

- انوار سٹینڈرڈ، سوشل اینڈ گورنس

بینک کی رسک گورننس درج ذیل کمپنیوں کے ذریعے بروئے کار لائی جاتی ہیں:

- مینجمنٹ رسک کمیٹی

- انفارمیشن ٹیکنالوجی اسٹریٹج کمیٹی

مینجمنٹ رسک کمیٹی (MRC) کی صدارت صدر اور سی ای او کرتے ہیں اور یہ رسک، یونٹس، ٹائٹس، ٹریڈری اور آپریشن کے سربراہوں پر مشتمل ہوتی ہے۔ اگر ضروری سمجھا جائے تو دیگر اسٹیک ہولڈرز کو شرکت کی دعوت دی جاسکتی ہے۔ MRC ایک انتظامی سطح کی کمیٹی کے طور پر اپنا کام انجام دیتی ہے جو بینک کے رسک مینجمنٹ فریم ورک کی نگرانی اور جائزہ لینے کی ذمہ دار ہے۔

انفارمیشن ٹیکنالوجی اسٹریٹج کمیٹی کی سربراہی چیف انفارمیشن اینڈ ڈیجیٹل آفیسر اور متحدہ گروپس کے اہم گروپ ایگزیکٹو پر مشتمل ہوتی ہے۔ یہ کمیٹی اہم اسٹریٹجک معلومات اور سائبر سکیورٹی کا جائزہ لینے اور مل ورآمد کی ذمہ دار ہے۔

کریڈٹ رسک ڈویژن، کارپوریٹ، ایس ایم ای، مالیاتی اداروں اور بین الاقوامی پورٹ فولیو زخرات کی نگرانی اور انھیں منظم کرنے کا ذمہ دار ہے۔ یہ کریڈٹ چاہویز کا جائزہ لینے اور منظوری حاصل کرنے میں اہم کردار ادا کرتا ہے، اور بینک کی جانب سے بذریعہ موثر بینک مینجمنٹ، اعلیٰ سطح کی کریڈٹ کو یقینی بناتا ہے۔ اس کے علاوہ ڈویژن کریڈٹ کی مسلسل کارکردگی کی فعال اعاد میں نگرانی کرنے کے ساتھ ساتھ مکمل خطرات کی نشاندہی کرتا ہے اور ضرورت پڑنے پر انٹرنل بھی جاری کرتا ہے۔

اڈو ریزرچ سیکٹر کے لیے اسٹینڈ بینک آف پاکستان کے رسک گورننس فریم ورک کے مطابق، انٹرنیشنل ڈویژن کے لیے رسک مینجمنٹ فنکشن کا انتظام ہیڈ آفس سے کیا جا رہا ہے۔ سال کے دوران متحدہ اقدامات جن میں ایڈوانسز میں اعلیٰ معیار کے کاٹھ جات کی آئن بورڈنگ، لائکوں میں بہتری پر توجہ، پورٹ فولیو کی فعال مینجمنٹ، ڈیویسٹک فریم ورک کے ساتھ پالیسیوں کی ہم آہنگی وغیرہ جاری رہے۔ اس کے ساتھ ساتھ قابل اطلاق لوکل ریگولیٹری گائیڈ لائنز کی مدد میں متعلقہ دائرہ اختیار کے تامل میں گپ اپنایا گیا ہے۔

کنزرویٹرس کریڈٹ پورٹ فولیو نے بخوبی سنبھالے گئے خطرے کے ماحول میں اپنی مسلسل موبہ برقرار رکھی ہے۔ پورٹ فولیو میں ہندو کیوں کی کنٹرول شدہ سطح، بشمول دیگر اسٹریٹجیٹنگ کی این ایل بی کے لیے مضبوط پورٹ فولیوں مینجمنٹ کی مہم بن مدت ہے۔ رسک مینجمنٹ کے طریقہ کار میں آٹومیشن کے ساتھ ساتھ پالیسیوں کا ڈیٹا کوئی جائزہ لینے سے پورٹ فولیو کے خطرے اور انعام کے پروفائل سے اچھی طرح ہم آہنگی کو یقینی بنایا گیا۔

مارکیٹ رسک کے کردار میں مارکیٹ سے متعلق خطرات کی منظم طریقے سے شناخت، تعین، نگرانی، تخفیف اور رپورٹ کرنے کے لیے مارکیٹ رسک مینجمنٹ فریم ورک کی وضاحت اور نفاذ شامل ہے۔ روزانہ پر مشتمل مارکیٹ رسک مینجمنٹ کی سرگرمیاں موثر رسک مینجمنٹ ٹولز اور طریقہ کار کے ذریعے انجام دی جاتی ہیں۔ خطرے کی شناخت اور تعین کا مقصد بینک کی مالی آمدنیوں، بحولیں مدتی حکمت عملی کے اہداف اور ادارے کی ساکھ پر خطرے کے اثرات کو کم کرنے کے ساتھ ایسا اٹھانے نظر اختیار کرنا ہے جو ایک کنٹرول شدہ اور شفاف مجموعی رسک مینجمنٹ فریم ورک کے اندر کاروبار کو ترقی میں سہولت فراہم کرے۔

بینک کی لیکویڈیٹی رسک مینجمنٹ فریم ورک کا مقصد اس بات کو یقینی بناتا ہے کہ بینک ہر وقت اپنی ادائیگی کی ذمہ داریوں کو پورا کرنے کے قابل ہو اور مقررہ حد کے اندر اپنے لیکویڈیٹی رسک کا انتظام کرسکے۔ فریم ورک میں ایک جامع لیکویڈیٹی رسک پالیسی اور ایک موثر پیمائشی فنڈنگ پلان کے ساتھ اچھی طرح سے طے شدہ طریقہ کار شامل ہے۔

- بینک کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے منصفانہ طور پر بینک کے معاملات میں صورت حال، سرگرمیوں کے نتائج، یکیشوں اور انکیویٹی میں تبدیلیاں پیش کرتے ہیں۔
- بینک کی طرف سے اکاؤنٹس کے درست کھاتے منبھن رکھے گئے ہیں۔
- مالیاتی گوشواروں کی تیار ی میں مستقل مناسب اکاؤنٹنگ پالیسز کا اطلاق کیا گیا ہے۔ اکاؤنٹنگ کے تجزیے میوزوں اور حاطا معائنے پہنچی ہیں۔
- مالیاتی گوشواروں کی تیار ی میں انٹرنیشنل رپورٹنگ اسٹینڈرڈ (IFRS)، جیسا کہ پاکستان کے وٹکنس میں قابل اطلاق ہیں، کی کسی بھی پہلو تھی کے بغیر بیرونی کی گئی ہے۔

- بینک میں اندرونی انضباط کا نظام درست طرز پر ڈیزائن کیا گیا ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔
- بینک کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابل ذکر خدشات نہیں ہیں۔
- کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے۔
- گذشتہ چھ سالوں کی کارکردگی کی حکیلیاں ان غیر متبج مالیاتی گوشواروں کے ساتھ منسلک ہیں۔

- سال 2025 کے لیے 12.8 بلین روپے مالیت کا منافع Statutory Reserve میں منتقل کیا جا چکا ہے۔

- بورڈ آف ڈائریکٹرز آف (8) مرد شامل صدارتی ای او اور ایک (1) خاتون رکن پر مشتمل ہے۔ بورڈ کی تصدیقی ساسٹ کارپوریٹ گورننس کے ضابطے کے ساتھ انٹینٹ آف کمپلائنس کے ہیڈ آفراف 1 اور 2 میں دی گئی ہے۔

- بورڈ اور اس کے ذیلی کمیٹیوں کی کارکردگی کا جائزہ قابل اطلاق ریگولیٹری فریم ورک اور بہترین طریقہ کار کے مطابق کیا گیا۔

- ڈائریکٹرز کے ذیلی پروگراموں کی تصدیلات کوڈ آف کارپوریٹ گورننس کے ضابطے کے ساتھ کمپلائنس کے بیان میں دی گئی ہیں۔

- ٹان انگریزیکٹیو ڈائریکٹرز، بشمول آڈوڈائریکٹرز، بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے نہیں اور نقل وقل سے متعلق اخراجات کے اہل ہیں، جو کہ شیئر ہولڈرز کی طرف سے منظور شدہ ہیں۔

- بورڈ نے متبھن شرائط (ToRs) کے ساتھ درج ذیل کمیٹیاں ہیں:

بورڈ آڈٹ کمیٹی (BAC) :	
محترم شاز یہ سید	چیئر مین
معزز حیدر حمیر چوہدری	رکن
محترم رضوان پرویز	رکن
محترم طارق راشد	رکن
محترم منیل احمد ناصر	سکرٹری

بورڈ چیومن ریمورسز اینڈ کمیٹیوں کمیٹی (HRCC) :

محترم طارق راشد	چیئر مین
مرحمہ انور پرویز، OBE، ہلالی امتیاز پاکستان	رکن
محترمہ شاز یہ سید	رکن
لارڈ حمیر راکم چوہدری، CBE، ستارہ امتیاز پاکستان	رکن
محترمہ حفصہ عباسی	سکرٹری

بورڈ رسک اینڈ کمپلائنس کمیٹی (BRCC) :

محترم ڈینیل مائیکل ہاؤلیٹ	چیئر مین
لارڈ حمیر راکم چوہدری، CBE، ستارہ امتیاز پاکستان	رکن
محترم محمد عرفان اسے شیخ	رکن
محترم محمد جاوید اقبال	رکن
محترم عمران سرور	سکرٹری

بورڈ آئی ٹی کمیٹی (BITC) :

معزز حیدر حمیر چوہدری	چیئر مین
محترم رضوان پرویز	رکن
محترم ڈینیل مائیکل ہاؤلیٹ	رکن
محترم محمد عرفان اسے شیخ	رکن
محترم محمد جاوید اقبال	رکن
محمد سہیل عزیز	سکرٹری

بورڈ انویسٹمن کمیٹی (BNC) :

مرحمہ انور پرویز، OBE، ہلالی امتیاز پاکستان	چیئر مین
لارڈ حمیر راکم چوہدری، CBE، ستارہ امتیاز پاکستان	رکن
معزز حیدر حمیر چوہدری	رکن
محترم منیل احمد ناصر	سکرٹری

بورڈ انٹرنیشنل کمیٹی (BIC) :

لارڈ حمیر راکم چوہدری، CBE، ستارہ امتیاز پاکستان	چیئر مین
مرحمہ انور پرویز، OBE، ہلالی امتیاز پاکستان	رکن
معزز حیدر حمیر چوہدری	رکن
محترم رضوان پرویز	رکن
محترم ڈینیل مائیکل ہاؤلیٹ	رکن
محترم محمد عرفان اسے شیخ	رکن
محترم طارق راشد	رکن
محترمہ شاز یہ سید	رکن
محترم محمد جاوید اقبال	رکن
محترم منور رضا شاہ	سکرٹری

ہر سب کمیٹی کی ToRs کے تحت اہم ذمہ داریوں کی مختصر تفصیل حسب ذیل ہے:

بورڈ آڈٹ کمیٹی (BAC): بورڈ آڈٹ کمیٹی کی بنیادی سرگرمی میں مالیاتی رپورٹنگ کے عمل، آڈٹ کے عمل کے ساتھ ساتھ اندرونی کنٹرول کے نظام اور قوانین و ضوابط کی تھیل کی نگرانی فراہم کرتا ہے۔ کمیٹی بینک کی انتظامیہ کے ساتھ ساتھ بیرونی آڈیٹرز کے ساتھ آڈٹ کے نتائج کا جائزہ لیتی ہے۔ کمیٹی اندرونی آڈٹ، آڈٹ پلان، رپورٹنگ کے فریم ورک اور طریقہ کے دائرہ کار اور وسعت کا بھی جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ اندرونی آڈٹ کے فنکشن کے پاس مناسب وسائل ہیں اور اسے مناسب طریقے سے بینک کے اندر دکھا گیا ہے۔ کمیٹی موثر نفاذ اور اس کی آپ کرینٹنگ کے لیے مالیاتی رپورٹنگ (ICFR) نظام پر اندرونی کنٹرول کی نگرانی اور جائزہ بھی فراہم کرتی ہے۔

بورڈ چیومن ریمورسز اینڈ کمیٹیوں کمیٹی (HRCC): کمیٹی پورے بینک میں معاوضے کے مجموعی طریقہ کار اور پالیسی کی بورڈ کو سفارش کرنے اور اس بات کو یقینی بنانے کی ذمہ داری ہے کہ پالیسیاں ریگولیٹری تقاضوں سے ہم آہنگ ہوں۔ کمیٹی کے دائرہ کار میں مجموعی طور پر معاوضے اور فوائد کے ڈھانچے کا جائزہ بشمول میٹریل رسک ٹگیز (MRTs) اور میٹریل رسک کنٹرولز (MRCs)، ہیڈ کوارٹس کیونٹل کے ساتھ ساتھ بورڈ کو انسانی وسائل کے انتظام کی پالیسیوں کی سفارش کرنا شامل ہے۔ کمیٹی بورڈ متعلقہ مرتبہ ریگولیٹری رجما خطوط کے مطابق ڈائریکٹرز، انگریزیکٹیو اور نان انگریزیکٹیو ڈائریکٹرز اور سینئر مینجمنٹ کے ممبران کے معاوضے کا تعین کرنے کے لیے ایک پالیسی فریم ورک کے لیے بورڈ کو سفارش کرنے کی بھی ذمہ دار ہے۔

بورڈ رسک اینڈ کمپلائنس کمیٹی (BRCC): کمیٹی خطرے میں کمی کے لیے بدلتے ہوئے معاشی احوال کے مطابق رسک مینجمنٹ کے مجموعی فریم ورک کو ترجیح دینے اور تمام رسک مینجمنٹ پالیسیوں، آپریشنل رسک کی نگرانی، ہیمل، فریڈری اور مارکیٹ رسک، کریڈٹ رسک اور کریڈٹ پالیسی کے افعال کی تھیر کو یقینی بناتی ہے۔ مزید برآں، کمیٹی ریگولیٹری رسک کے تقاضوں بشمول مالی جرائم کے خلاف موثر تحفظات کی تھیل کو یقینی بنانے کے لیے رسک مینجمنٹ فنکشن کی تھیر پر بھی نظر کر رکھتی ہے۔

بورڈ آئی ٹی کمیٹی (BITC): کمیٹی ایک موثر گورننس فریم ورک فراہم کرنے کی ذمہ دار ہے تاکہ یہ یقینی بنایا جاسکے کہ بینک ٹیکنالوجی فنکشن اسے کارپوریٹ حکمت عملی اور مقاصد کے حصول کے قابل بناتا ہے۔ کمیٹی بورڈ کو ٹیکنالوجی کی سرگرمیوں اور بینک ممبر میں شروع کیے جانے والے ڈیجیٹل اقدامات کی پیشرفت سے آگاہ کرتی ہے۔ مزید برآں، کمیٹی اس بات کو یقینی بنانے کے لیے ذمہ دار ہے کہ وسیع پیمانے پر رکبانوں کا موثر طریقے سے جواب دینے، نیز انفارمیشن ٹیکنالوجی (IT) اور سائبر سیورٹی کے خطرات سے عہدہ برآ ہونے کے لیے رسک مینجمنٹ کی حکمت عملیوں کو ڈیزائن اور لاگو کیا گیا ہے۔

بورڈ انویسٹمن کمیٹی (BNC): کمیٹی کی بنیادی ذمہ داری ڈائریکٹرز کی نامزدگی، بشمول ان کی پروفا، کلی میں مظہر، مہارت، علم اور تجربے کا جائزہ لینا ہے۔ کمیٹی بورڈ اور اس کی کمیٹیوں کے مجموعی ڈھانچے، سائز اور ساخت کا جائزہ لینے اور اس سلسلے میں بورڈ کی سفارش بھی پیش کرتی ہے۔ کمیٹی بورڈ اور اس کی ذیلی کمیٹیوں میں خالی ہونے والی اطلاق کی اساسیاں پُر کرنے کے لیے سفارش دیتی ہے اور ریگولیٹری تقاضوں کے مطابق بورڈ کی سالانہ تجویس کے عمل کی نگرانی بھی کرتی ہے۔

بورڈ انٹرنیشنل کمیٹی (BIC): کمیٹی بنیادی طور پر بین الاقوامی آپریشنز اینڈ گلوبل پوزیشننگ کے حوالے سے بینک کی مجموعی حکمت عملی کا جائزہ لینے کے لیے تشکیل دی گئی ہے۔

ڈائریکٹرز کی تقرری اور ناسزدگی:

بینک کے ڈائریکٹرز کا انتخاب شیئر ہولڈرز کے ذریعے کیا جاتا ہے جبکہ اطلاق کی اساسیاں ڈائریکٹرز ایوسی ایشن کے آرگنیز اور قابل اطلاق قوانین اور ضوابط کے مطابق کرتے ہیں۔ مزید برآں، ہر سٹے ڈائریکٹر کو اہلیت، بینک آف پاکستان کی طرف سے تجویز کردہ 'فٹ اینڈ پرابٹیٹ' کے تجزیسی معیار سے گزرن ا ہوگا۔

ڈائریکٹرز کی تقرری کرتے وقت اس بات کو یقینی بنایا جاتا ہے کہ بورڈ ایسے ممبران پر مشتمل ہو جو بینک کے آپریشنز ایک موثر فیصلہ ساز مجلس بنانے کے لیے متنوع تجربہ، مناسب علم، مناسب مہارتیں، تجربہ اور قابلیت رکھتے ہوں۔ اس بات کو بھی یقینی بنایا جاتا ہے کہ بورڈ میں نان انگریزیکٹیو، آزاد اور ختمین ممبران کا ایک ایسا مناسب احتراج موجود ہے جو بورڈ کے تنوع سائز سے متعلق قابل اطلاق قوانین اور ضوابط کے تمام تقاضوں کو پورا کرتا ہے اور ان میں مادی مفادات کا کوئی تضاد نہیں ہے۔

بورڈ کی مجموعی اہلیت کو بدھانے کے لیے آڈوڈائریکٹرز کے فعال کردار کو یقینی بنایا جاتا ہے۔ آزاد ڈائریکٹرز کا انتخاب اور تقرری کرتے وقت قوانین، قواعد و ضوابط کے قابل اطلاق شقوں کی امتیاط سے تھیل کی جاتی ہے۔ آزاد ڈائریکٹرز کا انتخاب اقلیتی شیئر ہولڈرز کے مفاد کے تحفظ اور اپنے کردار میں شفافیت اور انصاف کے مظاہرے اور بینک کے بہترین مفاد میں ایک باعقد اور آزاد فیصلہ فراہم کرنے کے لیے کیا جاتا ہے۔

سالانہ رپورٹ میں ہر ڈائریکٹر کے پروفا میں اُن کی اہلیت، مہارت، ماضی کے کام کا تجربہ اور ان کی حیثیت کے ساتھ ساتھ دیگر کمیٹیوں کے بورڈ اشریہ بورڈ (بورڈ فن) میں ان کی رکیٹ شامل کی جاتی ہے۔

بورڈ کی کارکردگی کا جائزہ

اسٹیٹ بینک آف پاکستان کے BPRD 2021 کے سرکلر نمبر 05 مورخہ 22 نومبر 2021 اور کارپوریٹ گورننس ریگولیٹری فریم ورک کے تقاضے کی تھیل کرنے کے لیے مجموعی طور پر بورڈ اور اس کی کمیٹیاں مرجہ ریگولیٹری ہدایات کے مطابق بناتی گئی ہیں اور ان پر عمل درآمد کیا گیا ہے۔

ڈائریکٹرز کا معاوضہ

BPRD 2025 کے سرکلر نمبر 24 مورخہ 12 دسمبر 2025 کے ذریعے متعارف کردہ، اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ ترامیم کے مطابق، BPRD 2021 کے سرکلر نمبر 05 مورخہ 22 نومبر 2021 کے تحت کارپوریٹ گورننس ریگولیٹری فریم ورک کی طرف سے جاری کردہ ہدایات کے ساتھ پڑھا جانے کے بورڈ نے 18 دسمبر 2025 کو ہونے والے اپنے اجلاس میں ڈائریکٹرز کے معاوضے کی پالیسی میں ترامیم کی منظوری دی ہے۔ نظر ثانی شدہ پالیسی کی مذکورہ سرکرڈ کی شرائط کی تھیل میں پوسٹ ملکو منظوری کے لیے عام اجلاس میں سفارش کی گئی تھی۔

نظر ثانی شدہ پالیسی کے تحت نان انگریزیکٹیو ڈائریکٹرز بشمول چیئر مین -1,200,000/- روپے فی مینگ اور بورڈ اور ایاس کی کمیٹیوں میں شرکت کرنے کے لیے وصول کرنے کے مقدار ہوں گے۔ مینگ نہیں کے علاوہ، چیئر مین کا عہدہ رکھنے کے باعث چیئر مین بورڈ اور ایاس کی کمیٹیاں بورڈ یا کمیٹی مینگ نہیں کے 20 فیصد تک کے معاوضے کے مقدار ہوں گے۔ یہ پالیسی معر، لائنکس اور ہائش کے اخراجات کے ساتھ ساتھ ہر میہ الاؤنس کی ادائیگی بھی فراہم کرے گی۔

سال 2025 میں ڈائریکٹرز کے معاوضے کی تصدیلات غیر متبج مالیاتی گوشواروں کے نوٹ 41.2 میں ظاہر کی گئی ہیں۔

بورڈ کے اجلاس

سال کے جائزے کے دوران بورڈ کے ڈائریکٹرز کی پانچ (5) بار ملاقات ہوئی۔ سال کے دوران ہر ڈائریکٹری اجلاسوں میں شرکت کی تعداد ذیل میں بیان کی گئی ہے:

ڈائریکٹر کا نام	عہدہ	شرکت کردہ اجلاس کی تعداد
مرحمہ انور پرویز، OBE، ہلالی امتیاز پاکستان	چیئر مین	4
لارڈ حمیر راکم چوہدری، CBE، ستارہ امتیاز پاکستان	ڈائریکٹر	5
معزز حیدر حمیر چوہدری	ڈائریکٹر	5
محترم رضوان پرویز	ڈائریکٹر	5
محترم ڈینیل مائیکل ہاؤلیٹ	ڈائریکٹر	5
محترم طارق راشد	ڈائریکٹر	5
محترمہ شاز یہ سید	ڈائریکٹر	5
محترم محمد عرفان اسے شیخ	ڈائریکٹر	5
محترم محمد جاوید اقبال	صدر داری ای او	5

بورڈ کمیٹیوں کے اجلاس

سال کے دوران بورڈ کمیٹیوں کے متعلقہ اجلاس اور ڈائریکٹرز کی طرف سے ان میں شرکت کی تعداد درج ذیل ہے:

	BAC	BITC	HRCC	BRCC	BIC*	BNC
متعلقہ اجلاس کی تعداد	5	4	4	4	4	1
اجلاس میں شرکت کی تعداد						
مرحمہ انور پرویز، OBE، ہلالی امتیاز پاکستان	-	-	3	-	3	1
لارڈ حمیر راکم چوہدری، CBE، ستارہ امتیاز پاکستان	-	-	4	4	4	1
معزز حیدر حمیر چوہدری	5	4	-	-	4	1
محترم رضوان پرویز	5	4	-	-	4	-
محترم محمد عرفان اسے شیخ	-	4	-	4	4	-
محترم ڈینیل مائیکل ہاؤلیٹ	-	4	-	4	4	-
محترم طارق راشد	5	-	4	-	4	-
محترمہ شاز یہ سید	5	-	4	-	4	-
محترم محمد جاوید اقبال	-	4	-	4	4	-

- قابل اطلاق ریگولیٹری ہدایات میں بیان کردہ چھٹی کے علاوہ کوئی بھی ڈائریکٹر یا کمیٹی کا ممبر کسی بھی اجلاس میں غیر حاضر نہیں ہو سکتا ہو سکتی۔

- بینک پانچ فنڈز رٹائرمنٹ اسٹیمیں چلاتا ہے جو پروڈیونٹ فنڈ، مگر سبجی فنڈ، متبھن فنڈ، ونیونٹ فنڈ اور جرنل پروڈیونٹ فنڈ ہیں۔

ارکان کوڈائریکٹرز کی رپورٹ

یورڈ آف ڈائریکٹرز کی طرف سے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے یوتا پیٹرن بینک لیٹڈ کے مالیاتی گوشواروں کو پیش کرنا ہمارے لیے باعث مسرت ہے۔

کارکردگی کا جائزہ (Performance Overview)

غیر منجز بنیاد پر، یو بی ایل نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے 288.3 ملین روپے کا کل اثرو گھس منافع (PBT) کا اندراج کیا، جو کہ سال بہ سال 92% مضخم اضافے کی نمایاں طور پر نمائندگی کرتا ہے۔ سال 2025 میں منافع بعد از ٹیکس (PAT) 128.0 ملین روپے رہا، جو کہ سال 2024 کے مقابلے میں 51.33 روپے کی آمدنی فی حصص (EPS) کے ساتھ 80.5 ملین روپے پر باجو گزشتہ سال میں 32.89 روپے کے مقابلے میں تھا۔ یو بی ایل نے 52.13 کی آمدنی فی حصص (2024: 30.70 روپے) کے ساتھ 130.0 ملین روپے (2024: 75.8 ملین روپے) نتیج بنیاد پر منافع بعد از ٹیکس کا اندراج کیا۔ سال 2025 میں بینک کی مجموعی ترقی کو مقامی اور بین الاقوامی آپریشن کی مضکم کارکردگی کی معاونت حاصل رہی۔

یورڈ آف ڈائریکٹرز نے 25 فروری 2026 کو اسلام آباد میں منعقد ہونے والے ناپے اجلاس میں جس میں صوری نقد منافع معتمد 8 فی حصص کا اعلان کیا جو 2025 کے مکمل سال کا کل صوری نقد منافع معتمد 29.5 فی حصص ہے۔

معیشت کا جائزہ

پاکستان کی معیشت میں بحالی کا کل مجموعی قوی پیداوار (GDP) کی شرح نمو 3% کے ساتھ کامیابی سے درست سمت میں جاری رہا اور مالی سال 2025 میں 14 سال کے بعد کرنٹ اکاؤنٹ نے پہلی بار 1.9 ملین امریکی ڈالر کا سر پلس ریکارڈ کیا۔ اگرچہ درآمدی حجم میں نمایاں اضافے اور برآمدات میں کمی کی وجہ سے تجارتی خسارہ بڑھ گیا ہے، تاہم برقی اکاؤنٹ کی پوزیشن کو بحال رکھنے میں ملکی حکومت کے مضبوط ترسیلات زر نے کافی مدد فراہم کی جو مالی سال 2025 میں ترسیلات زر 38 ملین امریکی ڈالر تک کے اضافے کی صورت میں ظاہر ہوئی جبکہ جولائی تا دسمبر 2025 کے دوران سال بہ سال کی بنیاد پر 11% اضافہ دیکھا گیا۔

پاکستان نے اتحاد کی بحالی کے لیے مشکل عالمی حالات کے باوجود پالیسی اقدامات کیے، جس کے نتیجے میں دسمبر 2025 تک مجموعی زرمبادلہ کے ذخائر میں 16.1 ملین امریکی ڈالر تک کا اضافہ ہوا جو کہ دسمبر 2024 میں 11.7 ملین امریکی ڈالر تھے۔ جون 2025 میں چاہنگن سلاب کے باوجود معیشت نے استحکام کو برقرار رکھا اور پاکستان نے اکتوبر 2025 میں آئی ایم ایف کے 37 واں ایکسیڈیڈ فنڈ فیسلٹی (EFF) پروگرام کے دوسرے جائزے اور ریٹینس اینڈ سسٹم ایبلٹی ٹیسٹ (RSF) کے پہلے جائزے کو کامیابی سے مکمل کیا۔

اقتصادی سرگرمیوں میں تیزی کا سلسلہ جاری رہا اور مالی سال 2026 کی پہلی سرمایہ (Q1 FY26) میں صنعتی اور زرعی شعبوں کی قیادت میں مجموعی قوی پیداوار (GDP) کی شرح نمو 3.7 صوری۔ جولائی تا نومبر 2025 کے دوران اوسط افراط زر اسٹیٹ بینک آف پاکستان کے 7-5 فیصد تھیں ان کے ساتھ بڑی حد تک لائن میں رہی۔ اسٹیٹ بینک آف پاکستان نے سال بھر ایک محتاط مانیٹری پالیسی کا موقف برقرار رکھا، جس کے تحت پالیسی ریٹ اس وقت 10.5% ہے جو جنوری 2025 میں 12% کے مقابلے میں 150 بیس پوائنٹس کم ہے تاہم حقیقی شرح سود اب بھی نمایاں طور پر مثبت سطح پر قرار ہے۔

کے ایس ای 100 انڈیکس نے پورے سال بہترین کارکردگی کا مظاہرہ جاری رکھا اور دوران سال 51.2% کا غیر معمولی منافع ریکارڈ کیا جو سال کے اختتام پر 174,054 پوائنٹس پر بند ہوا۔ مجموعی طور پر سال 2025 کی تیز رفتار استحکام سے ابتدائی مرحلے کی بحالی کی جانب منتقلی کا سال حایت ہوا جس کی نمایاں خصوصیات میں کم افراط زر، مالیاتی ترقی کا تسلسل، بیرونی اکاؤنٹس کی قافی نظام پوزیشن اور شرح مبادلہ میں پائیدار استحکام شامل ہیں۔

مالیاتی جائزہ

سال 2025 میں بینک کی مجموعی آمدنی 419.6 تھی، جو سال بہ سال 16% روپے کا نمایاں اضافہ ظاہر کرتی ہے۔ نیٹ مارک آپ آمدنی 361.6 ملین روپے ریکارڈ کی گئی جو گزشتہ سال کے مقابلے میں 108% کا اضافہ ہے۔ ایسا یو بی ایل کے کرنٹ اکاؤنٹ میں توسیع کی وجہ سے ہوا جس میں سال بہ سال 71% اضافہ ہوا اور جو فریڈری بلز اور طویل مدت کی ہائڈرڈ ایک مضبوط پورٹ فولیو ظاہر ہوا۔ بینک کی اختتامی مدت پر سال 2025 میں کرنٹ ڈپازٹس 2.7 ٹریلین روپے رہے جو کہ صنعت کی مجموعی نمو کے مقابلے میں نمایاں طور پر بہتر کارکردگی ہے، یہ رپورٹ فولیو 1.1 ٹریلین روپے کے خالص اضافے کو ظاہر کرتا ہے۔

سال 2025 میں بینک نے بنیادی محصولات میں مضبوط اضافے کے ساتھ 58.0 ملین روپے کا ثان مارک آپ حاصل کیا۔ سال 2025 میں فیس اور کمیشن کی مدد میں 28.0 ملین روپے آمدنی حاصل کی جو کہ 58% مجموعی اضافہ ہے۔ ایسا تجارتی اور گائڈ کی آمدنی 5.6 ملین روپے کے ساتھ 28% مضبوط اضافے سے ہوا، ڈیجیٹل اور کریڈٹ کارڈ فیس سے حاصل ہونے والی آمدنی 65% اضافے سے 6.3 ملین روپے ہوئی اور اس طرح یو بی ایل نے 20% اکریڈٹڈ شیئرز کے ساتھ مقامی ترسیلات زر کے شعبے میں اپنی مسلسل قیادت کی پوزیشن کو برقرار رکھا۔ بینک کے آپریٹنگ اخراجات سال 2024 میں 37% سے زائد کے اضافے کے ساتھ سال 2025 میں 130.2 ملین روپے رہے۔ ایسا بنیادی طور پر عملے کی لاگت 49.7 ملین روپے سے 32% میں اضافے کی وجہ سے ہوا جو کہ تمام نیٹ ورک میں اضافے اور کسٹمر سروس پر توجہ مرکوز کرنے کے حساب سے تھا۔ پراپرٹی سے متعلقہ اخراجات 16.2 ملین روپے سے 36% اضافی تھے، جبکہ آئی ٹی کے اخراجات 36% اضافے کے ساتھ 12.0 ملین روپے رہے۔ بینک نے اس کے بنیادی انفراسٹرکچر سسٹمز، ڈیجیٹل پروڈکٹس اور اپنے سائبر سیکیورٹی کی پوزیشن کو مضبوط بنانے میں اثرو غلطی کے سلسلے کو جاری رکھا ہوا ہے۔

یو بی ایل نے سال 2025 میں 4.7 ملین روپے کا نیٹ پروڈیٹن ریوڑز ریکارڈ کیا جو سال 2024 میں 12.8 ملین روپے کا نیٹ پروڈیٹن چارج تھا، جو بنیادی طور پر ملکی اور بین الاقوامی دونوں پورٹ فولیو کی وصولی کے نتیجے میں سامنے آیا۔ بینک کی سطح کے ثان پر قائم تنگ لونز (NPLs) دسمبر 2025 میں 112.0 ملین روپے رہے (دسمبر 2024: 116.0 ملین روپے)۔

بینک ایک مؤثر سرمائے کی بنیاد کو برقرار رکھنے کی کوشش کرتا ہے جو مستقبل کی ترقی کے لیے ایک بنیاد فراہم کرنے کے ساتھ ساتھ رنگیلری تقاضوں پر مناسب بفرز کو برقرار رکھتا ہے۔ نتیج CAR دسمبر 2025 میں (دسمبر 2024: 20.59%) 20.97% رہا جس میں 13.0% کی رنگیلری شرط پر 7.97% کا بفر بھی شامل ہے۔ کاسن ایکٹیو میجر 1 (CET-1) کا تناسب دسمبر 2025 میں 15.92% (دسمبر 2024: 14.83%) رہا۔ دسمبر 2025 کو ٹوٹل میجر 1 کھوپل کا تناسب 16.31% (دسمبر 2024: 15.45%) ریکارڈ کیا گیا۔

سال کے دوران ملک بینک لیٹڈ کو بینک میں ضم کر دیا گیا جس کا نفاذ 11 مارچ 2025 کو مکمل میں آیا۔ انعام کی اسکیم کی منظوری یورڈ آف ڈائریکٹرز نے 2 دسمبر 2024 کو اپنے منعقدہ اجلاس میں دی، جبکہ شیئرز ہولڈرز نے 30 دسمبر 2024 کو منعقدہ غیر معمولی اجلاس میں اس کی توثیق کی۔ اسٹیٹ بینک آف پاکستان نے 10 مارچ 2025 کو انعام کی اسکیم کو منظور کیا۔ منظور شدہ اسکیم کے مطابق بینک کے ہب گلوڈز کی تاریخ پر ملے شدہ جادلے کے تناسب کے تحت ملک بینک لیٹڈ (SBL) کے شیئرز ہولڈرز کو مجموعی طور پر پتی 10 روپے کے 27,944,188 ملے عام حصص جاری کیے جس کے مطابق اسٹیٹ بینک آف پاکستان کے ہر 325 حصص کے عوض بینک 1 کا نیا عام حصص جاری کیا گیا۔ 10 مارچ 2025 کو کاروبار کے اختتام پر یو بی ایل نے اسٹیٹ بینک آف پاکستان کی منظور شدہ اسکیم کے تحت ملک بینک لیٹڈ کا انعامی عمل مکمل کر لیا ہے اور اس کے نتیجے میں ملک بینک لیٹڈ کے تمام اثاثے، واجبات، حقوق اور ذمہ داریاں یو بی ایل میں منتقل ہو گئیں۔ انعام کے حتمی اکاؤنٹنگ طریقہ کار کی تفصیلات کے لیے براہ مکر 31 دسمبر 2025 کو ختم ہونے والے سال کے سالانہ نقل، بینکس کے نوٹ 1.1 کا حوالہ دیکھیں۔

لیونلوی اور لیجٹل

سال 2025 میں یو بی ایل نے اپنی ڈیجیٹل اینپ میں جدید اور کسٹمر پتی مؤثر اضافے کے ساتھ ڈیجیٹل بینکنگ میں اپنی قیادت کو مزید مضبوط کرتے ہوئے بینکنگ اکھائیکیشن میں انڈسٹری لیڈر کے طور پر اپنی پوزیشن کو مزید مضکم کیا۔ پاکستان کا پہلے AI پر مبنی وائس کما ٹیچر کا اجرا ایک اہم سنگ میل تھا جس کے ذریعے کسٹمرز سادہ آواز میں ہدایات کے ذریعے روزمرہ کی بینکنگ ٹرانزیکشن کا مکمل یا آسانی اور فوری انجام دے سکتے ہیں۔ اس اقدام سے بزرگ شہر میں اور خواتن کی باہری مسائل کا سامنا کرنے والے کسٹمرز کے لیے بینکنگ سروس تک رسائی میں نمایاں بہتری آئی۔

راست P2M کے تحت یو بی ایل نے ریکوئسٹ ٹو پے کے استعمال کو فعال کیا جس کے ذریعے اب مرچنٹس کسٹمرز کو محفوظ ادائیگی کے لیے براہ راست درخواست بھیج سکتے ہیں۔ مرچنٹ ادائیگی کے آپشنز کو بڑھاتے ہوئے ٹل کوڈ، فری ٹیکسٹ مرچنٹ آئی ڈی اور دور درجکل صفحت ایڈریس شامل کیے گئے جبکہ ذریعہ نظام کی زرعی اسکیم کے تحت زرعی شعبے کے کسٹمرز کے لیے QR پتی ادائیگیوں کو متعارف کروایا گیا۔

ڈیجیٹل اینپ کے ذریعے ڈورمشی اکاؤنٹس ایکٹیویشن سے کسٹمرز کی سہولت میں مزید اضافہ کیا گیا جس سے اب برانچ تصرف لائے بغیر آسانی سے اکاؤنٹ دوبارہ فعال کرنا ممکن ہو گیا ہے۔ یو بی ایل نے پلٹنی بلز کی ادائیگی اور موہل ٹاپ آپ اینپ کے لیے کریڈٹ کارڈ کو ایک متبادل ادائیگی کے طریقے کے طور پر بھی متعارف کروایا جس سے کسٹمرز کو مزید انتخاب اور سہولت حاصل ہوئی۔ یو بی ایل نے جیٹ بوٹ "ڈیجیٹل بڈی" کو وسعت دیتے ہوئے وائس اینپ کے ذریعے فڈر ٹرانسفر ٹل ادائیگی اور مطلوبی سروسز کی سہولت فراہم کی جس سے ڈیجیٹل رابطے کے ذرائع مزید بہتر ہوئے۔ ان اینپ فیکٹیشن سسٹم کی بھی آپ گریڈ کیا گیا تاکہ ریکل ٹائم ٹرانزیکشنز اور اکاؤنٹ سے متعلق انٹرس فرام کیے جا سکیں، جس سے شفافیت اور کسٹمر کنٹرول بہتر ہوا۔ جاز (Jazz) کے ساتھ انعام کے ذریعے ریکل ٹائم ٹل کی ادائیگی، پری پیڈ ٹاپ اینپ اور 50 سے زائد باہر ڈیجٹل ٹیک رسائی کو ممکن بنایا گیا جبکہ یو سیڈ ٹرانزیکشنز کی حد میں اضافے سے کسٹمرز کا آپریشنل سطح پر مزید سہولت فراہم کی گئی۔

کسٹمرز کے لیے متعارف کردہ اقدامات کے ساتھ ساتھ یو بی ایل نے ڈیجیٹل صلاحیتوں، سیکورٹی اور آپریشنل کارکردگی میں بہتری کے لیے اہم اسٹرٹجک سنگ میل بھی حاصل کیے۔ وچ اور ماسٹر کارڈ کسٹمرز کے لیے لوگن والٹ کو فعال کیا گیا جس سے محفوظ اور کاٹیکٹ لیس صفحت کے آپشنز میں بھی اضافہ ہوا۔ سائبر سیکیورٹی کو خطرے کی بہتر منتظمی میں اور ڈیٹا کے نقصان سے بچاؤ کے ذریعے مزید مضبوط بنایا گیا۔ سابقہ ملک بینک کے کامیاب انعام اور اے ٹی اینڈ پرائیویسی کے حصول نے یو بی ایل کے جدید اور محفوظ طریقہ کار، جدید ڈیجیٹل بینکنگ سسٹم کی فراہمی کے عزم کو مدلل واضح کیا۔

یونٹن ریسورسز

سال 2025 میں یوتا پیٹرن بینک لیٹڈ نے پائیدار ترقی کے مضکم عزم کے ساتھ انفرادی قوت کی بہتر بنانے (10,000 سے زائد ملازمین کی تعیناتی)، ڈیجیٹل اہلیت اور ایک جامع کام کے ماحول کے فروغ پر توجہ مرکوز رکھی۔ پورے ادارے میں مستقبل کی ضرورت سے ہم آہنگ ٹیلنٹ کی تیاری کے لیے مضکم ترقیتی پروگرام، ٹارگیٹڈ آپ اسٹاک اقدامات اور قیادت کی ترقی کے فریم ورکس کے ذریعے ملازمین کی صلاحیتوں کو مضبوط بنانے میں نمایاں پیش رفت حاصل ہوئی۔

تبدیل ہوتے معاشی حالات کے درمیان ملازمین کی قلاع و بھید کو مزید بہتر بنانے کے لیے یو بی ایل نے اپنے مراعات کے پورٹ فولیو کو بہتر بناتے ہوئے ملازمین کے والدین کے لیے ہیلتھ کورنگ میں اضافہ کیا گیا بھوت سرمایہ کے تحت ایکمیلائی اسٹینس پروگرام متعارف کروایا گیا اور خصوصی صلاحیتوں کے حامل افراد کے لیے کیوٹ الاؤنس شروع کیا گیا۔ بنیاد ملات ہمارے مساوات اور شمولیت کے عزم کو مزید مضبوط بناتے ہیں۔ سال 2025 میں بینک میں گلاڈ ڈیپٹی اور مکمل فوڈن بھی متعارف کروایا گیا جس سے ہمارے ملازمین کو اپنے موہل فون کے ذریعے سسٹرمک رسائی میں آسانی حاصل ہوئی تاکہ وہ اپنے آج آرتے متعلقہ امور کو بروقت منجیل سکیں۔

ہمارے ملازمین پر مرکوز پالیسیوں اور ٹیلنٹ میں اضافے کے لیے مسلسل سرمایہ کاری کے نتیجے میں، ملازمین کے اخراج کی شرح مضکم رہی جبکہ عملے کی پیداواری صلاحیت بہتر اور کسٹمر سروسز کا معیار مزید مضبوط ہوا۔

کریڈٹ ریسٹنگ

VIS کریڈٹ ریسٹنگ کمپنی لیٹڈ (VIS) نے 30 جون 2025 کو یوتا پیٹرن بینک لیٹڈ (UBL) کی "AAA / A-1+" (ٹری اے / اے ڈن پلس) اینٹی ریسٹگو کی دوبارہ توثیق کی ہے۔ مزید برآں، یو بی ایل کی ایڈیشنل ریسر-1 TFC (ADT-1) کی بھی بطور AA+ دوبارہ توثیق کی جا چکی ہے۔ تھوئیس کردہ ریسٹگو پر توقعات مضکم ہیں۔

اعزازات و اعترافات

سال 2025 میں یو بی ایل نے انڈسٹری کے شیخ مارک کو قائم رکھنے، مالیاتی سروسز، ڈیجیٹل جدت، مارکیٹنگ اور سماجی شعبہ جات میں حدود اور منفرد پہچان بنانے کا سلسلہ جاری رکھا۔ اسٹیٹ بینک آف پاکستان نے یو بی ایل کو بہت سے اعلیٰ اعزازات اور ایوارڈز سے نوازا جن میں "کٹھنٹ ٹو ایگریگیشن ٹلٹس ایڈریس 2024-2025"، پاکستان کا نمبر 1 پرائمری ڈیٹر 2024-2025 " اور "ٹاپ بینک این پاکستان ریٹینس مارکیٹ 2025" شامل ہیں۔

ای دوران یو بی ایل کو بین الاقوامی سطح پر یورڈی کی طرف سے بھی سراہا گیا جس نے یو بی ایل کو "پاکستان کا بہترین ڈیجیٹل بینک برائے سال 2025" قرار دیا۔

سال 2025 میں یو بی ایل کو مزید درج ذیل اعزازات حاصل ہوئے:

- "کسٹمر ایکسپیرنس پیٹے ٹیٹ آف دایریز 2025" - انشیں بینکنگ ایڈریس ایوارڈز
 - "ڈیجیٹل ٹرانسفریشن آف دایریز 2025" - انشیں بینکنگ ایڈریس ایوارڈز
 - "سٹیٹ ڈیجیٹل صفحت برڈس 2025" - پاکستان ڈیجیٹل ایوارڈز
 - "کارپوریٹ ٹلٹس ہاؤس آف دایریز 2024- لکڈ انکم 2025" - سی ایف اے سوسائٹی پاکستان کے ایکسپلور ایوارڈز
 - "سٹیٹ ڈیجیٹل بینکنگ سروسز- کرسٹل بینک 2025" - سی ایف اے سوسائٹی پاکستان کے ایکسپلور ایوارڈز
 - "ایکسپلٹس این ٹلٹس ٹلٹس ایوارڈز 2025" - پاکستان PWDs فنکٹوٹن ایوارڈز
 - "ایکسپلٹس انٹراسٹرکچر ایکسپلٹس ایوارڈز 2025" - پاکستان PWDs فنکٹوٹن ایوارڈز
- یہ کامیابیاں جدیدیت، بہتر کارکردگی اور قیادت سے جڑے یو بی ایل کے عزم کو نمایاں کرتی ہیں۔

مستقبل کی توقعات

یو بی ایل نے ہمارے برانچ نیٹ ورک سے مؤثر اعماز میں استفادہ کرتے ہوئے تمام بنیادی آپریٹنگ شعبوں میں مضبوط کارکردگی کا مظاہرہ کیا ہے، جو اب ملک بینک کے ساتھ کامیاب انعام کر کے ملک کاسب سے بڑا برانچ نیٹ ورک بن چکا ہے۔ آگے بڑھتے ہوئے بھی ہم کو منتظمی اور اسٹاک بینکنگ دونوں شعبوں میں اپنے فریڈنٹ کو مزید مضکم کرتے رہیں گے، بالخصوص اپنے کسٹمرز کے ساتھ تعلقات کو گہرا کرنے، کم لاگت ڈپازٹس میں مارکیٹ شیئر بڑھانے اور فیس وکیشن آمدنی کے ذرائع کو وسعت دیتے ہوئے ہماری توجہ مرکوز رہے گی۔ ہماری ایوارڈ یافتہ ڈیجیٹل بینکس ہماری کامیابیوں کا اعتراف بھی ہے جو ہم نے حاصل کی ہے جبکہ یہ مستقبل کی ترقی کے لیے مضبوط بنیاد بھی فراہم کرتی ہے۔ اعلیٰ معیار کی کسٹمر سروس اور بہترین تجربہ فراہم کرنا ہماری حکمت عملی کا بنیادی ستون ہے جس کا اظہار بینکانوی پلیٹ فارم اور تبدیلی کے ایجنڈے میں ہماری مسلسل سرمایہ کاری سے ہوتا ہے۔ بین الاقوامی سطح کے بہترین طریقے کے مطابق کمپن (کمپلائنس) اور کنٹرول کے معیارات کو مضبوط بنانا ایک مسلسل جاری عمل ہے، جس کے لیے ہم بطور ادارہ مکمل طور پر عزم میں ہیں۔ وقت کے ساتھ ساتھ طویل مدتی کامیابی کو یقینی طور پر برقرار رکھنے کے لیے ہم اپنے ملازمین، صلاحیتوں اور مستقبل کے قائدین کے لیے سرمایہ کاری جاری رکھیں گے۔

مستقبل کو مد نظر رکھتے ہوئے ہم مسلسل منافع بخش کارکردگی اور اپنے کسٹمرز، ملازمین اور شیئرز ہولڈرز کے لیے مضبوط قدر دیندہ کرنے پر توجہ مرکوز رہیں گے۔

کارپوریٹ گورننس

ڈائریکٹرز کی نشست

یورڈ آف ڈائریکٹرز یہ یقینی بنانے کا عہدہ کرتے ہیں کہ سیکورڈیٹو اینڈ ایکٹیویشن آف پاکستان کی طرف سے ملے کردہ کارپوریٹ گورننس کے تقاضوں کی پوری طرح منجیل کی جاتی ہے، بینک نے کارپوریٹ گورننس پر مکمل گماہمی سے اختیار کیا ہے اور ڈائریکٹرز بخوشی یہ اطلاع دیتے ہیں کہ:

اعتماد سے آگے

جہاں اور بھی ہیں

OUR CARE EXTENDS BEYOND BUSINESS

At UBL we reach into the skies of possibility and the communities we serve. We embrace sustainable practices, champion eco-friendly initiatives, and nurture programs that uplift lives and protect our environment. Every step we take — from paperless banking and branchless solutions to targeted community support — is rooted in responsibility, foresight, and a vision for a greener, more inclusive future. Through expanding programs and meaningful engagement, UBL helps shape lives, foster growth, and enrich the journey of those we serve. Because for us, 'Aitemad Se Aagay Jahan Aur Bhi Hain' — a call to keep caring, keep reaching, and keep building a brighter, more sustainable world for generations to come.



UNITED BANK LIMITED (UBL) ESG & SUSTAINABILITY REPORT SUMMARY

UBL continues to strengthen its sustainability and climate-related governance, risk management and disclosure capabilities in line with evolving regulatory expectations and global best practices. The Bank recognizes that sustainability-related matters particularly climate-related risks and opportunities are increasingly linked with financial performance, portfolio resilience, stakeholder confidence and long-term enterprise value.

OUR ESG PROGRAM

In this context, UBL is progressively aligning its Environmental, Social & Governance (ESG) reporting and internal systems with International Financial Reporting Standards (IFRS) S1 and S2, ensuring that disclosures are decision-useful, comparable and reflective of the Bank’s risk profile and strategic direction.

UBL’s sustainability agenda is embedded across its domestic and international footprint and is anchored around four core sustainability pillars: People, Planet, Clients and Communities. These pillars guide the Bank’s approach towards responsible banking, inclusive growth, risk resilience and climate transition readiness.

KEY HIGHLIGHTS - 2025

Being a bank that has always been on the forefront of making a notable impact to the society, our ESG objectives have always been inextricably intertwined with our philosophy. The impact of our business activities and conduct holds utmost importance, which is why, our year-round initiatives as a responsible corporate organization present a very clear picture of how we have been able to translate our vision into our actions.

ESG-RELATED INITIATIVES

ENVIRONMENTAL INITIATIVES



Support for Sustainable Agriculture Mechanization – Shahzad Trade:

Facilitated access to modern agricultural machinery through financing support to Shahzad Trade, contributing to enhanced farm productivity, improved operational efficiency and optimized resource utilization. This initiative supports sustainable agricultural practices while promoting economic resilience within the farming community.

UBL Sports Complex – Community & Youth Development Support:

Continued support for cricket tournaments hosted at the UBL Sports Complex, providing a high-quality and well-maintained sporting facility that promotes youth engagement, community well-being and social inclusion. The initiative reflects UBL’s commitment to fostering healthy lifestyles and strengthening community development through sports.

ESG-RELATED INITIATIVES

HEALTH & WELLBEING



Breast Cancer Awareness Sessions – Karachi & Lahore:

Organized health awareness sessions focused on early detection and preventive care, aimed at promoting employee well-being, increasing awareness of breast cancer risks and fostering a culture of proactive healthcare within the organization.

UBL Sports Gala 2025:

Conducted a Bank-wide sports initiative designed to promote physical well-being, strengthen teamwork and enhance employee engagement through structured recreational activities.

UBL Academy & TCMC – Youth Athlete Health Screenings:

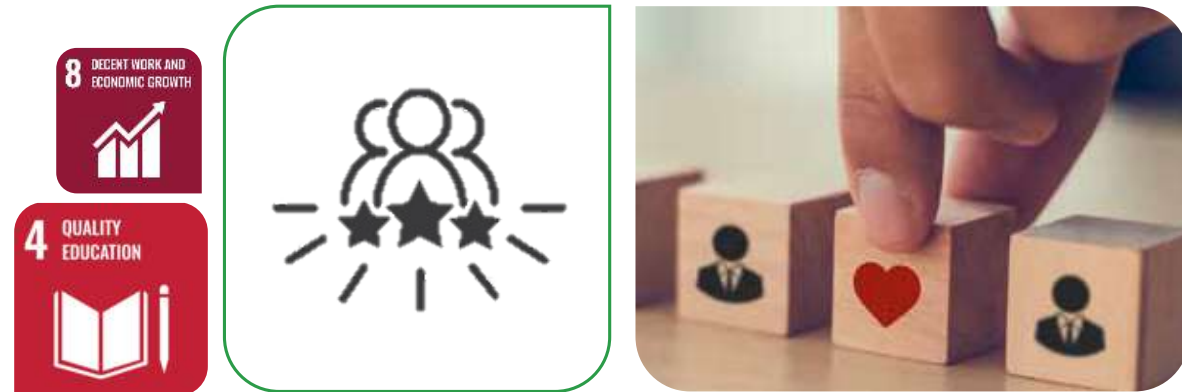
Facilitated health screening sessions for young athletes to promote early diagnosis, injury prevention and overall health awareness, reinforcing UBL’s commitment to youth development and community wellness.

UBL Central Punjab Sports Gala 2025:

Organized a regional sports event to encourage staff engagement, promote workplace wellness and foster collaboration across teams through inclusive and health-focused activities.

ESG-RELATED INITIATIVES

EMPLOYEE RECOGNITION & ENGAGEMENT



Top-Performing Relationship Executives Recognition:

A formal recognition initiative designed to acknowledge outstanding performance among Relationship Executives, reinforcing a culture of meritocracy, strengthening talent retention and enhancing employee engagement across the Bank.

Celebrating UBL's Best Performers:

A recognition ceremony held to honor exceptional contributors, aimed at motivating employees, reinforcing a high-performance culture and promoting organizational excellence.

Branch Excellence Celebration:

An event recognizing high-performing branches and teams in the Lahore region, fostering collaboration, teamwork and sustained operational excellence.

Teamwork & Excellence Town Hall 2025:

A leadership engagement forum focused on promoting collaboration, empowering employees and reinforcing UBL's strategic vision and organizational values.

Staff Engagement Session:

An interactive engagement session aimed at enhancing staff development, strengthening alignment with corporate objectives and encouraging open dialogue between management and employees.

CUSTOMER & SERVICE EXCELLENCE



Customer Excellence Award:

Instituted to recognize outstanding service delivery and reinforce a strong customer-centric culture across the Bank, promoting service excellence and continuous improvement in customer experience.

Customer Service Week 2025:

Celebrated a dedicated service excellence week to acknowledge frontline staff contributions, promote best practices in customer service and further elevate service quality standards across the Bank.

Deployment of Preferred Q-Matic for Persons with Disabilities (PWDs) & Senior Citizens:

Introduced an enhanced queue management system to prioritize and facilitate seamless branch access for persons with disabilities and senior citizens, reinforcing UBL's commitment to inclusivity and accessible banking services.

UBL Ameen Branch Network Expansion:

Expanded the branch footprint of UBL Ameen to improve access to Shariah-compliant banking solutions, particularly in underserved and emerging markets, supporting financial inclusion and ethical finance. objectives and encouraging open dialogue between management and employees.

COMMUNITY & YOUTH DEVELOPMENT

Youth Inclusion through Early Career Induction

As part of its commitment to inclusive and sustainable workforce development, UBL continued its initiative of inducting intermediate-qualified candidates into permanent OG4 positions. This structured early career pathway expands access to formal employment, strengthens talent pipelines and supports the long-term professional development of young individuals within UBL.

Science and Engineering Associate Program (SEAP)

During the year 2025, UBL launched the Science and Engineering Associate Program (SEAP) to recruit engineers and science graduates across key functions. This strategic initiative strengthens the Bank's analytical capability, innovation capacity and problem-solving depth in an increasingly complex operating environment.

UBL 66 Years Celebration (Community Narrative):

Commemorated six decades of UBL's legacy, highlighting the Bank's institutional heritage while fostering national pride and reinforcing its role in community development.

UBL Ameen Financial Literacy Student Ambassador Program:

Empowered youth through structured financial literacy initiatives, building capacity, promoting responsible financial behavior and enhancing economic awareness among students.

UBL Partnership with Al-Khidmat Foundation:

Collaborated on humanitarian initiatives to provide essential support and welfare services for vulnerable communities, enhancing social impact and community resilience.

Ramzan Ration Distribution Drives:

Extended humanitarian assistance to underprivileged communities during Ramadan in partnership with trusted social organizations, addressing immediate needs and supporting community welfare.

UBL-Saylani Rozgar Scheme:

Facilitated income-generation opportunities for low-income families, promoting livelihoods, economic empowerment and sustainable community development.

UBL is a leading financial services institution in the country and is publishing IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) aligned report.

The report is structured in alignment with four core pillars of IFRS sustainability disclosures.



GOVERNANCE

Board and Senior Management Oversight

UBL's governance approach reflects the principles that sustainability and climate risks are not peripheral matters; rather, they represent financial risk drivers that require structured oversight and clear accountability. Oversight begins at the Board of Directors, which holds ultimate responsibility for the Bank's sustainability strategy, ESG and climate risk management and long-term value creation. The Board provides strategic direction, supervises regulatory compliance and monitors the effectiveness of sustainability-related governance mechanisms.

The Board is supported by dedicated committees, including the Board Risk and Compliance Committee (BRCC) and the Audit Committee, which strengthen oversight on ESG and climate risk integration, governance routines and disclosure controls. Through periodic reviews and structured reporting, the Board maintains visibility into the Bank's evolving sustainability risk profile and implementation progress against key regulatory requirements.

At the management level, UBL has institutionalized sustainability oversight through the Management Risk Committee (MRC) and Compliance Committee of Management (CCM). These forums ensure that sustainability-related risks and regulatory obligations are translated into actionable controls and embedded across business and risk functions. Importantly, the MRC's Terms of Reference have been strengthened to include review of green banking strategy and related governing documents and the committee receives periodic updates on implementation progress, high-risk transactions from an Environmental, Social & Climate perspective and mitigation actions.

Dedicated ESG Function

A key indicator of governance maturity is UBL's establishment of a dedicated ESG Division under the Risk & Credit Policy Group. This division provides a centralized and structured approach for managing sustainability-related risks and opportunities across the Bank, including domestic and international operations. The division is responsible for implementing the ESG Risk Management and Governance Framework, integrating Environmental, Social & Climate due diligence into core banking processes, monitoring compliance obligations and coordinating disclosures aligned with IFRS S1 & S2 and regulatory expectations.

Three Lines of Defense and Assurance Maturity

UBL has further strengthened accountability and assurance through a robust three-lines-of-defense model for ESG and climate risk governance. Sustainability controls are embedded at the business and operational level (first line), monitored and guided through risk and compliance functions (second line)

independently assured through internal audit (third line). This structure enhances consistency, transparency and reliability in sustainability governance and reporting. This structure enhances consistency, transparency and reliability in sustainability governance and reporting.

Corporate Governance and ESG Oversight

UBL's corporate governance framework ensures robust oversight of Environmental, Social and Governance (ESG) matters, including Climate-related risks and opportunities. The Board of Directors, supported by dedicated committees, sets the ESG strategic direction and monitors performance against regulatory requirements and stakeholder expectations. Cross-functional mechanisms integrate ESG considerations into lending, investment decisions and risk management, while data governance enhancements enable accurate reporting of GHG emissions, financed emissions and climate scenario analysis

In Pakistan, corporate governance is evolving to incorporate sustainability oversight, with the Securities and Exchange Commission of Pakistan (SECP) ESG Disclosure Guidelines and the adoption of IFRS S1 & S2 standards driving structured Climate-risk governance. UBL has proactively aligned its policies, risk appetite and committee charters with these requirements, ensuring sector-specific due diligence, client engagement and enhanced transparency. Our disclosures are progressively aligned with global frameworks to provide investors and regulators with comparable and reliable ESG information.

In the United Arab Emirates (UAE), the Central Bank of the UAE regulations and Federal Decree-Law No. 11 of 2024 require mandatory Climate-risk reporting, Greenhouse Gas (GHG) inventories and mitigation measures. UBL has strengthened its governance and risk systems to comply, embedding physical and transition risk assessments into strategic planning and capital allocation. In Qatar and Bahrain, UBL implements ESG policies in line with Qatar Central Bank and Central Bank of Bahrain requirements, ensuring mandatory environmental, social & climate due diligence, risk monitoring, sector-specific screening and transparent reporting. Staff training programs across all markets enhance ESG awareness, capability and ensure consistent regulatory compliance.

UBL ESG Policy

ESG policy has been developed as a documented approach to dealing with ESG risks. UBL is committed to managing ESG risks by implementing a comprehensive ESG Risk Management and Governance Framework. This is a systematic approach to identifying, assessing, mitigating, reducing, monitoring and reporting the ESG risks of businesses and operations. The policy encompasses three priority areas.

ESG Risk Management and Governance Framework

A formalized mechanism for compliance by the bank, ensuring that the bank finances corporate customers that meet the minimum applicable ESG requirements. It applies the ESRM Exclusion list, ESDD and applicable laws and regulations on ESG issues. In addition to the exclusion list, national, provincial and applicable international laws, UBL may choose to implement global best practices on financing project loans.

It involves identifying the ESG aspects and impacts from current activities and services, where we have direct exposure or can be expected to have an influence and then mitigating, minimizing and managing the ESG risks and impacts on the environmental and social receptors, arising from the activities of our existing clients.

Own Impact Reduction

UBL undertakes conscious efforts for environmental conservation and to reduce its carbon footprint through initiatives to improve energy efficiencies, water consumption, paper reduction, waste management, travel and transportation. These initiatives in turn impact on long term cost reduction benefits.

Green Business Facilitation

UBL acts as a facilitator of economic activities through provision of green financing facilities and advisory services to its clients. The Bank is well positioned to serve as a catalyst of change for steering businesses towards more sustainable and environmentally friendly strategies and operations through a responsible allocation of financial resources.

Climate Risk Management Framework

UBL is in process of establishing a Climate Risk Management Framework to integrate climate-related risks into its overall risk governance and decision-making processes. This framework will provide structured guidance for identification, assessment, monitoring and mitigation of physical and transition climate risks across credit, operational and portfolio exposures. It will support alignment with regulatory expectations and international best practices while strengthening climate resilience, data governance, internal controls and management oversight.

Governance Across Jurisdictions and Regulatory Alignment

UBL's governance approach reflects its multi-jurisdictional presence and regulatory landscape. The Bank's sustainability and climate governance routines are aligned with State Bank of Pakistan's Green Banking Guidelines, ESRM and Climate Risk Assessment Framework and Stress Testing Guidelines, as well as the SECP ESG Disclosure Guidelines and adoption of IFRS S1 & S2 standards. In Gulf Cooperation Council (GCC), UBL is strengthening governance and controls in line with the UAE Central Bank Climate-Related Financial Risk Management Regulation and the sustainable finance and ESG disclosure requirements of Bahrain and Qatar regulators.

Operational Resilience, Cyber Security and Data Governance

UBL recognizes that strong governance and operational resilience are essential enablers for sustainability performance. The Bank has strengthened cyber security practices, digital fraud prevention and awareness initiatives, including penetration testing and threat hunting capabilities. These measures protect customer trust, support system resilience and ensure continuity of digital services that underpin inclusion and sustainable service delivery.

Culture and People

UBL believes that fostering a positive and inclusive organizational culture is key to long-term success. As part of our commitment to creating a responsible and ethical business environment, we are focused on promoting a culture of continuous learning, ethical lending and social responsibility.

To support this transformation, we are conducting training that enhances employees' understanding of ESG regulatory requirements and encourages responsible lending practices towards the environment. These initiatives will ensure that our team is equipped with the knowledge and skills to make informed decisions that uphold our commitment to ethical practices and contribute to positive social and environmental outcomes. Through these efforts, we aim to create a workplace

culture that values diversity, accountability and ethical responsibility, driving our mission forward.

Anti-Bribery and Corruption Policy

UBL upholds a zero-tolerance stance on bribery and corruption, prohibiting any undue advantage by employees, management, or third parties, supported by strong internal controls, due diligence and monitoring mechanisms.

Gifts and Entertainment Policy

UBL's Gift and Entertainment Policy further ensures that all gifts, hospitality and entertainment are reasonable, transparent and free from improper influence through defined thresholds, approvals and disclosure requirements to prevent conflicts of interest and safeguard integrity.

Whistle Blowing Policy

UBL encourages employees and stakeholders to report misconduct, fraud, unethical behavior, or regulatory breaches through secure and confidential channels. The policy ensures protection against retaliation and enables independent investigations, fostering a culture of accountability, transparency and ethical conduct.

Employee Code of Conduct

UBL's Employee Code of Conduct sets out the ethical and professional standards expected of all staff, promoting integrity, fairness, accountability, confidentiality and compliance with applicable laws and regulations. It guides responsible decision-making, prevents conflicts of interest and reinforces a culture of respect, transparency and zero tolerance for misconduct.

Stakeholder engagement

UBL maintains proactive and structured engagement with both internal and external stakeholders to drive its ESG agenda. Key internal stakeholders include Business Units, Risk, Compliance, Internal Audit, Credit Risk Management and Credit Administration, all of whom play a critical role in embedding ESG considerations across the bank's operations. Externally, UBL engages with regulators including SBP, SECP, CBUAE, CBB and QCB, industry associations such as NIBAF, IBP and PBA, as well as non-governmental organizations (NGOs), to ensure alignment with regulatory expectations, industry best practices and broader societal priorities. This collaborative approach supports transparent communication, informed decision-making and continuous improvement in ESG performance.

STRATEGY

Our sustainability strategy outlines how we leverage responsible banking practices to create long-term value for our people, clients, communities and the planet

Embedding sustainability into our business model

UBL's sustainability strategy is designed to embed ESG and climate considerations into the Bank's core business model, decision-making and operational culture. The Bank recognizes that sustainable growth is achieved through disciplined governance, responsible financing practices and a strong focus on financial inclusion, client support and community development.

UBL's strategy is not limited to commitments; it is increasingly operationalized through products, policies and portfolio-level risk practices. The Bank's sustainability priorities are shaped through materiality considerations and are aligned with global

disclosure standards such as IFRS S1 & S2, GRI and SASB, alongside domestic regulatory frameworks.

Materiality-driven prioritization and stakeholder alignment

UBL's sustainability priorities are shaped through materiality considerations, ensuring focus on ESG themes most relevant to stakeholders and to enterprise value. The Bank aligns disclosures and strategic priorities with recognized frameworks such as IFRS S1 & S2, Global Reporting Initiative (GRI), United Nation (UN) SDGs and Sustainability Accounting Standard Board (SASB), alongside applicable regulatory requirements. This alignment reflects an increasingly structured disclosure approach rather than generic ESG narratives.

Material Topics and Strategic Priorities (2025)

UBL's sustainability priorities are guided by a structured materiality-driven approach, ensuring the Bank focuses on ESG themes that are most relevant to stakeholders and to long-term enterprise value. The materiality lens supports disciplined prioritization and strengthens integration of sustainability and climate considerations into governance routines, business strategy and risk management practices.

UBL's ESG material topics represent sustainability matters that may influence business performance, risk profile, stakeholder outcomes and long-term value creation. These material topics are embedded into UBL's governance oversight, strategy development, risk management integration and disclosure roadmap.

1. ESG & Climate Risk Management & Governance Framework: A robust framework guides decision-making by setting risk appetites, materiality assessments, policies and reporting practices
2. Products & Services' Climate and E&S Risk Analysis: The Process enables the bank to systematically identify and manage the climate, environmental and social risks inherent in its products and services.
3. Integration of Climate and 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 Products and Green Facilitation: UBL is currently working on the development of a comprehensive

Sustainable Finance Framework to strengthen governance, consistency and transparency across its sustainable finance activities and focuses on green finance solutions.

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. Climate Scenario Analysis & Stress Testing: UBL uses scenario analysis to assess and mitigate forecasted climate risks and climate risks are being incorporated into the Stress Testing framework.
15. Integration of E&S & Climate 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.
18. Corporate Governance: commitment to good governance, transparency, accountability and ethical behavior guides all our actions
19. Vendor Climate and E&S Risk Screening: UBL engages vendors and 3rd parties in line with the supplier code of conduct, which will be enhanced to cover E&S & climate risks screening as well.
20. CSR - related Activities: As a responsible corporate citizen, the Bank works towards assisting the less fortunate by supporting causes and empowering communities.

Environmental & Social risks and opportunities

Environmental & Social risks could manifest through the bank's traditional risk categories, particularly through credit risk, affecting default probabilities, collateral values and portfolio performance, as well as social risks which may relate to compliance with labor and health & safety laws, community and stakeholders' engagement. Opportunities arise for financing towards environmentally-friendly sectors such as pollution abatement, waste management, renewable energy, as well as on social ventures such as financing for community development, rural support and empowerment of vulnerable sectors/groups.

UBL has initiated environmental & social risk identification and assessment practices across portfolios, managing the risks and also ensuring periodic reporting to senior management and the board. These assessments inform portfolio monitoring and risk appetite considerations and support longer-term strategic planning.

Climate-related risks and opportunities

UBL acknowledges that climate change creates both risks and opportunities. From a risk perspective, the Bank recognizes climate change as a driver of physical and transition risks that can impact clients, sectors, collateral values, default probabilities and long-term portfolio performance. From an

opportunity perspective, climate transition creates demand for green and sustainable finance solutions, energy efficiency, clean mobility and climate-resilient investments.

To strengthen strategic resilience, UBL has initiated climate risk identification and assessment practices across portfolios and is enhancing scenario analysis capabilities to assess business model resilience under a range of plausible climate pathways and policy outcomes. These assessments inform portfolio monitoring and risk appetite considerations and support longer-term strategic planning.



Sustainable finance and responsible product development

UBL continues to expand sustainable finance and ESG-linked product offerings, supporting the transition to a low-carbon economy and enabling clients to adopt cleaner technologies. The Bank's renewable energy financing supports solar, wind, biomass and electric vehicle-related projects across corporate, SME, agriculture and retail segments. This financing contributes to emissions reduction, energy cost optimization and improved energy security.

UBL has also supported national climate priorities through government-supported clean mobility initiatives such as the cost-sharing scheme for electric bikes, e-rickshaws and e-loaders, enabling wider access to electric mobility and supporting reduction in urban emissions and fossil fuel dependence.

To strengthen governance and consistency across sustainable finance activities, UBL is developing a comprehensive Sustainable Finance Framework, which will align not only with Pakistan and GCC green taxonomies but also with globally recognized Green, Social and Sustainability Loan and Bond Principles (LMA). This framework will enhance transparency, improve classification of eligible assets and strengthen impact measurement and reporting practices.

Social sustainability and inclusive growth

UBL's strategy reflects a strong commitment to inclusion and social sustainability through products designed for underserved and priority segments. UBL has scaled financial inclusion through products such as the UBL Asaan Account, serving over 2 million low-income customers and women-focused banking through the UBL Urooj Account with 57,000 account holders. The Bank's commitment to enabling Pakistan's digital economy is reflected through the UBL Freelancer Account with over 41,000 customers. UBL also supports seniors through the UBL Zindagi Savings Account.

UBL's inclusion strategy is complemented by branchless banking and outreach initiatives that extend financial access to unbanked and underserved communities

Strategy and Decision Making

UBL has embedded sustainability considerations into its strategic planning and decision-making through a Board-approved Green Banking Strategy. The Strategy provides a clear direction for integrating environmental, social and governance (ESG) principles across the Bank's lending, investment and operational activities. It is structured around three core pillars: ESG & Climate Risk Management and Governance, Green Business Facilitation and Own Impact Reduction. Together, these pillars guide how sustainability-related risks are identified, assessed and managed, while also enabling the Bank to capture opportunities arising from responsible financing, resource efficiency and sustainable growth

RISK MANAGEMENT

Integrated ESG risk management approach

UBL's approach to sustainability and climate risk management is grounded in systematic identification, assessment, mitigation and monitoring of Environmental, Social & Climate risks across the portfolio. The Bank has developed and implemented an ESG Risk Management and Governance Framework, ensuring that sustainability-related risk considerations are embedded into risk governance routines, credit processes and portfolio monitoring.

The Bank has conducted detailed portfolio risk analysis and materiality assessments to determine priority exposures and assess material sustainability risk drivers across key activities.

Environmental, Social and Climate due diligence and credit process integration

This assessment framework identifies and evaluates key environmental, climate and social risk drivers relevant to the Bank's financing activities and operations. It supports informed credit decision-making by integrating sustainability considerations into risk identification, monitoring and mitigation processes

Environmental, Social and Climate Risk Assessment – Key Factors

This assessment framework identifies and evaluates key environmental, climate and social risk drivers relevant to the Bank's financing activities and operations. It supports informed credit decision-making by integrating sustainability considerations into risk identification, monitoring and mitigation processes.

Climate Risk Assessment Factors

These factors assess the potential impacts of physical and transition climate risks on the Bank's portfolio, operations and financial resilience.

Board and Senior Management oversight and governance	Integration of Climate risk into overall business strategy
Client vulnerability to physical and transition climate risk	Exposure of physical and transition risks to client's operations and supply chain
Mitigation and adaptation measures taken by client and its impact	Client's Climate Transition Plan towards low carbon emission and/or net zero
Disclosure of GHG emission and reduction targets	Monitoring of GHG emission reduction targets

Environment and Social Risk Assessment Factors:

These factors evaluate environmental and social risks associated with clients and transactions, including compliance, reputational and sustainability considerations.

Legal issues associated with the client's E&S performance

Impact on client's operations due to E&S issues

Impact of client's operation/project on ecological sensitivity

Environmental and Social Management system (ESMS)

Air and Noise pollution in client's operations

Water pollution in client's operations

Land pollution and lack of waste handling mechanism

Operational health and safety risks

Labor and working conditions and compliance with local regulations

Community health, safety and security

Community consultation with key stakeholders including indigenous people

UBL's Approach to mitigate Own Environmental and Social Risks

UBL proactively manages its own environmental and social risks by embedding sustainability principles into its internal operations and facilities. Through targeted initiatives focused on screening and due diligence of bank's lending and investment banking clients to ensure the bank is onboarding clients which are within its ESG & Climate risks appetite, energy efficiency, resource conservation, accessibility and emissions reduction, the Bank seeks to minimize its operational footprint while promoting responsible workplace practices. These efforts support regulatory expectations and reinforce UBL's commitment to climate action, environmental stewardship and inclusive, sustainable operations across its branch network.

Reducing and Managing our risk through a structured clients' screening and due diligence process:

UBL follows a structured risk assessment process to identify, assess and manage environmental, social and climate risks across its financing activities. This process is embedded within the Bank's credit risk framework to ensure consistent, informed and responsible decision-making. On the basis of the obtained documents, the risks are assessed through set of checklists. Action plans are provided for medium or high-risk clients. For risk monitoring, updated & deficient documents are sought from borrower/customer and the rating as well as action plan is rationalized on the basis of updated status.

GHG INVENTORY AND CARBON FOOTPRINT

UBL has developed its Greenhouse Gas (GHG) Emissions Inventory for the reporting year 2025, covering operations in Pakistan, United Arab Emirates (UAE), Qatar and Bahrain. The inventory encompasses Scope 1 (fuel consumption), Scope 2 (purchased electricity) and selected Scope 3 categories, including employee commuting, business travel and financed emissions.

1.

Scope 1 emissions primarily arise from diesel consumption in backup generators and operational activities.
2.

Scope 2 emissions are driven by electricity consumption across branch and office networks.
3.

Scope 3 emissions represent indirect emissions associated with employee mobility, business travel and financed portfolio exposure.

During 2025, Scope 2 and Scope 3 emissions represented the largest share of total emissions, reflecting the energy intensity of branch operations and financed portfolio exposure. The emissions inventory establishes a baseline for future target setting, operational efficiency initiatives and progressive enhancement of Scope 3 coverageenhancement of Scope 3 coverage.

Scopes and Categories	Current reporting year emissions (tCO2e)			
	Pakistan	UAE	Qatar	Bahrain
Scope 1 emissions	9,263	11	4	5
Scope 2 emissions	27,446*	28	198	61
Scope 3 emissions				
Category 6: Business travel	132,116	7	-	1
Category 7: Employee commuting	12,871	162	24	27
Category 15: Investments**	38,549	8,664	-	-
Total emissions	220,245	8,872	226	94
* Emissions of 1,827 branches (211 solarized branches were excluded out of total 2038 branches) ** based only on those corporate borrowers which have disclosed their emissions in 2025				

Emissions Calculation Methodology

Emissions were calculated using the standardized methodology recommended by the GHG Protocol and emission factors given therein. For calculating financed emissions, Partnership for Carbon Accounting Financials (PCAF) methodology was followed. In case of input data unavailability, reasonable assumptions were made and emissions were estimated.

IMPACT AND REDUCTION MEASURES

Energy Efficiency

The Entire branch network of 2038 branches has moved to energy-efficient LED lights, thereby reducing energy demand and consumption..

Solarization

The Bank has converted its 211 branches and 183 ATMs to Solar Energy, reducing grid electricity consumption and shifting towards renewable sources to meet energy demand, thereby contributing to climate goals.

Digitalization

UBL continues to advance digitalization across its operations and customer services to improve efficiency, strengthen governance and reduce its environmental footprint. By promoting digital channels, paperless processes and automated workflows, the Bank lowers resource consumption and operational emissions while enhancing service quality, data integrity and long-term sustainability.

Green Branch Certification

Green Branch Certification program is designed to meet not only regulatory requirements but also to establish a comprehensive evaluation model for our branches, based on key sustainability criteria.

The primary objective of this initiative is to underscore our commitment to environmental responsibility, while promoting operational efficiency and innovation. The proposed certification program utilizes a scoring model to provide a clear and measurable assessment against specific sustainability factors.

Outlined here are the key aspects that the certification program will assess.

Aspect	Description
Site Suitability	Evaluation of branch locations with a focus on sustainable site development and maintenance, including landscaping practices, biodiversity preservation, and eco-friendly infrastructure.
Renewable Energy	Analysis of energy consumption patterns and the incorporation of renewable energy sources.
Energy and Resource Efficiency	Implementation of energy-efficient technologies and practices. Assessment of water usage and efficiency measures in place. Assessment of reduction in consumption of materials (recyclables)
Waste Management	Examination of waste segregation and disposal practices. Examination of wastewater disposal .
Indoor Environment Quality	Evaluation of the branch's indoor air quality, lighting, and overall workspace comfort. Consideration of measures promoting employee well-being and health.

Each criterion is assigned a score and an overall score determines the branch's certification level.

Initially this program is being piloted across 20 branches, with a plan of subsequent upscaling across our network.

Introducing Green Branch Certification Program will not only showcase our dedication to environmental stewardship but will also provide a benchmark for continuous improvement on desired sustainability criteria.

UBL Transition Plan to Low Carbon Economy

UBL's transition plan to a low-carbon economy is anchored in a risk-based and phased approach that integrates ESG and climate considerations into governance, strategy, and risk management frameworks.

The Bank focuses on gradually aligning its financing portfolio through enhanced ESG screening, sector-specific risk assessment and increased support for renewable energy, energy efficiency and transition-enabling projects, while maintaining financial inclusion and economic stability. UBL recognizes that its primary climate impact arises from financed emissions and therefore emphasizes client engagement, advisory support and sustainable finance solutions rather than abrupt sectoral exclusion. In parallel, the Bank is reducing its own operational footprint through energy efficiency, renewable energy adoption and digitalization, while progressively strengthening data, metrics and targets in line with regulatory guidance and national climate commitments

SCENARIO ANALYSIS AND BANK'S RESILIENCE

UBL recognizes that climate risks can manifest across multiple risk types, including credit, market, liquidity and operational risk. In line with regulatory guidance and international best practice, the Bank is enhancing climate risk integration through scenario analysis and stress testing, assessing resilience under different temperature pathways, policy outcomes and macroeconomic impacts. These practices support stronger risk appetite setting, early warning monitoring and portfolio-level risk management.

Scope and Coverage

The scenario analysis covers lending and investment portfolios that have undergone climate risk screening across Pakistan, UAE, Qatar and Bahrain

Climate Risk Context:

Pakistan: Pakistan, situated in South Asia, is characterized by its diverse, predominantly sub-tropical continental climate, featuring hot summers and cool/cold winters. The country's economy is dominated by services, followed by agriculture and industry.

UAE, Bahrain and Qatar: UAE, Qatar and Bahrain are countries located in Persian Gulf and their climate is characterized by a hot, dry climate with very low rainfall and mild winters, while

UAE is situated on Arabian Peninsula and characterized by hyper arid climate. Economies of Qatar and Bahrain remain significantly reliant on natural gas and oil extraction, industrial activities, power and water sectors, while the economy of UAE has lately diversified into well-developed hospitality, real estate, industrial, construction and transport sectors, alongside well established oil sector.

Key Physical Climate Risks Pakistan

- Rising temperatures driving glacial melt and glacial lake outburst floods in northern regions
- Increased heat stress, cooling demand and impacts on public health
- Sea level rise causing coastal erosion, flooding and loss of arable land in the Indus Delta
- Erratic precipitation resulting in riverine, urban and flash flooding

UAE, Qatar and Bahrain

- Temperature rise leading to ecosystem degradation, including coral reefs and wetlands
- Heat stress on population and increased cooling demand
- Sea level rise causing coastal erosion, inundation of low-lying areas and artificial islands
- Increased frequency of intense rainfall events and flash flooding

Key Transition Climate Risks

Given the significant dependence on fossil fuel-based economic activities for Qatar, Bahrain & UAE as well as for Pakistan for transportation & power sectors, they are exposed to transition risks driven by:

- evolving global and domestic climate policies,
- technological shifts (renewable energy, energy efficiency),
- changing market expectations.

Scenario Design and Key Assumptions

The analysis uses NGFS-aligned scenarios supported by REMIND-MagPIE 3.3-4.8 model data, available up to 2100. Integrated physical damages (median) were considered for GDP PPP using a medium chronic physical risk damage estimate.

Key Uncertainty

There is uncertainty in how physical and transition risks may manifest beyond 2050 at a downscaled jurisdictional level, as model projections do not provide country-level detail post-2050.

Selected Network for Greening the Financial System (NGFS) Scenarios

The Bank assessed three NGFS scenarios covering different pathways of policy response, warming outcomes, and risk intensity.

Orderly Transition – Below 2°C	Hothouse World – Nationally Determined Contributions (NDCs)	Too-little-too-late – Fragmented World
• gradual increase in climate policy stringency • 67% chance of limiting warming below 2°C • moderate technology change, medium carbon removal, low regional policy variation	• assumes pledged targets are met even if not backed by full effective policy implementation • warming beyond 2°C with higher physical risks by end-century • slow technology change, low carbon removal, medium policy variation	• delayed and divergent global climate policy response • net zero targets achieved only partially (80%), others follow current policies • high physical and transition risks overall • fragmented technology change and high regional policy variation

Time Horizons

Time horizons were selected based on scenario alignment and jurisdictions’ policy trajectory:

- Immediate: 2026–2035 (interim milestones period, Pakistan, UAE & Bahrain milestone for 2035)
- Short-term: 2036–2060 (net zero planning horizon for many countries, UAE targets 2050, Bahrain 2060, Qatar milestone 2040)
- Medium-term: 2061–2080 (post-net-zero impacts continue globally)
- Long-term: 2081–2100 (high physical risk period under selected scenarios)

Jurisdiction and Global Trends to 2050 and 2100 across selected scenarios

Below 2°C Scenario	Across all scenarios, population growth remains a key driver of energy demand, with Pakistan consistently exhibiting rising primary energy consumption that offsets efficiency gains. The Below-2°C scenario reflects the strongest mitigation pathway, with declining emissions, rapid renewable energy penetration led by solar and post-2035 acceleration in Carbon Capture and Sequestration (CCS), resulting in temperature stabilization and lower long-term transition risks.
NDCs Pathway	Under the NDCs pathway, emissions reductions are more moderate, CCS remains constrained, and temperatures continue to rise, leading to sustained physical climate impacts on GDP.
Fragmented World	The Fragmented World scenario shows delayed and uneven transition efforts, limited renewable and CCS deployment, rising emissions in Pakistan, and the highest long-term physical climate damages.

Risk Interpretation (Physical & Transition)

Across scenarios:

- Below 2°C: higher transition costs early/mid-century; physical risks remain material until around 2070 then reduce.
- NDC: physical risks remain significant through end-century; transition risks remain notable until mid-century then reduce.
- Fragmented World: physical risks remain high to end-century; transition risks are delayed and fragmented.

Overall, the analysis highlights that physical risks persist longer in delayed transition scenarios, while transition risks peak earlier in orderly pathways due to stronger and faster policy response.

CLIMATE MITIGATION AND ADAPTATION PROFILE

All jurisdictions have issued updated NDCs outlining mitigation and adaptation priorities, supported by national climate strategies, institutional frameworks and investment plans. Interim emission reduction targets and sectoral initiatives reflect varying degrees of ambition and policy maturity across jurisdictions.

Portfolio Resilience Implications

The screened corporate portfolio across Pakistan, the UAE, Qatar and Bahrain remains concentrated in sectors with elevated climate sensitivity, including oil and gas, manufacturing, contracting, real estate and general trading. Transition risks are assessed as generally medium through 2060, declining thereafter, while physical risks remain low to medium until 2080 but may increase under delayed transition scenarios.

Strengthening Portfolio Resilience

Based on scenario outcomes, UBL will continue to enhance resilience through:

- Active client engagement on transition planning and adaptation
- Portfolio diversification to reduce concentration in climate-vulnerable sectors
- Scaling financing for transition-enabling and lower-risk sectors, including renewable energy, energy efficiency, low-carbon transport, waste management, digital infrastructure, CCS and circular economy solutions

These actions support near-term risk management while positioning the portfolio for long-term sustainability under increasing physical climate risks.

METRICS AND TARGETS

Strengthening Disclosure Readiness and Reporting Controls

UBL’s sustainability reporting approach is designed to meet stakeholder expectations for transparency and reliability. The Bank’s disclosures are aligned with IFRS S1 and IFRS S2, supported by SBP green banking requirements, SECP guidelines and global standards such as GRI and SASB. UBL applies consistent methodologies and internal controls to ensure that ESG data is accurate, comparable and aligned with governance structures and financial reporting assumptions.

Performance Indicators and Sustainability Outcomes

UBL’s sustainable finance and inclusion activities provide measurable evidence of progress. Renewable energy financing and clean mobility initiatives support the transition to low-carbon technologies. In parallel, the scale of financial inclusion achieved through UBL’s products particularly Asaan accounts, women-focused accounts and freelancer banking demonstrates a strong social sustainability footprint and alignment with national development objectives.

Climate Metrics Development and Taxonomy Alignment

UBL is progressively strengthening climate metrics capability through enhanced data governance architecture, development of emissions baselines, and improvement in climate scenario analysis and monitoring. The Bank is aligning sustainable finance classification with the Pakistan Green Taxonomy, improving identification of green assets and strengthening transparency and regulatory readiness.

UBL remains committed to strengthening its sustainability and climate risk governance, expanding responsible and inclusive finance, and enhancing disclosure readiness in line with IFRS S1 and IFRS S2. Through dedicated governance structures, a specialized ESG function, integrated risk management practices and a growing portfolio of sustainable finance and inclusion initiatives, the Bank covntinues to build resilience and support a sustainable and inclusive economy across its domestic and international operations.

Environmental Key Performance Indicators (KPIs)

UBL monitors environmental and climate performance across its operations in Pakistan, UAE, Qatar and Bahrain through a consistent set of key performance indicators. These KPIs cover greenhouse gas emissions, energy use, water consumption, waste management and the integration of environmental, social and climate-related risks into governance and risk management. Measurement systems and data depth vary across jurisdictions, reflecting differences in operational scale and data maturity, with ongoing efforts to enhance coverage and consistency.

KPI Area	Pakistan	UAE	Qatar	Bahrain
Scope 1 Emissions	Based on Fuel consumption	Based on Fuel consumption	Based on Fuel consumption	Based on Fuel consumption
Scope 2 Emissions	Electricity branches –	Electricity – offices, branches	Electricity – office, branch	Electricity – office, branch
Scope 3 Emissions	Employee commute, business travel, selected financed emissions	Employee commute, business travel, selected financed emissions	Employee commute	Employee commute, business travel
Emission Intensity	Revenue based	Revenue based	Employee based	Revenue based
Energy Consumption	Branch network	Offices & branches	Office, branch	Office, branch
Energy Intensity	Revenue based	Revenue based	Employee based	Revenue based
Energy Mix	Grid + renewable	Grid electricity	Grid electricity	Grid electricity
Water Consumption	Service sector consumption pattern	Service sector consumption pattern	Service sector consumption pattern	Service sector consumption pattern
Waste Management	Qualitative controls	Qualitative controls	Qualitative controls	Qualitative controls

Social KPIs

The Bank’s social KPIs focus on maintaining a fair, inclusive, and safe working environment while contributing positively to the communities in which it operates. Indicators cover workforce policies, diversity and inclusion, employee development, occupational health and safety, grievance mechanisms, and community engagement. Group-wide policies provide a consistent framework across all locations, supported by local implementation aligned with regulatory and cultural requirements.

KPI Area	Pakistan	UAE	Qatar	Bahrain
Workforce Policies	Standard HR policies	Group HR policies	Group HR policies	Group HR policies
Diversity & Inclusion	Non-discrimination policy	Non-discrimination policy	Non-discrimination policy	Non-discrimination policy
Recruitment & Pay	Merit-based hiring & pay	Merit-based hiring & pay	Merit-based hiring & pay	Merit-based hiring & pay
Training & Development	Structured training programs	Ongoing training	Ongoing training	Ongoing training
Employee Well-being	Health & welfare benefits	Health benefits	Health benefits	Health benefits
Occupational Health & Safety	OHS procedures in place	OHS procedures in place	OHS procedures in place	OHS procedures in place
Grievance Mechanism	Formal reporting channels	Formal reporting channels	Formal reporting channels	Formal reporting channels
Harassment Prevention	Zero-tolerance policy	Zero-tolerance policy	Zero-tolerance policy	Zero-tolerance policy
Human Rights	Policy aligned practices	Policy aligned practices	Policy aligned practices	Policy aligned practices
Community Engagement	Education, health, welfare	Community engagement	Engagement at group level	Engagement at group level

Governance KPIs

Governance KPIs reflect UBL’s commitment to strong oversight, ethical conduct, and effective risk management across all jurisdictions. These indicators cover board and committee oversight, regulatory compliance, ethics and anti-corruption controls, whistleblowing mechanisms, responsible procurement, and data protection. Governance structures are aligned at the Group level while ensuring compliance with local regulatory expectations in each operating market.

KPI Area	Pakistan	UAE	Qatar	Bahrain
Board Oversight	Active board oversight	Active board oversight	Active board oversight	Active board oversight
Independent Directors	Independent members present	Independent members present	Independent members present	Independent members present
Risk Management Framework	Enterprise-wide framework	Group-aligned framework	Group-aligned framework	Group-aligned framework
Ethics & Code of Conduct	Enforced	Enforced	Enforced	Enforced
Anti-Corruption Controls	Policies & training	Policies & training	Policies & training	Policies & training
Whistleblowing Mechanism	Confidential channels	Confidential channels	Confidential channels	Confidential channels
Responsible Procurement	ESG considerations	ESG considerations	ESG considerations	ESG considerations
Supplier ESG Screening	Initial assessments	Initial assessments	Initial assessments	Initial assessments
Data Privacy & Cybersecurity	Strong controls	Strong controls	Strong controls	Strong controls
Regulatory Compliance	SBP & local laws	Local regulations	Local regulations	Local regulations

Corporate Social Responsibility (CSR) Initiatives – 2025

In line with UBL’s commitment to Environmental, Social and Governance (ESG) principles, the Bank continued to advance its sustainability agenda in 2025 through targeted investments delivering measurable and long-term social impact. During the year, UBL contributed PKR 660.15 million across initiatives focused on Education, Healthcare and Community Welfare, benefiting underserved individuals and communities across Pakistan.

Education (Quality Education, Gender Equality, Reduced Inequalities (SDGs 4, 5, 10))

Education remained a core pillar of UBL’s CSR strategy in 2025, with initiatives aimed at expanding access, affordability and quality while strengthening institutional capacity.

Key interventions included strategic contributions to leading higher education institutions such as LUMS, NUST and Namal College, supporting academic excellence, infrastructure development and long-term financial sustainability through endowment-based models. UBL also sponsored scholarships for female and financially disadvantaged students, including at Akhuwat College Chakwal for Women and multiple Karachi-based institutions.

At the primary and secondary level, the Bank supported inclusive education initiatives through TCF school adoption, Kiran Foundation’s Bridge the Gap School, fee sponsorships for underprivileged girls, and scholarships at Nasra Schools. Digital inclusion was promoted through the establishment of five digital classrooms at NJV School, benefiting approximately 1,000 students.

Healthcare (Health and Well-being (SDG 3))

UBL’s healthcare initiatives focused on improving access to essential medical services, strengthening healthcare infrastructure and supporting lifesaving treatments for vulnerable populations.

Major contributions supported infrastructure development at Shaukat Khanum Memorial Cancer Hospital, emergency care at Dow University of Health Sciences, pediatric treatment at Aga Khan University Hospital, and neonatal care through NICU equipment funding at Alkhidmat Foundation and NICH. Additional support was provided to Behbud Association, Civil Hospital Karachi, LRBT, Memon Medical Institute Hospital and The Health Foundation, expanding access to primary, preventive and specialized healthcare services.

Community Welfare (Poverty Alleviation, Skills Development, Economic Inclusion (SDGs 1, 2, 8, 10)

UBL continued to support initiatives promoting community resilience, social inclusion and livelihoods.

Key interventions included the construction of a residential unit at SOS Village, Tharparkar, and the UBL Ramzan Drive 2025, implemented in partnership with Saylani Welfare International Trust, providing food support to vulnerable families. As part of



this initiative, UBL supported the Rozgar Scheme, enabling 188 individuals to establish sustainable income-generating activities.

Additionally, UBL partnered with The Hunar Foundation to establish a fully equipped computer lab, supporting youth employability and digital skills development.

Employee Engagement and Awareness

UBL actively engaged employees through awareness and volunteer-led initiatives, including a Breast Cancer Awareness Campaign and participation in the Ramzan rashan distribution drive, benefiting over 700 families across multiple cities.

Beneficiary Impact Summary – 2025

Based on verified program data:

- **Education:** 1,090 students
- **Healthcare:** 11,770 patients
- **Community Welfare – Livelihoods:** 188 individuals
- **Community Welfare – Rashan Distribution (estimated):** 4,200 individuals

Total Estimated Individual Beneficiaries: 17,248

Estimates for family-based interventions are calculated using a conservative household size assumption of six persons. Institutional and infrastructure support has not been quantified where individual-level data was unavailable, representing minimum verified impact.

ESG and SDG Alignment

UBL’s 2025 CSR initiatives align with SDGs 1, 2, 3, 4, 5, 8, 10 and 11, reflecting a strong focus on inclusive growth, social equity and sustainable communities. Governance oversight emphasizes transparent fund allocation, accountable partnerships and measurable outcomes, consistent with UBL’s ESG governance framework and GRI 413 reporting principles. Based on available and verifiable data, UBL’s CSR initiatives in 2025 directly benefited at least 17,248 individuals across Pakistan. Beyond quantified outcomes, the Bank’s investments in education institutions, healthcare infrastructure, endowment funds and vocational training continue to deliver long-term, systemic social value. These initiatives reinforce UBL’s role as a responsible corporate citizen committed to sustainable development and meaningful alignment with the United Nations Sustainable Development Goals.

AWARDS AND RECOGITION

- Excellence in Financial Literacy for PWDs at the Pakistan PWDs Finclusion Awards 2025.
- Runner-up – Accessible Infrastructure Excellence at the Pakistan PWDs Finclusion Awards 2025.
- Best Mobile Banking App at the Pakistan Digital Awards 2025.
- Best Digital Payment Processor at the Pakistan Digital Awards 2025.
- State Bank of Pakistan (SBP) PRI Award – Top Bank in Pakistan Remittance Market 2025 at the Pakistan Remittance Summit 2025.
- Customer Excellence Award for Best Customer Experience
- UBL recognized at Corporate Financial Association (CFA) Society Pakistan’s Excellence

REPORTING AND DISCLOSURE

Report Alignment with IFRS S1&S2

Bank’s ESG Report is aligned with IFRS S1 and S2 disclosures standards with distinct sections aligning with core disclosure content i.e. Governance specifying Board oversight through its committee and responsibilities exercised by senior management through its committees; Strategy specifying business model, material topics and corresponding risks and opportunities and their impacts over varying time horizon, Climate Scenario Analysis; Risk Management specifying process for risk identification, prioritizing, assessment, monitoring and control/mitigation, risk concentration and Metrics and Targets specifying Greenhouse Gas Emissions (GHG) including financed emissions as well as Key Performance Indicators (KPIs) to gauge and track Environmental & Climate, Social and Governance performance.

SECP ESG Alignment:

UBL’s ESG report is fully aligned with the Key Performance Indicators (KPIs) prescribed by the Securities and Exchange Commission of Pakistan (SECP) for sustainability and ESG reporting. All relevant environmental, social and governance metrics are comprehensively presented in the report covering areas such as emissions, resource consumption, workforce diversity, social impact, governance structures and risk management.

The KPIs reflect both current performance and forward-looking

targets, ensuring continuous monitoring, regulatory compliance and strategic alignment. This structured approach enhances transparency, strengthens accountability and enables stakeholders to assess UBL’s progress against SECP’s sustainability standards with confidence.

SASB Reporting Compliance:

UBL’s ESG Report is fully aligned with the standards of the Sustainability Accounting Standards Board (SASB), including the Commercial Banks (FN-CB) framework and relevant cross-industry metrics. The report comprehensively covers material topics such as data security, financial inclusion, ESG risk integration in credit analysis, portfolio exposure, employee diversity, business ethics and whistleblower mechanisms.

It also includes quantitative disclosures on energy use, GHG emissions (Scope 1, 2 and 3), water consumption and waste management, along with climate risk integration aligned with global best practices.

GRI Based Disclosures:

UBL’s ESG Report is fully aligned with the standards of the Global Reporting Initiative (GRI). The report covers all material environmental, social and governance topics in line with GRI requirements, including emissions, energy and water consumption, waste management, workforce diversity, community initiatives, governance practices and ethics frameworks.

Contribution to United Nations Sustainable Development Goals (UN SDGs), GRI Standards and UN Global Compact

Bank has mapped its ESG initiatives with UN Sustainable Development Goals, UN Global Compact Principles as well as GRI Standards, reflecting that initiatives are undertaken within the percept of established global principles.

AMBITION TOWARDS–2050

Carbon Neutral Financial Institution

UBL is aiming to achieve 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 toward 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’s journey toward becoming a carbon-neutral financial institution is part of its broader vision to align business practices with global sustainability efforts. This transition will involve continuous evaluation of greenhouse gas 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.

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

MANAGEMENT TEAM

- 1 Syed Manzoor Hussain Zaidi
Chief Financial Officer
- 2 Nadia Tabassum
Group Executive, Corporate & Investment Banking
- 3 Munawar Raza Shah
Chief Operating Officer
- 4 Abdul Aleem Qureshi
Deputy CEO
- 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 & Digital Officer

- 10 Shahid Mahmood Khan
Group Executive, Special Assets Management
- 11 Alee Khalid Ghaznavi
Group Executive, Islamic Banking
- 12 Imran Sarwar
Group Executive, Risk & Credit Policy
- 13 Farrukh Karim Khan
Chief Strategy Officer
- 14 Adil Haroon
Acting Global Head, Treasury & Capital Markets
- 15 Syed Iftikhar Ul Haq
Group Executive, Consumer Finance
- 16 Khurram Mumtaz
Head of Transaction Banking & Corporate Solutions / Chief Digital Officer - Pakistan
- 17 Yasir Qadri
Head of Institutional Banking
- 18 Ovais Saeed
Group Executive, Audit & Risk Review and Compliance (Acting)



MANAGEMENT TEAM

OUR
LEADERSHIP

رابطے سے آگے جہاں اور بھی ہیں

AT UBL, CUSTOMER SERVICE IS A JOURNEY OF CONNECTION!

We strive to create banking experiences that are intuitive, thoughtful, and enduring - where understanding goes deeper than needs and relationships extend beyond transactions. Through personalized solutions, transparent engagement, and seamless digital access, we continue to draw closer to those we serve, building bonds that last beyond moments.

As we look beyond familiar horizons, our commitment remains rooted in inclusion and accessibility, ensuring that every customer — regardless of circumstance — finds ease, dignity, and belonging in our services. Because for us, 'Raabtay Se Aagay Jahan Aur Bhi Hain'... deeper connections that guides us forward, every day.



GROWTH AT A GLANCE

Six Years Financial Summary

Rs. in million

December 31202520242023202220212020

Balance Sheet

Assets						
Cash and balances with treasury and other banks	604,827	369,714	308,031	158,697	291,300	264,727
Lendings to financial institutions	31,575	18,492	34,448	85,296	51,701	19,959
Investments - gross	9,954,767	5,890,966	4,411,230	1,442,017	1,504,689	1,138,018
Advances - gross	1,492,430	1,565,127	717,068	1,013,767	728,286	609,307
Operating fixed assets	215,098	97,624	76,044	73,223	70,769	53,037
Other assets	448,273	246,925	157,693	104,506	61,665	52,715
Total assets - gross	12,746,970	8,188,849	5,704,513	2,877,507	2,708,409	2,137,763
Provisions against non-performing advances	(123,064)	(121,645)	(103,502)	(91,930)	(82,097)	(79,028)
Provisions against diminution in value of investments	(3,713)	(4,072)	(26,014)	(26,823)	(8,146)	(9,344)
Total assets - net of provisions	12,620,193	8,063,132	5,574,998	2,758,753	2,618,166	2,049,392
Liabilities & Equity						
Deposits & other accounts	5,168,424	2,640,211	2,350,541	1,841,819	1,750,944	1,640,212
Borrowings from financial institutions	6,530,015	4,855,374	2,815,471	564,519	563,285	128,987
Subordinated loans	10,000	10,000	10,000	10,000	10,000	10,000
Bills payable	58,632	44,222	21,652	33,022	26,793	29,734
Other liabilities	354,391	197,103	124,834	100,373	62,502	56,386
Total liabilities	12,121,462	7,746,910	5,322,497	2,549,733	2,413,523	1,865,319
Net assets	498,732	316,222	252,501	209,020	204,643	184,073
Share capital	12,521	12,242	12,242	12,242	12,242	12,242
Reserves	138,518	114,735	107,801	86,254	69,718	62,274
Unappropriated profit	174,667	111,956	90,492	91,438	84,626	81,916
Equity - Tier I	325,706	238,932	210,535	189,934	166,586	156,432
Surplus on revaluation of assets - net of deferred tax	173,026	77,290	41,965	19,086	38,056	27,641
Total equity	498,732	316,222	252,501	209,020	204,643	184,073
Total liabilities & equity	12,620,193	8,063,132	5,574,998	2,758,753	2,618,166	2,049,392

Profitability

Markup / return / interest earned	1,184,818	1,084,583	521,374	250,679	147,974	152,003
Markup / return / interest expensed	(823,256)	(911,168)	(378,490)	(147,469)	(76,216)	(77,044)
Net markup / return / interest income	361,561	173,415	142,884	103,209	71,759	74,959
Fee, commission, brokerage and exchange income	45,181	31,132	30,025	24,286	17,056	14,782
Capital gains & dividend income	12,300	47,283	2,081	2,560	5,791	1,681
Other income	518	9,079	1,103	7,597	532	631
Total non interest income	57,999	87,494	33,210	34,443	23,379	17,094
Gross income	419,560	260,909	176,094	137,652	95,138	92,054
Administrative expenses and other charges	(135,296)	(97,761)	(66,614)	(53,461)	(43,832)	(40,751)
Profit before donations and provisions	284,264	163,148	109,479	84,190	51,306	51,303
Donations	(648)	(205)	(63)	(211)	(134)	(342)
Provisions	4,653	(12,752)	(1,298)	(15,669)	955	(16,768)
Profit before taxation	288,270	150,192	108,118	68,310	52,127	34,192
Taxation	(160,261)	(69,664)	(54,938)	(36,247)	(21,245)	(13,294)
Profit after taxation	128,009	80,528	53,180	32,063	30,882	20,899

Cash Flow Statement - Summary

Cash flow from operating activities	4,273,864	1,615,575	3,082,154	(110,598)	353,041	372,652
Cash flow from investing activities	(3,962,879)	(1,495,446)	(2,886,610)	(14,685)	(304,522)	(355,068)
Cash flow from financing activities	(76,381)	(57,327)	(62,438)	(20,650)	(26,272)	(10,312)
Cash and cash equivalents at the beginning of the year	369,714	308,031	158,697	291,300	264,727	256,591
Effect of exchange rate changes on cash and cash equivalent	508	(1,119)	16,229	13,330	4,356	865
Cash and cash equivalents at the end of the year	604,827	369,714	308,031	158,697	291,300	264,727

December 31202520242023202220212020

Financial Ratios

Return on equity (RoE)	45.3%	35.8%	26.6%	18.0%	19.1%	13.9%
Return on assets (RoA)	1.2%	1.2%	1.3%	1.2%	1.3%	1.1%
Profit before tax ratio	68.7%	57.6%	65.2%	49.6%	54.8%	37.1%
Gross spread ratio	30.5%	16.0%	27.4%	41.2%	48.5%	49.3%
Return on capital employed (RoCE)	43.8%	34.3%	25.3%	17.0%	18.0%	13.1%
Advances to deposits ratio (ADR) - gross	28.9%	59.3%	30.5%	55.1%	41.6%	37.1%
Advances to deposits ratio (ADR) - net	26.5%	54.7%	26.1%	50.1%	36.9%	32.3%
Income to expense ratio	3.10	2.67	2.64	2.57	2.17	2.26
Cost to revenue ratio	31.0%	36.3%	36.5%	38.0%	44.9%	43.5%
Growth in gross income	60.8%	48.2%	27.9%	44.7%	3.4%	10.3%
Growth in net profit after tax	59.0%	51.4%	65.9%	3.8%	47.8%	9.2%
Total assets to shareholders' funds	25.3	25.5	22.1	13.2	12.8	11.1
Intermediation cost ratio	3.5%	3.9%	3.2%	3.0%	2.6%	2.6%
Asset quality (NPL ratio)	7.5%	7.4%	14.7%	9.2%	11.8%	13.7%
Net infection ratio	0.4%	0.6%	2.1%	1.2%	1.7%	2.2%
Weighted average cost of debt	9.3%	15.2%	11.4%	7.3%	4.8%	5.3%
Capital adequacy ratio (CAR)	21.0%	20.3%	16.6%	19.2%	21.5%	24.4%

Share Information (all prior year numbers are adjusted for stock split)

Cash dividend per share - Rs.	29.50	22.00	22.00	11.00	9.00	6.00
Dividend yield (based on cash dividend)	15.4%	24.7%	43.7%	16.1%	14.3%	7.3%
Dividend payout ratio (total payout)	57.5%	66.9%	101.3%	84.0%	71.4%	70.3%
Earning per share (EPS) - Rs.	51.33	32.89	21.72	13.10	12.61	8.54
Price earnings ratio	8.27	5.81	4.09	3.85	5.41	7.37
Market value per share - at the end of the year - Rs.	424.59	191.12	88.92	50.38	68.29	62.93
Market value per share - highest during the year - Rs.	580.00	192.00	96.00	75.45	71.95	90.98
Market value per share - lowest during the year - Rs.	258.50	87.35	45.75	48.26	57.14	44.72
Breakup value per share - without surplus on revaluation of assets - Rs.	130.06	97.59	85.99	77.58	68.04	63.89
Breakup value per share - with surplus on revaluation of assets - Rs.	199.15	129.16	103.13	85.37	83.58	75.18

Other Information

Non-performing advances (NPLs) - Rs in million	111,953	115,992	105,541	93,339	86,013	83,624
Import business - Rs in million	2,255,449	1,848,387	1,512,269	1,231,532	1,010,288	544,634
Export business - Rs in million	389,642	268,982	189,947	503,624	208,187	139,010
Number of employees	26,921	19,774	14,973	13,722	13,233	13,012
Number of branches - Domestic	2,009	1,474	1,356	1,335	1,341	1,356
Number of branches - International	8	8	8	8	8	14
Number of branches - Total	2,017	1,482	1,364	1,343	1,349	1,370

GROWTH AT A GLANCE

Balance Sheet

December 31	2025	2024	2023	2022	2021	2020
Vertical Analysis						
Assets						
Cash and balances with treasury and other banks	4.8%	4.6%	5.5%	5.8%	11.1%	12.9%
Lendings to financial institutions	0.3%	0.2%	0.6%	3.1%	2.0%	1.0%
Investments - net	78.9%	73.0%	78.7%	51.3%	57.2%	55.1%
Advances - net	10.9%	17.9%	11.0%	33.4%	24.7%	25.9%
Operating fixed assets	1.7%	1.2%	1.4%	2.7%	2.7%	2.6%
Other assets	3.6%	3.1%	2.8%	3.8%	2.4%	2.6%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities & Equity						
Deposits & other accounts	41.0%	32.7%	42.2%	66.6%	66.9%	80.0%
Borrowings from financial institutions	51.7%	60.2%	50.5%	20.5%	21.5%	6.3%
Subordinated loans	0.1%	0.1%	0.2%	0.4%	0.4%	0.5%
Bills payable	0.5%	0.5%	0.4%	1.3%	1.0%	1.5%
Other liabilities	2.8%	2.4%	2.2%	3.6%	2.4%	2.8%
Total liabilities	96.0%	96.1%	95.5%	92.4%	92.2%	91.0%
Share capital	0.1%	0.2%	0.2%	0.4%	0.5%	0.6%
Reserves	1.1%	1.4%	1.9%	3.1%	2.7%	3.0%
Unappropriated profit	1.4%	1.4%	1.6%	3.3%	3.2%	4.0%
Equity - Tier I	2.6%	3.0%	3.8%	6.9%	6.4%	7.6%
Surplus on revaluation of assets - net of deferred tax	1.4%	1.0%	0.8%	0.7%	1.5%	1.3%
Total equity	4.0%	3.9%	4.5%	7.6%	7.8%	9.0%

Horizontal Analysis

Assets						
Cash and balances with treasury and other banks	228.5%	139.7%	116.4%	59.9%	110.0%	100.0%
Lendings to financial institutions	158.2%	92.7%	172.6%	427.4%	259.0%	100.0%
Investments - net	881.7%	521.6%	388.5%	125.4%	132.6%	100.0%
Advances - net	258.2%	272.2%	115.7%	173.8%	121.9%	100.0%
Operating fixed assets	405.6%	184.1%	143.4%	138.1%	133.4%	100.0%
Other assets	850.4%	468.4%	299.1%	198.2%	117.0%	100.0%
Total assets	615.8%	393.4%	272.0%	134.6%	127.8%	100.0%
Liabilities & Equity						
Deposits & other accounts	315.1%	161.0%	143.3%	112.3%	106.8%	100.0%
Borrowings from financial institutions	5062.5%	3764.2%	2182.7%	437.7%	436.7%	100.0%
Subordinated loans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Bills payable	197.2%	148.7%	72.8%	111.1%	90.1%	100.0%
Other liabilities	628.5%	349.6%	221.4%	178.0%	110.8%	100.0%
Total liabilities	649.8%	415.3%	285.3%	136.7%	129.4%	100.0%
Share capital	102.3%	100.0%	100.0%	100.0%	100.0%	100.0%
Reserves	222.4%	184.2%	173.1%	138.5%	112.0%	100.0%
Unappropriated profit	213.2%	136.7%	110.5%	111.6%	103.3%	100.0%
Equity - Tier I	208.2%	152.7%	134.6%	121.4%	106.5%	100.0%
Surplus on revaluation of assets - net of deferred tax	626.0%	279.6%	151.8%	69.1%	137.7%	100.0%
Total equity	270.9%	171.8%	137.2%	113.6%	111.2%	100.0%

Profit and Loss Account

December 31	2025	2024	2023	2022	2021	2020
Vertical Analysis						
Interest / Return / Non Interest Income Earned						
Markup / return / interest earned	95.3%	92.5%	94.0%	87.9%	86.4%	89.9%
Fee, commission, brokerage and exchange income	3.6%	2.7%	5.4%	8.5%	10.0%	8.7%
Capital gains & dividend income	1.0%	4.0%	0.4%	0.9%	3.4%	1.0%
Other income	0.0%	0.8%	0.2%	2.7%	0.3%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest / Return / Non Interest Expense						
Markup / return / interest expensed	66.2%	77.7%	68.2%	51.7%	44.5%	45.6%
Operating expenses	10.9%	8.4%	12.0%	18.8%	25.7%	24.3%
Provisions	-0.4%	1.1%	0.2%	5.5%	-0.6%	9.9%
Taxation	12.9%	5.9%	9.9%	12.7%	12.4%	7.9%
Total expense - percentage of total income	89.7%	93.1%	90.4%	88.8%	82.0%	87.6%
Profit after taxation	10.3%	6.9%	9.6%	11.2%	18.0%	12.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Horizontal Analysis

Interest / Return / Non Interest Income Earned						
Markup / return / interest earned	779.5%	713.5%	343.0%	164.9%	97.3%	100.0%
Fee, commission, brokerage and exchange income	305.6%	210.6%	203.1%	164.3%	115.4%	100.0%
Capital gains & dividend income	731.7%	2812.9%	123.8%	152.3%	344.5%	100.0%
Other income	82.1%	1438.1%	174.8%	1203.4%	84.3%	100.0%
Total	735.0%	693.1%	328.0%	168.6%	101.3%	100.0%
Interest / Return / Non Interest Expense						
Markup / return / interest expensed	1068.6%	1182.7%	491.3%	191.4%	98.9%	100.0%
Operating expenses	330.8%	238.4%	162.3%	130.6%	107.0%	100.0%
Provisions	-27.8%	76.0%	7.7%	93.4%	-5.7%	100.0%
Taxation	1205.5%	524.0%	413.3%	272.7%	159.8%	100.0%
Total	752.2%	736.5%	338.3%	170.8%	94.8%	100.0%
Profit after taxation	612.5%	385.3%	254.5%	153.4%	147.8%	100,0%

Statement of Value Added

	2025		2024	
	Rs in million	%	Rs in million	%
Mark-up / return / interest earned - net of provisions	1,189,471	102.4%	1,071,831	97.5%
Fee, commission, brokerage and exchange income	45,181	3.9%	31,132	2.8%
Capital gains & dividend income	12,300	1.1%	47,283	4.3%
Other income	518	0.0%	9,079	0.8%
	1,247,470	107.4%	1,159,325	105.5%
Administrative expenses	85,552	7.4%	59,992	5.5%
Value added	1,161,918	100.0%	1,099,333	100.0%
Distributed as follows:				
To employees as remuneration	49,744	4.3%	37,769	3.4%
To government as income tax	160,261	13.8%	69,664	6.3%
To depositors as profit on investments	176,724	15.2%	202,416	18.4%
To institutions & individuals as profit on borrowings	646,532	55.6%	708,751	64.5%
To society as donations	648	0.1%	205	0.0%
To shareholders as dividends / bonus	67,307	5.8%	53,864	4.9%
Retained in business as reserves and retained profits	60,702	5.2%	26,664	2.4%
	1,161,918	100%	1,099,333	100%

GROWTH AT A GLANCE

December 31	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Weighted average cost of funds										
Share capital	12,521	12,242	12,242	12,242	12,242	12,242	12,242	12,242	12,242	12,242
Deposits	5,168,424	2,640,211	2,350,541	1,841,819	1,750,944	1,640,212	1,467,063	1,366,060	1,272,788	1,167,124
Borrowing from financial institutions	6,530,015	4,855,374	2,815,471	564,519	563,285	128,987	154,484	268,124	512,650	201,550
Subdebt	10,000	10,000	10,000	10,000	10,000	10,000	10,000	9,000	-	-
Average	11,720,960	7,517,827	5,188,253	2,428,579	2,336,470	1,791,441	1,643,789	1,655,426	1,797,680	1,380,916
	9,619,394	6,353,040	3,808,416	2,382,525	2,063,956	1,717,615	1,649,608	1,726,553	1,589,298	1,303,763
Dividend	67,307	53,864	53,864	26,932	22,035	14,690	14,690	13,466	15,914	15,914
Interest paid includes subdebt cost	823,256	911,168	378,490	147,469	76,216	77,044	91,902	56,964	50,781	41,177
	890,563	965,032	432,354	174,401	98,251	91,734	106,592	70,430	66,695	57,091
WACC	9.3%	15.2%	11.4%	7.3%	4.8%	5.3%	6.5%	4.1%	4.2%	4.4%
Number of shares - full	2,504,247,750	1,224,179,687	1,224,179,687	1,224,179,687	1,224,179,687	1,224,179,687	1,224,179,687	1,224,179,687	1,224,179,687	1,224,179,687



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: UNILBHBM
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
Swift Code: UNILQAQxxx
Branch Code: 0908

Representative Office

China

Servcorp, Suite No.29, Level 26, Fortune Financial Center
No.5 Dong San Huang Zhong Rd, Chaoyang District
Beijing – China - PO Box: 100020
Tel: 0086 - 010 - 57750521
Fax: 0086 - 010 - 57750350

OBUEPZ

EPZ Branch Karachi

Export Processing Zone, Landhi Industrial Area,
Mehran Highway, Landhi, Karachi.
Tel: 0092-21-35082301-3

EPZ Branch, Sambrial (Sialkot)

Plot No.: 261-A, Export Processing Zone,
Wazirabad Road, Sambrial,
District Sialkot.
Tel: 0092-52-6523388

COMPLAINT MANAGEMENT AT UBL

The Bank maintains a robust and customer-focused Complaint Management Unit (CMU) operating under the Service Quality Group, which works in close coordination with internal stakeholders to ensure timely and effective resolution of customer grievances. Complaints are received through multiple channels including customer.complaint@ubl.com.pk ensuring accessibility and ease for customers.

During the year 2025, the Bank received a total of 307,635 complaints across all channels directly from customers. Each complaint was logged, reviewed, and addressed in accordance with established service standards and regulatory guidelines.

Through streamlined processes, active stakeholder engagement, and continuous monitoring, the Bank successfully resolved all registered complaints. The average Turnaround Time (TAT) for complaint resolution during the year remained at 9 working days.

GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR NO. 10 OF 2025

Following is gender pay gap calculated for the year ended December 31, 2025.

- (i) Mean Gender Pay Gap: **5%**
- (ii) Median Gender Pay Gap: **7%**



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

SHARIAH BOARD’S REPORT FOR THE FINANCIAL YEAR 2025

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 2025, UBL Ameen witnessed remarkable growth through the conversion of conventional loans into Islamic alternatives and enhanced market penetration through branch network, Financing & Investment portfolio.

Scope:

The Board of Directors and Executive Management are solely responsible for ensuring that the Bank's operations are conducted in accordance with Shariah principles at all times. This report covers UBL Ameen's Islamic Banking operations in Pakistan from a Shariah perspective as prescribed under the Shariah Governance Framework issued by the State Bank of Pakistan.

The Shariah Board hereby submits its report on the overall Shariah compliance environment of UBL Ameen and major developments during 2025.

Shariah Board Meetings and Reviews:

In line with the State Bank of Pakistan's Shariah Governance Framework, the Shariah Board shall meet at least on quarterly basis. Forty-three (43) Shariah Board meetings have been held till 2025, including four (4) meetings conducted during the year. Minutes of the meetings were subsequently submitted to the Islamic Banking Department of the State Bank of Pakistan. Additional meetings were convened to discuss matters related to conversion of conventional loans into Islamic alternatives, investment strategies, sukuk structuring, product development, Shariah compliance, branch level queries, marketing and Shariah audit activities.

Shariah Compliance Department:

The UBL Ameen Shariah Compliance Department (SCD) operates under the supervision and guidance of the Shariah Board. SCD is responsible to ensure seamless Shariah compliance across all departments and units of UBL Ameen, by facilitating the implementation of products, procedures, and policies. It also ensures that all Islamic Banking staff are adequately trained in Islamic banking products and services. SCD serves as the liaison between management and the Shariah Board. The team comprises the Head of Shariah Compliance and support staff members, including qualified Shariah Scholars.

Keeping in view the management direction for conversion of Conventional loans into Shariah Compliant mode of financing, SCD reviewed large number of Shariah process flows during 2025 and obtained approval from Resident Shariah Board Member / Shariah Board accordingly.

Furthermore, SCD submitted consolidated quarterly reports to the Shariah Board for ratification. These reports detailed all Shariah reviews and clarifications provided by the Resident Shariah Board Member, as well as opinions

and approvals given by the Shariah Board through circulation. These rulings were subsequently ratified in Shariah Board meetings.

The Head of SCD submitted quarterly reports to the Shariah Board on the overall Shariah compliance environment of UBL Ameen.

UBL Ameen Branch Network:

During the year 2025, UBL acquired Silk Bank including network of its Islamic banking branches, with an aim to increase footprints. Subsequent to this acquisition, UBL Ameen is now offering Shariah-compliant banking services through 752 Islamic Banking Branches (IBBs) and 596 Islamic Banking Windows (IBWs).

Products & Services:

On Liability Side:

During the year, following Liability products were renewed and approved from Shariah Board;

- UBL Ameen Premium Certificate
- UBL Ameen Certificate of Islamic Investment,
- UBL Ameen Financial Institution Deposit Account (AFIDA),
- UBL Ameen Roshan Digital Account,
- UBL Ameen Mukammal Account,
- UBL Ameen Zindagi Account and
- UBL Ameen Urooj Account were renewed and approved by Shariah Board accordingly.

On Consumer Side:

Following Consumer products were renewed / launched during the year:

UBL Ameen Address:

Existing Product Manual for UBL Ameen Address (Housing Finance product) was renewed and approved by Shariah Board.

Prime Minister’s Nationwide Fan Replacement Program (FRP):

UBL Ameen has introduced customized Prime Minister’s FRP initiative related PPM based on Musawammah, facilitating Shariah-compliant financing for energy-efficient fan replacement nationwide.

UBL Ameen Drive:

Existing Product Manual for UBL Ameen Address (Auto Finance product) was renewed and approved by Shariah Board.

On Asset Side:

Credit Manual:

A separate Islamic Banking chapter has been approved in the Renewal UBL Credit Manual.

Corporate Banking:

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

- 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.
- Post Disbursement Stage in which first transaction of New to Bank customers is reviewed by SCD post execution of the transaction.

UBL Ameen Treasury:

UBL Ameen maintains its own Treasury Department. During the year, a large number of 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:
The Internal Shariah Audit Unit (ISAU) conducted quarterly post-disbursement pool audits in line with the Shariah Governance Framework (SGF), reviewed announced Profit Sharing Ratios (PSR) and weightages. Reports were presented to Shariah Board for review and corrective actions where required. Further Shariah Compliance Dept. (SCD) verified distribution of Profit and Loss to the depositors prior to its distribution.

Training and Development:

The growing network of UBL Ameen branches and Islamic Banking Windows requires that all staff be appropriately trained for Islamic Banking products and services. UBL Ameen arranged Islamic Banking training sessions for staff during the year through classroom and online sessions, conducted by Shariah Board Members, Shariah Compliance Department and UBL Ameen executives.

Operations & Control Department:

The UBL Ameen Operations & Control Department worked on all Islamic products and services complying relevant Shariah guidelines throughout the year.

Internal Shariah Audit Unit (ISAU):

In compliance with the Shariah Governance Framework and Shariah Board guidelines, a dedicated Internal Shariah Audit Unit (ISAU) is in place, comprising of Divisional Head Internal Shariah Audit and support staff. During the year, ISAU performed Shariah audits of Islamic Banking Branches, Islamic Banking Windows, Corporate and SME financing, profit and loss distribution, and other Head

Office functions. All findings were discussed with the Shariah Board and management to determine appropriate corrective actions.

Charity Collections & Disbursements:

In accordance with Shariah Board approved Charity policy, charity of PKR 5.9 Million was collected in 2025. These charities were collected on account of late payments by the customers against financing facilities. The charity collected was placed in a separately maintained remunerative account and disbursed to reputable charitable organizations. Details of Charity funds amount for the year 2025 is as under,

S. No	Particulars	Amount (PKR)
1	Opening Balance as of 1st-January 2025	17.2 Million
2	Charity received during the Year - 2025	5.9 Million
3	Profit on Charity	2.3 Million
4	Charity Disbursed till 31st December, 2025	17.5 Million
5	Ending Balance as of 31st December, 2025	8.0 Million

Shariah Opinion:

To form our opinion, we have reviewed available reports from ISAU, SCD, the External Shariah Auditor (for the previous year), and management representations. Based on our review, and to the best of our knowledge, we are of the view that:

- UBL Ameen has overall complied with Shariah rules and principles in light of Fatawa, rulings, and guidelines issued by the Shariah Board.
- 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.
- UBL Ameen has a mechanism in place to ensure required Shariah compliance in overall operations.
- UBL Ameen has a system to ensure that earnings realized from sources or means prohibited by Shariah have been credited to the charity account and are being properly utilized.
- UBL Ameen has overall complied with SBP instructions on profit and loss distribution and pool management.
- The level of awareness, capacity, and sensitization of staff, management, and the Board of Directors regarding the importance of Shariah compliance in products and processes is acceptable.
- The Shariah Board has been provided adequate resources to discharge its duties effectively.

Future Outlook & Recommendations

Shariah Board appreciate Management decision to increase Islamic Banking footprint through opening of Islamic Banking branches, onboarding of Silk Emaan branches and conversion of Corporate &Investment Banking transactions 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. During the year, the excess liquidity was provided as interest free loan. However, later on it was deployed into Shariah compliant avenues. Since, it is anticipated that deposit may increase in future, it is essential to pro-actively design a mechanism to avoid such situation.
- II. A zero-tolerance approach toward Shariah non-compliance must be adopted, in line with regulatory requirements. Any instance of non-compliance by an individual or department should directly impact performance evaluation, promotions, and related benefits. A formal mechanism should be established to ensure Shariah compliance as a key criterion in appraisal and reward decisions.
- III. The external Shariah audit provided several recommendations regarding pool management. The bank has already adopted most of these suggestions. Some recommendations, however, remain in process. We strongly recommend that the remaining pool management recommendations be fulfilled and duly enforced.
- IV. As observed through Shariah Audit and Shariah Compliance Reports, the bank is advised to take all the measures to ensure Islamic Branch Banking staff are appropriately trained for Islamic Banking products and services. In addition, it is recommended to ensure implementation of all areas of capacity building strategy shared by SBP, specially the cross function units of the bank, as majorly involved in Islamic Banking practices / services.

Conclusion:

The Shariah Board of UBL Ameen is satisfied with the overall performance and operations of UBL Ameen Pakistan, the Islamic Banking Division of United Bank Limited. We pray for the sustainability of this momentum in conversion, Shariah compliance, market penetration, and profitability, and for UBL Ameen to play a pivotal role in the sound and manifold growth of Islamic Banking nationwide.

Almighty Knows Best:



Dr. Mufti Muhammad Awais Naeem
Resident Shariah Board Member



Mufti Muhammad Sadiq
Shariah Board Member



Mufti Muhammad Ibrahim Essa
Chairman Shariah Board

Date of Report: 27th Shaaban 1447 H / 16th February 2026

اختتامیہ:

یو بی ایل امین کا شریعہ بورڈ یو بی ایل امین پاکستان اسلامک بینکنگ ڈویژن کی مجموعی کارکردگی اور آپریشنز سے مطمئن ہے۔ ہم دعا گو ہیں کہ تبدیلی کی اس رفتار کے ساتھ ساتھ شریعہ کیلکولیشن، مارکیٹ میں رسائی اور نتائج میں پائیداری نصیب ہو اور یو بی ایل امین ملک بھر میں اسلامک بینکنگ کے استحکام اور مزید فروغ میں مرکزی کردار ادا کرے۔
واللہ تعالیٰ اعلم بالصواب۔



ڈاکٹر مفتی محمد اویس نعیم
ریزیڈنٹ شریعہ بورڈ ممبر



مفتی محمد صادق
شریعت بورڈ ممبر



مفتی محمد ابراہیم عیسیٰ
چیئرمین شریعت بورڈ

رپورٹ کی تاریخ: 16 فروری 2026ء / 27 شعبان 1447 ہجری

مستقبل کی توقعات اور سفارشات (مجموعہ کردہ):

شریعت بورڈ، بنی اسلامک بینکنگ برانچز کو نئے مسلک ایمان برانچز کی آن بورڈنگ اور کنٹرول برانچوں کو اسلامک بینکنگ کی برانچوں میں منتقل کرنے کے عمل کے ذریعے اسلامک بینکنگ کو بڑھانے کے انتظامیہ کے ٹھیکے کو سراہتا ہے اور اس کے علاوہ کارپوریٹ والو ایسٹمنٹ بینکنگ کی ٹرانزیکشنز کو شریعت کے مطابق مالیاتی طریقے کار میں تبدیل کیا گیا ہے جو کہ پاکستان میں اسلامک بینکنگ کی ترقی اور کامیابی کے لیے ایک نہایت مثبت اور قابلِ تحسین اقدام ہے۔

حریہ بہتری کے لیے شریعت بورڈ متعدد بنی سفارشات پیش کرتا ہے:

۱۔ سال کے دوران اضافی لیکویڈیٹی کو بلا سود قرض کے طور پر فراہم کیا گیا تھا۔ تاہم، بعد ازاں اسے شریعت کے مطابق سرمایہ کاری کے ذرائع میں استعمال کر دیا گیا۔ چونکہ یہ متوقع ہے کہ مستقبل میں ڈپازٹس میں اضافہ ہو، اس لیے دوبارہ ایسی صورت حال سے بچنے کے لیے پیشگی اور مؤثر نظام وضع کرنا نہایت ضروری ہے۔

۲۔ ریلوئی ٹیکسوں کے مطابق شریعت کی عدم تعمیل کے بارے میں عدم برداشت کا طریقہ اختیار کیا جانا چاہیے۔ کسی بھی فرد یا شعبے کی جانب سے عدم تعمیل کا براہ راست اثر کارکردگی کے جائزے، بڑھتی ہوئی اور مختلف مراعات پر پڑنا چاہیے۔ کارکردگی کے جائزے اور انعام کے فیصلوں میں شریعت پر عملدرآمد کا ایک اہم معیار بنانے کے لیے باقاعدہ طریقہ کار قائم کیا جانا چاہیے۔

۳۔ ایکسچینج شریعت آڈٹ نے پول منجھٹ کے حوالے سے متعدد سفارشات پیش کیں۔ بینک ان میں سے بیشتر تجاویز اختیار کر چکا ہے۔ تاہم، کچھ سفارشات پر تاحال عملدرآمد جاری ہے۔ ہم پُر زور سفارشات کرتے ہیں کہ پول منجھٹ سے متعلق باقی ماندہ سفارشات کو مکمل کیا جائے اور ان پر باقاعدہ اور مؤثر طریقے سے عملدرآمد یقینی بنایا جائے۔

۴۔ جیسا کہ شریعت آڈٹ اور شریعت کیلکولیشن کی رپورٹس میں مشاہدہ کیا گیا ہے، بینک کو ضرورہ دیا جاتا ہے کہ وہ اسلامی برانچ بینکنگ کے عمل کو اسلامک بینکنگ کی پروڈکٹس اور سروسز کے حوالے سے مناسب قربیت فراہم کرنے کے لیے تمام ضروری اقدامات کو یقینی بنائے۔ اس کے علاوہ یہ مجموعی دہی جاتی ہے کہ اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے فراہم کردہ استعداد کار کو بڑھانے کی حکمت عملی کے تمام پہلوؤں کو یقینی بنایا جائے بالخصوص بینک کے کراس فنکشنل یونٹس جو اسلامی بینکاری کے طریقے اسروس فراہم کرنے میں نمایاں طور پر شامل ہیں۔

شریعہ بورڈ رپورٹ

برائے مالی سال 2025ء

بسم اللہ الرحمن الرحیم

الحمد لله! اللہ تعالیٰ کے فضل و کرم سے یو بی ایل امین پاکستان نے اسلامک بینکنگ آپریٹنگز کا ایک اور سال کامیابی کے ساتھ مکمل کر لیا ہے۔ سال 2025 کے دوران یو بی ایل امین نے کوئی نئے قرضوں کی اسلامی متبادل میں منتقلی، برانچ نیٹ ورک میں اضافے کے ساتھ ماڈرینٹ کی وسعت کو موثر بنانے اور کاروباری منافع میں بہتری کے ذریعے خوب ترقی کی ہے۔

دائرہ کار:

بورڈ آف ڈائریکٹرز اور داخلی انتظامیہ مکمل طور پر اس امر کو یقینی بنانے کے ذمہ دار ہیں کہ بینک کے تمام امور بہ وقت شرعی اصولوں کے مطابق انجام پائیں۔ یہ رپورٹ اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ شریعہ گورنس فریم ورک میں بیان کردہ تفصیلات کے مطابق پاکستان میں یو بی ایل امین کی اسلامک بینکنگ کے معاملات کا شرعی نقطہ نظر سے احاطہ کرتی ہے۔

شریعہ بورڈ اس رپورٹ میں یو بی ایل امین پاکستان کے شریعہ کمپلائنس کے مجموعی ماحول اور سال 2025 کے دوران ہونے والی اہم سرگرمیوں کے بارے میں اپنی رائے پیش کرتا ہے۔

شریعہ بورڈ کے اجلاس اور جائزے:

اسٹیٹ بینک آف پاکستان کے شریعہ گورنس فریم ورک کے مطابق شریعہ بورڈ کا کم از کم سہ ماہی بنیاد پر اجلاس منعقد ہونا لازمی ہے۔ سہ 2025 تک شریعہ بورڈ کے کل چٹائیس (43) اجلاس منعقد ہو چکے ہیں، جن میں سال کے دوران منعقد ہونے والے چار (4) اجلاس شامل ہیں۔ بعد ازاں ہر اجلاس کی روئیداد اسٹیٹ بینک آف پاکستان کے اسلامک ڈپارٹمنٹ میں جمع کرادی گئی ہے۔ اس کے علاوہ بھی کوئی نئے قرضوں کی اسلامی متبادل میں تبدیلی، انویسٹمنٹ کے طریقہ کار، محکوم اسٹریکچرنگ، پراڈکٹ ڈویلپمنٹ، شریعہ کمپلائنس، برانچ کی سطح پر سوالات کے جوابات، مارکیٹنگ اور شریعہ آڈٹ کے مختلف امور پر تبادلہ خیال کے لیے شریعہ بورڈ کے اضافی اجلاس منعقد ہوئے۔

شریعہ کمپلائنس ڈیپارٹمنٹ:

یو بی ایل امین شریعہ کمپلائنس ڈپارٹمنٹ (SCD) شریعہ بورڈ کی نگرانی اور نگرانی میں اپنا کام انجام دیتا ہے۔ شریعہ کمپلائنس ڈپارٹمنٹ (SCD) یو بی ایل امین کے تمام ڈپارٹمنٹس اور یونٹس میں پروڈکٹس، طریقہ کار اور پالیسیوں وغیرہ کے نفاذ کے عمل میں سہولت فراہم کرتے ہوئے شریعہ کمپلائنس کو یقینی بناتا ہے۔ یہ اس امر کو بھی یقینی بنانے کا ذمہ دار ہے کہ تمام اسلامک بینکنگ کا عمل اپنی حلقہ اسلامی بینکاری کی پروڈکٹس اور سروسز فراہم کرنے کے لیے مکمل طور پر تربیت یافتہ ہے۔ شریعہ کمپلائنس ڈپارٹمنٹ (SCD) انتظامیہ اور شریعہ بورڈ کے درمیان ایک رابطہ کار طور پر بھی اپنا کردار ادا کرتا ہے۔ ہم میں شریعہ کمپلائنس ڈپارٹمنٹ (SCD) کے سربراہ اور عملے کے معاون اراکین شامل ہیں جن میں ستر یا ستر شریعہ ایسکارڈز بھی شامل ہیں۔

کوئی نئے قرضوں کی اسلامی متبادل میں تبدیلی سے متعلق انتظامیہ کے فیصلے کو مد نظر رکھتے ہوئے شریعہ کمپلائنس ڈپارٹمنٹ نے سہ 2025 میں کثیر تعداد میں پراسس فلو (process flow) کو ریو کیا اور RSBM یا شریعہ بورڈ سے منظوری حاصل کی۔

مزید برآں، شریعہ کمپلائنس ڈپارٹمنٹ نے اپنی جامع سہ ماہی رپورٹس پیش کرنے کے لیے شریعہ بورڈ کو پیش کیں۔ ان رپورٹس میں ریویوڈ شریعہ بورڈ ممبر کی طرف سے فراہم کردہ تمام شرعی جائزوں اور توضیحات (Clarifications) کی تفصیل شامل ہے اور شریعہ بورڈ کی طرف سے سرکولیشن (circulation) کے ذریعے دی گئی تجاویز اور ہدایات کا بھی احاطہ کیا گیا ہے۔ جن کی شریعہ بورڈ کے اجلاسوں میں توثیق کردی گئی ہے۔

ہیلڈ آف شریعہ کمپلائنس ڈپارٹمنٹ نے یو بی ایل امین شریعہ کمپلائنس کے مجموعی ماحول سے متعلق سہ ماہی رپورٹس شریعہ بورڈ کو پیش کیں۔

یو بی ایل امین برانچ نیٹ ورک:

سال 2025 کے دوران بینکنگ سیکٹر میں اپنی کارکردگی کے فضل کو مزید گہرا کرنے کے عزم کے ساتھ یو بی ایل امین نے مسک بینک کی اسلامک بینکنگ برانچز کے نیٹ ورک کو کامیابی سے اپنے نیٹ ورک میں شامل کر لیا ہے۔ اس کے بعد، اب یو بی ایل امین 1752 اسلامک بینکنگ برانچز (IBBs) اور 1596 اسلامک بینکنگ وٹوز (IBWs) کے ذریعے شریعہ کمپلائنس ڈیپارٹمنٹ کی سروسز پیش کر رہا ہے۔

پراڈکٹس اور خدمات:

لائبلیٹی (Liability) کے حوالے سے:

سال کے دوران، درج ذیل لائبلیٹی پروڈکٹس کی تجدید کی گئی اور شریعہ بورڈ سے ان کی منظوری لی گئی:

- یو بی ایل امین پرییم سرٹیفکیٹ،

- یو بی ایل امین سرٹیفکیٹ آف اسلامک انویسٹمنٹ،

- یو بی ایل امین فنانسل انشورینس ڈیپارٹ اکاؤنٹ (AFIDA)،

- یو بی ایل امین روشن ڈیجیٹل اکاؤنٹ،

- یو بی ایل امین مکمل اکاؤنٹ،

- یو بی ایل امین زمرگی اکاؤنٹ اور

- یو بی ایل امین عروج اکاؤنٹ

کنزیمرز کے حوالے سے:

اس سال کے دوران درج ذیل کنزیمرز پراڈکٹس کی تجدید کی گئی احترام کر دیا گیا:

”یو بی ایل امین ایڈریس“ (UBL Ameen Address)

یو بی ایل امین ایڈریس (اوسنگ ٹکنگ پراڈکٹ) کے موجودہ پروڈکٹ پروگرام مینول کی تجدید کی گئی اور شریعہ بورڈ نے اس کی منظوری بھی دی۔

”پرائم منسٹر فین ریمپلیسمنٹ پروگرام“

Prime Minister's Nationwide Fan Replacement Program (FRP)

یو بی ایل امین نے وزیراعظم کے FRP اقدام سے متعلق کسٹمر ڈیپارٹمنٹ کی منظوری دی جو کہ مساوی بنیاد پر ہے اور ملک بھر میں پکلی بنانے والے پنکھوں کے لیے شریعہ کے مطابق مالی سہولت فراہم کرتا ہے۔

”یو بی ایل امین ڈرائیو“ (UBL Ameen Drive)

یو بی ایل امین ڈرائیو (آٹو فنانس پروڈکٹ) کے لیے موجودہ پروڈکٹ مینول کی تجدید کی گئی اور شریعہ بورڈ سے اس کی منظوری حاصل کی گئی۔

Asset کے حوالے سے:

کریڈٹ مینیول:

یو بی ایل کریڈٹ مینیول کی تجدید سے متعلق اسلامی بینکاری کا ایک علیحدہ باب منظور کیا گیا ہے۔

کارپوریٹ بینکنگ:

دوران سال کارپوریٹ بینکنگ میں بڑی تعداد میں ٹرانزیکشنز مکمل میں لائی گئیں۔ کارپوریٹ اور SME بینکنگ کی شریعہ کمپلائنس کا جائزہ دو بنیادی مراحل پر مشتمل ہوتا ہے:

- حتمی سے پہلے کا مرحلہ، یہ ٹرانزیکشن کے آغاز کا مرحلہ ہے، اس مرحلے میں شریعہ بورڈ کی فراہم کردہ شریعہ گائیڈ لائنز کے مطابق ٹرانزیکشنز کے اعداد وچ اور پوسٹ فلو (process flow) پر غور کیا جاتا ہے اور حتمی شکل دی جاتی ہے۔ اس مرحلے میں تمام متعلقہ حوالہ کا باقاعدگی سے جائزہ لیا گیا اور بزنس ٹریڈ بورڈ ممبر سے منظوری لی گئی اور اس کے بعد اس کی شریعہ بورڈ کے اجلاس میں توثیق بھی کردائی گئی۔

- حتمی کے بعد کا مرحلہ: جس میں بینک کے نئے کسٹمر کی پہلی ٹرانزیکشن کا جائزہ شریعہ کمپلائنس ڈپارٹمنٹ (SCD) ٹرانزیکشن کے مکمل ہونے کے بعد بھی لیتا ہے۔

یو بی ایل امین ٹریڈری:

یو بی ایل امین اپنا ایک مستقل ٹریڈری ڈپارٹمنٹ رکھتا ہے۔ دوران سال، یو بی ایل امین ٹریڈری کے طریقہ کار مٹاؤ، مشارکہ، معاہدہ، کالہ کے تحت ایک بڑی تعداد میں ٹرانزیکشنز مکمل انجام دیا گیا۔ مزید برآں، حکومت پاکستان کے ساتھ IGOP جاریہ محکوم کے تحت بھی کچھ ٹرانزیکشنز مکمل انجام دیا گیا۔

نفع و نقصان کی تقسیم اور پول مینجمنٹ:

انٹرنل شریعہ آڈٹ یونٹ (ISAU) نے شریعہ گورنس فریم ورک (SGF) کی روشنی میں سہ ماہی بنیاد پر پوسٹ ڈسبرسمنٹ پول آڈٹ (Post Disbursement Pool Audit) کیے، جن میں اعلان کردہ نفع کی شرح (PSR) اور وٹجز (Weightages) کی بنیاد پر نفع و نقصان کی تقسیم کا جائزہ لیا اور شریعہ بورڈ کو اپنی رپورٹ پیش کر کے رائے بھی حاصل کی۔ مزید برآں، شریعہ کمپلائنس ڈپارٹمنٹ (SCD) نے ماہانہ بنیادوں پر نفع کی تقسیم سے قبل ڈیپارٹمنٹ میں منافع اور نقصان کی تقسیم کی تصدیق کی۔

ٹریڈنگ اور ڈیپارٹمنٹ:

یو بی ایل امین برانچز اور اسلامک بینکنگ وٹوز کے بڑھتے ہوئے نیٹ ورک کے لیے ضروری ہے کہ اسلامک بینکنگ پروڈکٹس اور سروسز کے لیے تمام اسٹاف کو درست انداز میں تربیت دی جائے۔

یو بی ایل امین نے سال کے دوران عملے کے لیے کلاس روم اور آن لائن سیشنز کے ذریعے اسلامک بینکنگ ٹریڈنگ سیشنز کا انعقاد کیا جو شریعہ بورڈ ممبران، شریعہ کمپلائنس ڈپارٹمنٹ، اور یو بی ایل امین ایگزیکٹوز کے ذریعے منعقد کی گئی تھیں۔

آپریٹنگز کنٹرول ڈپارٹمنٹ:

دوران سال یو بی ایل امین آپریٹنگز کنٹرول ڈپارٹمنٹ نے تمام اسلامی پراڈکٹس اور سروسز کے لیے کام کیا اور متعلقہ شریعہ گائیڈ لائنز پر عملدرآمد کو یقینی بنایا۔

انٹرنل شریعہ آڈٹ یونٹ (ISAU):

شریعہ گورنس کے انٹر عمل اور شریعہ بورڈ کی تجویز کردہ ہدایات کے مطابق ایک مستقل انٹرنل شریعہ آڈٹ یونٹ (ISAU) قائم کیا گیا ہے، جس میں ڈویژنل ہیڈ انٹرنل شیڈ آڈٹ اور معاون عملہ شامل ہے۔ سال کے دوران، انٹرنل شریعہ آڈٹ یونٹ (ISAU) نے اسلامک بینکنگ برانچز، اسلامک بینکنگ وٹوز، کارپوریٹ اور SME فنانسنگ، منافع اور نقصان کی تقسیم اور ہیڈ آفس کے دیگر امور کا شریعہ آڈٹ کیا۔ تمام معاملات پر شریعہ بورڈ اور انتظامیہ کے ساتھ تبادلہ خیال کیا گیا تاکہ مناسب اور درست اقدامات کے تحت ان کے نفاذ کو یقینی بنایا جائے۔

چیرمینی کی وصولی اور تقسیم:

سال 2025 میں، شریعہ بورڈ کی منظور کردہ چیرمینی پالیسی کے مطابق 5.9 ملین روپے کی چیرمینی وصول کی گئی۔ یہ چیرمینی کسٹمر کی سہولیات میں تاخیر سے کی جانے والی ادائیگیوں کی بنیاد پر وصول کی گئی تھی۔ چیرمینی کو ایک علیحدہ منافع بخش اکاؤنٹ میں رکھا گیا اور منظور شدہ چیرمینی پالیسی کے مطابق اس کا استعمال کیا گیا اور مستحق لاکھائی اداروں میں اسے تقسیم کیا گیا۔

سال 2025 کی چیرمینی فنڈز کی رقم کی تفصیلات درج ذیل ہیں:

نمبر شمار	تفصیلات	رقم (پاکستانی روپے)
1	یکم جنوری 2025 کا اوپننگ بیلنس	17.2 ملین
2	سال 2025 کے دوران موصول ہونے والی چیرمینی	5.9 ملین
3	چیرمینی پر حاصل ہونے والا منافع	2.3 ملین
4	31 دسمبر 2025 تک تقسیم کی جانے والی چیرمینی	17.5 ملین
5	31 دسمبر 2025 میں اختتامی بیلنس	8.0 ملین

شریعہ بورڈ کی رائے:

اپنی رائے قائم کرنے کے لیے ہم نے انٹرنل شریعہ آڈٹ، شریعہ کمپلائنس ڈیپارٹمنٹ، ایکسٹرنل شریعہ آڈیٹر (گزشتہ سال کی) اور ان پر انتظامیہ کے رد عمل کی رپورٹس کا جائزہ لیا ہے۔ ہمارے جائزے اور ہماری معلومات کی بنیاد پر ہماری رائے یہ ہے کہ:

۱۔ یو بی ایل امین نے مجموعی طور پر شریعہ بورڈ کی طرف سے جاری کردہ فتاویٰ، قوانین اور گائیڈ لائنز کی روشنی میں شریعت کے اصولوں اور قواعد کی پاسداری کی ہے۔

۲۔ یو بی ایل امین نے مجموعی طور پر اسٹیٹ بینک آف پاکستان کی شریعہ اینڈ ڈائریکٹری کی طرف سے شریعہ کمپلائنس کے سلسلے میں جاری کردہ اصولی ہدایات اور قواعد کی پاسداری کی ہے۔

۳۔ یو بی ایل امین کے پاس مجموعی طور پر اپنی کاروباری سرگرمیوں میں مطلوبہ شریعہ کمپلائنس کو یقینی بنانے کے لیے نظام موجود ہے۔

۴۔ یو بی ایل امین کے پاس ایک ایسا مناسب نظام موجود ہے جو اس بات کو یقینی بناتا ہے کہ شریعت کی زو سے ممنوعہ ذرائع یا ممنوعہ طریقوں سے حاصل شدہ آمدنی چیرمینی اکاؤنٹ میں ٹرانسفر ہو جائے اور اسے مناسب انداز میں استعمال کیا جائے۔

۵۔ یو بی ایل امین نے نفع و نقصان کی تقسیم اور پول کے انتظام و انصرام (pool management) میں مجموعی طور پر اسٹیٹ بینک آف پاکستان کی ہدایات کی پاسداری کی ہے۔

۶۔ پروڈکٹس اور بینک کی کاروباری سرگرمیوں میں شریعہ کمپلائنس کی اہمیت کے حوالے سے عملے، بورڈ آف ڈائریکٹرز (BoD) اور انتظامیہ کی آگاہی، اولیت اور حساسیت کی سطح قابل قبول ہے۔

۷۔ شریعہ بورڈ کو اپنی ذمہ داریاں مؤثر طریقے سے ادا کرنے کے لیے مناسب وسائل فراہم کیے گئے ہیں۔



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 2025 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 non-compliance 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 2025.


Chartered Accountants
Place: Karachi
Date: 26 February 2026
UDIN: CR202510120ebWfnj2cT

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:

- The total number of directors are 9 as per the following:
 - Male: 8
 - Female: 1

- 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 The Honorable Haider Zameer Choudrey Mr. Muhammad Irfan A. Sheikh
Executive Director	Mr. Muhammad Jawaid Iqbal, President & CEO
Female Director	Ms Shazia Syed

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank;
- 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;
- 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;
- 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;
- 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;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 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.

- 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;

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

- 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
Mr. Rizwan Pervez	Member
Mr. Tariq Rashid	Member
Ms. Shazia Syed	Member
Mr. Daniel M. Howlett	Member
Mr. Muhammad Irfan Anwar Sheikh	Member
Mr. Muhammad Jawaid Iqbal	Member

- 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:

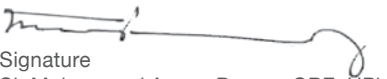
a. Board Audit Committee (BAC)	Five quarterly meetings.
b. Board Human Resource & Compensation Committee	Four quarterly meetings.
c. Board Risk & Compliance Committee	Four quarterly meetings.
d. Board IT Committee	Four quarterly meetings.
e. Board Nomination Committee	One meeting.
f. Board International 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 Mohammed Anwar Pervez, OBE, HPK
Chairman

STATEMENT ON INTERNAL CONTROLS - For the year ended 31 December 2025

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 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 and Islamic Banking Group, Regional Compliance Structure in Compliance Group, Internal Control Division of Operations Group, Internal Control over Financial Reporting (ICFR) Unit, Operational Risk under Risk & Credit Policy Group 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 determines appropriate actions for strengthening of Internal Shariah Controls under guidance of SB and regulations.

The Bank has established an Operational Risk Management (ORM) framework that addresses all key dimensions of operational risk.

Operational Risk Coordinators are in place across business units to support the implementation and monitoring of the ORM framework. Significant events are analyzed to identify control weaknesses, and the effectiveness of mitigating controls is assessed accordingly. The framework incorporates structured loss data management, periodic Risk and Control Self-Assessments (RCSAs), and continuous monitoring of Key Risk Indicators to evaluate the impact of operational risk events. Operational risk matters are overseen on a quarterly basis by the Management Risk Committee (MRC) and the Board Risk & Compliance Committee (BRCC).

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 audits and reviews to provide insights on governance and 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.

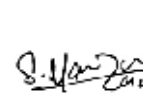
The Bank endeavors to follow the State Bank of Pakistan's guidelines on internal controls. The Bank is continuously making efforts to ensure that effective and efficient internal control systems remain active and implemented through consistent and continuous monitoring that would help in further improving 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 period, the Bank conducted testing of financial reporting controls for ensuring the effectiveness of ICFR throughout the period. 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 period by Management, Branch Banking Group, Islamic Banking Group, Regional Compliance Structure in Compliance Group, Internal Control Division of Operations Group, Internal Control over Financial Reporting (ICFR) Unit, Operational Risk under Risk and Credit Policy Group, 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.

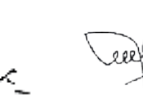

Ovais Saeed
Group Executive -
Head of Internal
Audit & Compliance (Acting)


Imran Sarwar
Group Executive Risk
& Credit Policy


Alee Khalid Ghaznavi
Group Executive -
Islamic Banking


Syed Manzoor
Hussain Zaidi
Chief Financial Officer


Munawar Raza Shah
Chief Operating
Officer


Abdul Aleem Qureshi
Deputy CEO


Ijaz Farooq
Deputy CEO


Muhammad Jawaid Iqbal
President & CEO

رفتار سے آگے

جہاں اور بھی ہیں

UBL'S DIGITAL JOURNEY CHARTS THE HORIZONS OF TOMORROW...

Through intelligent automation, seamless contactless solutions, and cutting-edge security, we are creating banking experiences that are fast, effortless, and deeply personal. Every innovation is designed to anticipate needs, simplify lives, and empower our customers in ways that go beyond transactions. Recognition as Pakistan's "Best Digital Bank" for 2025 by Euromoney, stands as an affirmation to the impact and excellence of our digital innovations.

As the horizon expands, our commitment remains steadfast: to keep accelerating, adapting, and transforming the way Pakistan banks. Because for us, 'Raftaar Se Aagay Jahaan Aur Bhi Hain' — a relentless momentum toward smarter, faster, and more meaningful experiences.



FINANCIAL STATEMENTS 2025



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 2025**, 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 2025 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 10.85% of its total assets as of 31 December 2025, which are subject to the Expected Credit Loss (ECL) requirements of IFRS 9 - “Financial Instruments” (as applicable in Pakistan).	We obtained an understanding of the Bank’s credit risk governance and management process with a particular focus on ECL framework, policies and methodologies applied to determine the ECL allowance against the portfolio of Advances.
In view of the quantitative significance of this and the level of involvement of management’s estimates and judgments, we identified adequacy and completeness of ECL against advances as a key audit matter.	We applied a range of audit procedures including the following:
The accounting policy and disclosures related to the ECL against advances are included in Notes 9.4 respectively to the unconsolidated financial statements.	• We assessed the appropriateness of the Banks’s accounting policies and methodologies for determining the ECL allowance against loans and receivables in accordance with the requirements of IFRS Accounting Standards as applicable in Pakistan and IFRS 9 application guidance issued by SBP. • We performed procedures to test various aspects of ECL provisions including the following : ○ 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 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 audit report is **Omer Chughtai**.

Ey Fw Rm

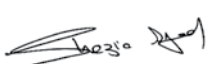
Chartered Accountants
Place: Karachi
Date: 4 March 2026
UDIN: AR202510120Xmq3Y7gCv

Unconsolidated Statement of Financial Position

As at December 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	5	547,646,979	309,745,911
Balances with other banks	6	57,179,677	59,968,246
Lendings to financial institutions	7	31,574,547	18,492,483
Investments	8	9,951,054,650	5,886,894,503
Advances	9	1,369,366,395	1,443,481,944
Property and equipment	10	120,546,171	85,246,731
Right-of-use assets	11	36,198,112	9,896,084
Intangible assets	12	58,353,831	2,481,475
Deferred tax assets	13	-	-
Other assets	14	448,273,083	246,924,757
		12,620,193,445	8,063,132,134
LIABILITIES			
Bills payable	16	58,631,844	44,221,818
Borrowings	17	6,530,014,720	4,855,373,516
Deposits and other accounts	18	5,168,424,418	2,640,211,489
Lease liabilities	19	38,873,814	12,008,797
Subordinated debt	20	10,000,000	10,000,000
Deferred tax liabilities	13	135,943,237	38,959,061
Other liabilities	21	179,573,846	146,135,202
		12,121,461,879	7,746,909,883
NET ASSETS		<u>498,731,566</u>	<u>316,222,251</u>
REPRESENTED BY:			
Share capital	22	12,521,239	12,241,797
Reserves		138,517,698	114,734,831
Surplus on revaluation of assets - net	23	173,025,714	77,289,805
Unappropriated profit		<u>174,666,915</u>	<u>111,955,818</u>
		<u>498,731,566</u>	<u>316,222,251</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.

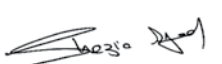
 Syed Manzoor Hussain Zaidi Chief Financial Officer	 Muhammad Jawaid Iqbal President & Chief Executive Officer	 Shazia Syed Director	 Daniel Michael Howlett Director	 Sir Mohammed Anwar Pervez, OBE, HPk Chairman
---	---	---	--	---

Unconsolidated Profit and Loss Account

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000)	2024 ----- (Rupees in '000)
Mark-up / return / interest earned	26	1,184,817,602	1,084,582,857
Mark-up / return / interest expensed	27	823,256,142	911,168,032
Net mark-up / interest income		361,561,460	173,414,825
Non mark-up / interest income			
Fee and commission income	28	27,992,570	18,910,354
Dividend income		2,421,067	1,796,320
Foreign exchange income		17,188,012	12,221,392
(Loss) / Gain from derivatives		(523,962)	1,230,801
Gain on securities - net	29	9,879,011	42,592,701
Capital gain on derecognition of financial assets measured at amortised cost		-	2,894,427
Other income	30	1,042,039	7,848,128
Total non mark-up / interest income		57,998,737	87,494,123
Total income		419,560,197	260,908,948
Non mark-up / interest expenses			
Operating expenses	31	130,188,815	94,784,859
Workers' Welfare Fund	32	5,652,021	3,105,396
Other charges	33	102,720	75,270
Total non mark-up / interest expenses		135,943,556	97,965,525
Profit before credit loss allowance		283,616,641	162,943,423
Credit loss allowance and write-offs - net	34	(4,653,428)	12,751,775
Profit before taxation		288,270,069	150,191,648
Taxation	35	160,261,222	69,664,114
Profit after taxation		128,008,847	80,527,534
----- (Rupees) -----			
Earnings per share - basic and diluted - Restated	36	51.33	32.89

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

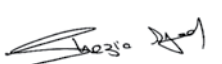
				
Syed Manzoor Hussain Zaidi Chief Financial Officer	Muhammad Jawaid Iqbal President & Chief Executive Officer	Shazia Syed Director	Daniel Michael Howlett Director	Sir Mohammed Anwar Pervez, OBE, HPk Chairman

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	2025 ----- (Rupees in '000)	2024 ----- (Rupees in '000)
Profit after taxation for the year	128,008,847	80,527,534
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	508,221	(1,118,901)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	93,877,970	33,180,246
	94,386,191	32,061,345
<i>Items that will not be reclassified to profit and loss account in subsequent periods</i>		
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	3,213,232	4,826,678
Remeasurement gain on defined benefit obligations - net of tax	12,099,401	4,177,500
Movement in surplus on revaluation of property and equipment - net of tax	-	319,239
Movement in surplus on revaluation of non-banking assets - net of tax	-	1,146
	15,312,633	9,324,563
Total comprehensive income for the year	237,707,671	121,913,442

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, 2025

	Share capital	Share Premium	Capital reserve exchange translation	Statutory reserve	Surplus / (deficit) on revaluation			Unappropriated profit	Total
					Investments	Property and equipment	Non-banking assets		
Note	(Rupees in '000)								
Balance as at January 01, 2024 - as restated	12,241,797	-	60,922,855	46,878,123	780,037	38,211,793	-	89,138,112	248,172,717
Total comprehensive income for the 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)
	-	-	-	-	-	-	-	(53,863,908)	(53,863,908)
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
Fair Valuation of unlisted equity securities carried at FVOCI	4.1	-	-	-	1,355,745	-	-	-	1,355,745
Balance as at January 01, 2025 - as restated	12,241,797	-	59,803,954	54,930,877	40,190,955	38,453,449	1,146	111,955,818	317,577,996
Total comprehensive income for the year ended December 31, 2025									
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	-	-	128,008,847	128,008,847
Other comprehensive income - net of tax	-	-	508,221	-	97,091,202	-	-	12,099,401	109,698,824
Total comprehensive income for the year ended December 31, 2025	-	-	508,221	-	97,091,202	-	-	140,108,248	237,707,671
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	-	-	-	-	-	(71,714)	-	71,714	-
Transfer of net gain on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(2,639,324)	-	-	2,639,324	-
Share issued under amalgamation	1.1	279,442	10,473,761	-	-	-	-	-	10,753,203
Transfer to statutory reserve	-	-	-	12,800,885	-	-	-	(12,800,885)	-
Transactions with owners, recorded directly in equity									
Final cash dividend - December 31, 2024 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)
Interim cash dividend - March 31, 2025 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,773,363)	(13,773,363)
Interim cash dividend - June 30, 2025 declared at Rs. 8.0 per share	-	-	-	-	-	-	-	(20,033,982)	(20,033,982)
Interim cash dividend - September 30, 2025 declared at Rs. 8.0 per share	-	-	-	-	-	-	-	(20,033,982)	(20,033,982)
	-	-	-	-	-	-	-	(67,307,304)	(67,307,304)
Balance as at December 31, 2025	12,521,239	10,473,761	60,312,175	67,731,762	134,642,833	38,381,735	1,146	174,666,915	498,731,566

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	Muhammad Jawaid Iqbal	Shazia Syed	Daniel Michael Howlett	Sir Mohammed Anwar Pervez, OBE, HPk
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

Unconsolidated Cash Flow Statement

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		288,270,069	150,191,648
Less: Dividend income		(2,421,067)	(1,796,320)
		285,849,002	148,395,328
Adjustments:			
Depreciation on property and equipment		9,592,956	5,783,338
Depreciation on right-of-use assets		4,386,127	2,423,781
Depreciation on non-banking assets acquired in satisfaction of claims		13,396	3,226
Depreciation on Islamic financing against leased assets (Ijarah)		172,811	79,527
Amortisation		5,917,680	1,007,926
Workers' Welfare Fund - charge		5,652,021	3,105,396
Provision for retirement benefits		-	71,967
Provision for compensated absences		334,824	-
Credit loss allowance against loans and advances - net		(4,201,672)	11,253,648
Credit loss allowance against off - balance sheet obligations - net		176,963	1,303,408
Credit loss allowance for diminution in value of investments - net		(366,406)	(273,241)
Interest expense on lease liability against right-of-use assets		3,607,665	1,469,697
Gain on sale of property and equipment - net		(156,735)	(232,084)
Loss / (gain) on sale of Ijarah assets - net		234	(1,016)
Gain on sale of subsidiary		-	(7,083,501)
Bad debts written-off directly		107,914	54,951
Unrealised gain on revaluation of investments classified as FVTPL		(250,256)	(35,068)
Credit loss allowance against other assets		85,972	476,252
Other credit loss allowance / write-offs		12,107	160,014
		25,085,601	19,568,221
		310,934,603	167,963,549
(Increase) / decrease in operating assets			
Lendings to financial institutions		(13,082,064)	15,955,369
Securities classified as FVTPL		(42,575,793)	55,025,621
Advances		78,025,851	(841,322,872)
Other assets (excluding advance taxation)		(164,479,545)	(79,549,100)
		(142,111,551)	(849,890,982)
Increase / (decrease) in operating liabilities			
Bills payable		14,410,026	22,570,034
Borrowings		1,674,641,204	2,039,902,962
Deposits and other accounts		2,528,212,929	289,670,666
Other liabilities		27,121,719	26,869,487
		4,244,385,878	2,379,013,149
		4,413,208,930	1,697,085,716
		(1,301,171)	505,144
		37,126	667,943
		(138,080,539)	(82,684,275)
		4,273,864,346	1,615,574,528
Receipt / (payment) on account of staff retirement benefits			
Workers' Welfare Fund refund			
Income taxes paid			
Net cash flow generated from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		(3,465,161,606)	(1,521,630,707)
Net investments in amortized cost securities		(362,629,183)	40,239,286
Net investments in associates		(9,910)	-
Net investments in subsidiaries		-	1,855,223
Cash acquired through business combination		15,198,229	-
Investment in property and equipment, right of use assets and intangible assets		(152,963,666)	(27,037,686)
Investment in non banking assets		(76,222)	-
Dividend income received		2,394,310	1,796,320
Proceeds realised on sale of subsidiary		-	9,053,274
Sale proceeds from disposal of property and equipment and intangible assets		358,922	259,438
Sale proceeds from sale of Ijarah assets		10,411	19,344
Effect of translation of net investment in foreign branches		508,221	(1,118,901)
Net cash flow used in investing activities		(3,962,370,494)	(1,496,564,409)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(7,297,972)	(3,501,422)
Payment of subordinated debt		(1,998,400)	-
Dividends paid		(67,084,981)	(53,825,508)
Net cash flow used in financing activities		(76,381,353)	(57,326,930)
Increase in cash and cash equivalents		235,112,499	61,683,189
Cash and cash equivalents at the beginning of the year		368,320,156	309,603,472
Effect of exchange rate changes on cash and cash equivalents		1,394,001	(1,572,504)
		369,714,157	308,030,968
	37	604,826,656	369,714,157

Cash and cash equivalents at the end of the year

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	Muhammad Jawaid Iqbal	Shazia Syed	Daniel Michael Howlett	Sir Mohammed Anwar Pervez, OBE, HPk
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

1. STATUS AND NATURE OF BUSINESS

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 2,009 (2024: 1,474) branches inside Pakistan including 752 (2024: 496) Islamic Banking branches and 2 (2024: 2) branches in Export Processing Zones. The Bank also operates 8 (2024: 8) branches outside Pakistan. The Bank is a subsidiary of Bestway International Holdings Limited (BIHL) and BIHL is a wholly owned subsidiary of Bestway Group Limited (BGL), 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.

1.1 BUSINESS COMBINATION

State Bank of Pakistan ("SBP") vide its letter BPRD/ABLD/2025/1249 dated March 10, 2025, approved the scheme of amalgamation ("the scheme") of Silkbank Limited ("SBL") with and into United Bank Limited ("UBL") (the "Merger") under the section 48 of the Banking Companies Ordinance 1962.

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

Accordingly, at close of business on March 10, 2025 ("acquisition date"), the Bank completed the amalgamation of SBL under the scheme sanctioned by the SBP. The Scheme became effective at close of business on that date and, accordingly, SBL's undertaking (including all assets, liabilities, rights, and obligations) vested in the Bank.

The amalgamation has been accounted for using the acquisition method. International Financial Reporting Standard (IFRS) 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values in the acquirer's balance sheet. During the year, the fair valuation exercise was completed by the Bank, which resulted in recognition of certain intangibles and fair value changes to identifiable assets and liabilities. Adjustments arising as a result of this exercise have been incorporated with retrospective effect from the date of acquisition.

	Rupees in '000
Fair value of assets	341,837,775
Fair value of liabilities	(332,585,391)
Net Assets	9,252,384
Purchase consideration (fair value of shares issued by the Bank)	(10,753,203)
(Excess) / Short of the consideration over fair values	<u>(1,500,819)</u>

The fair value of the consideration transferred exceeds the fair value of the identifiable assets acquired, including intangible assets recognized on acquisition, and the liabilities assumed. Accordingly, the Bank has recognise goodwill of Rs 1,501 million on the amalgamation.

These represent the economic benefits expected to be derived from the merged banking operations and include, among others, the acquired branch and distribution network, operating platform and assembled workforce synergies.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

The fair values and carrying amounts of identifiable assets and liabilities of SBL as at the acquisition date are given below:

	Carrying values as at March 10, 2025	Fair value adjustments	Fair values as at March 10, 2025
	Audited		
	Rupees in '000		
Assets			
Cash and balances with treasury banks	13,453,182	-	13,453,182
Balances with other banks	1,745,047	-	1,745,047
Lendings to financial institutions	2,963,289	-	2,963,289
Investments	173,658,438	(2,692,433)	170,966,005
Advances	24,747,933	(3,376,439)	21,371,494
Property and equipment	2,386,007	(162,565)	2,223,442
Right-of-use assets	1,609,885	533,786	2,143,671
Intangible assets	241,684	58,473,921	58,715,605
Deferred tax assets	51,215,986	2,240,818	53,456,804
Other assets	14,703,839	95,397	14,799,236
	286,725,290	55,112,485	341,837,775
Liabilities			
Bills payable	2,137,951	-	2,137,951
Borrowings	159,953,222	-	159,953,222
Deposits and other accounts	159,055,570	-	159,055,570
Lease liabilities	2,109,397	34,274	2,143,671
Subordinated debt	2,438,666	-	2,438,666
Other liabilities	6,856,311	-	6,856,311
	332,551,117	34,274	332,585,391
Net assets	(45,825,827)	55,078,211	9,252,384

As a consequence of the amalgamation, UBL has recognized identifiable intangible assets arising from the business combination. These intangible assets are amortised on a straight-line basis over their estimated useful lives, reflecting the period over which the related economic benefits are expected to be realised.

Additionally, the SBP had granted an exemption to the SBL from the requirements of IFRS 9 'Financial Instruments' which expired on the completion of the amalgamation process with the Bank. Accordingly, as part of fair valuation exercise the Bank has recognized various adjustments to the carrying amounts of financial assets of SBL mainly with respect to expected credit losses. The Bank also classified financial instruments in IFRS 9 categories based on the results of BMA and SPPI tests for the same.

The Bank measured the acquired lease liabilities using the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. The right-of-use assets were measured at an amount equal to the lease liabilities.

The fair value of the gross contractual receivables representing advances as at the acquisition date amounts to Rs. 21,371 million. Gross contractual amounts for the receivables due is Rs. 77,567 million. The management believes that out of the total gross contractual receivables, a gross contractual amount of Rs. 52,819 million is expected to be uncollectable. The uncollectable amounts of receivables arising on account of fair valuation exercise have been disclosed as "Acquisitions through business combinations" in the respective notes.

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2025

2. BASIS OF PRESENTATION

- 2.1 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 and related directives and notifications issued by the SBP from time to time.
- 2.2 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.
- 2.3 Key financial figures of the Islamic Banking branches are disclosed in Annexure II to these unconsolidated financial statements.
- 2.4 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:

- IFRS Accounting 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 and notifications 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 financial statements.

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

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, 2025. 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.

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2025

2.6.1 IFRS 9 - Financial Instruments

2.6.1.1 Scope of IFRS 9 application

IFRS 9, as adopted by the SBP, has been implemented on all overseas jurisdiction with effect from January 01, 2025, as per SBP IFRS 9 implementation guidelines.

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, 2026:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7 – Financial Instruments: Disclosures	January 01, 2026
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. 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.

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

Standard	IASB Effective date (annual
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2004

The above standards is not expected to have any significant impact on Bank's unconsolidated financial statements for future periods.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 4.2.2.1, 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 4.17 and 35).
- iv) Defined benefit plans (notes 4.19 and 39).
- v) Fair value of derivatives (notes 4.3 and 25).
- vi) Revaluation and depreciation of property and equipment (notes 4.11 and 10).
- vii) Amortisation of intangible assets (note 4.13 and 12).
- viii) Incremental borrowing rate for leases (notes 4.12).
- ix) Valuation of non-banking assets acquired in satisfaction of claims (note 4.14).

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank for the year ended December 31, 2024, except for the fair valuation of unquoted equity securities w.e.f January 01, 2025. These are disclosed in Note 2.8.1

2.8.1 Fair valuation of unquoted equity securities

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 42.1.1.

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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

4.1 Fair Valuation of unquoted equity securities

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

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

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

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

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

4.2 Financial Instruments

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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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

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
- 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 category when both of the following conditions are met:

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

- 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.

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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 Bank takes a forward-looking approach to recognize 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 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. 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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 forborne. However, for certain portfolios, the Bank rebutts 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, current account balance, volume of exports, Gross government debt and Unemployment rate.

4.3 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 including in 'Income from dealing in foreign currencies'.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

4.4 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.

4.5 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.

4.6 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.

4.7 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks 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.

4.8 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.

4.9 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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 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.

4.12 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.

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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

requirements of IAS 12, Income Taxes.

4.18 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.

4.19 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.

4.19.1 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.

4.19.2 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.

4.20 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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

4.20.1 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.

4.20.2 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.

4.20.3 Dividend income

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

4.20.4 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.

4.21 Foreign currencies

4.21.1 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.

4.21.2 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.

4.21.3 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.

4.21.4 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.

4.22 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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

exchange prevailing at the statement of financial position date.

4.23 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.

4.23.1 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.

4.23.2 Geographical segments

The Bank operates in following geographical regions:

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

4.24 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.

4.25 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.

4.26 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Bank's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill recognized in the business combination tested for impairment at least annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, which is the higher of its fair value less costs of disposal and its value in use, an impairment loss is recognised. The Bank considers the recoverable amount to be the value in use of the CGU. Impairment losses (if any) relating to goodwill will be directly charged to profit and loss account.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cashflows are based on most recent budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the Goodwill is allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cashflows after the fifth year. The value in use is sensitive to the discount rate used for the DCF model as well as the expected future cashflows and the growth rate used for extrapolation purposes.

	Note	2025	2024
		----- (Rupees in '000) -----	
5. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		69,558,056	53,188,216
Foreign currencies		27,177,215	8,126,798
		96,735,271	61,315,014
With State Bank of Pakistan in			
Local currency current accounts	5.1	154,773,588	108,175,484
Foreign currency current accounts	5.2	8,224,165	5,094,782
Foreign currency deposit accounts	5.3	12,157,685	8,205,041
		175,155,438	121,475,307
With other central banks in			
Foreign currency current accounts	5.4	175,790,193	88,215,425
Foreign currency deposit accounts	5.5	34,048,154	19,326,856
		209,838,347	107,542,281
With National Bank of Pakistan in			
Local currency current accounts		65,643,246	19,133,450
National Prize Bonds		328,048	479,356
		547,700,350	309,945,408
Less: Credit loss allowance held against cash and balances with treasury banks	5.6	(53,371)	(199,497)
Cash and balances with treasury banks - net of credit loss allowance		547,646,979	309,745,911
5.1	This represents current accounts maintained with the SBP as per the Cash Reserve Requirement of section 22 of the Banking Companies Ordinance, 1962 and related directives and notifications issued by the SBP from time to time.		
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, 2025, it carries mark-up rate at 2.86% (2024: 3.53%) 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 3.65% to 4.25% (2024: 4.60% to 5.00%) 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, 2025

	Note	2025	2024				
		----- (Rupees in '000) -----					
6. BALANCES WITH OTHER BANKS							
In Pakistan							
In deposit accounts		7	7				
Outside Pakistan							
In current accounts	6.1	54,393,530	47,801,939				
In deposit accounts		2,786,237	12,173,491				
		57,179,767	59,975,430				
		57,179,774	59,975,437				
Less: Credit loss allowance held against balances with other banks	6.2	(97)	(7,191)				
Balances with other banks - net of credit loss allowance		57,179,677	59,968,246				
6.1	These carry mark-up at 3.6% (2024: 4.19% to 4.70%) per annum.						
6.2	Balances with other banks are all classified as Stage 1.						
7. LENDINGS TO FINANCIAL INSTITUTIONS							
Repurchase agreement lendings (Reverse Repo)	7.2 & 7.4	17,000,000	2,492,483				
Bai Muajjal receivable with							
Scheduled bank / financial institution	7.3 & 7.4	14,574,547	16,000,000				
		31,574,547	18,492,483				
Less: Credit loss allowance held against lending to financial institutions	7.5	-	-				
Lending to financial institutions - net of credit loss allowance		31,574,547	18,492,483				
7.1 Particulars of lendings to financial institutions							
In local currency		31,574,547	18,492,483				
In foreign currency		-	-				
		31,574,547	18,492,483				
7.2	These represent lendings to financial institutions against investment securities. These carry mark-up at 10.5% (2024: 13.89%) per annum, and are due to mature in January 2026.						
7.3	These represent secured lendings against investment securities carrying mark-up at 10.80% (2024: 13.90%) per annum.						
7.4 Securities held as collateral against lendings to financial institutions							
		2025	2024				
		Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
		----- (Rupees in '000) -----					
Market Treasury Bills		-	-	-	2,492,483	-	2,492,483
Pakistan Investment Bonds		17,000,000	(17,000,000)	-	-	-	-
Government of Pakistan Sukuks		14,574,547	-	14,574,547	16,000,000	-	16,000,000
Total		31,574,547	(17,000,000)	14,574,547	18,492,483	-	18,492,483
7.5	Lendings to financial institutions are all classified as stage 1.						

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

8. INVESTMENTS

8.1 Investments by type

Note	2025				2024			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Debt Instruments								
FVTPL								
Federal Government Securities	64,677,109	-	250,256	64,927,365	22,066,195	-	35,068	22,101,263
FVOCI								
Federal Government securities	8,503,717,699	(1,407,799)	269,560,695	8,771,870,595	5,330,379,611	(1,556,324)	75,878,404	5,404,701,691
Non-Government debt securities	5,786,339	(216,281)	107,432	5,677,490	462,335	(162,407)	-	299,928
Foreign securities	395,186,313	(43,909)	(353,358)	394,789,046	112,833,367	(15,298)	(2,841,124)	109,976,945
	8,904,690,351	(1,667,989)	269,314,769	9,172,337,131	5,443,675,313	(1,734,029)	73,037,280	5,514,978,564
Amortised cost								
Federal Government securities	651,708,282	(138,688)	-	651,569,594	277,953,188	-	-	277,953,188
Non-Government debt securities	13,598,680	(833,639)	-	12,765,041	20,604,187	(1,264,743)	-	19,339,444
Foreign securities	20,908,768	(15,028)	-	20,893,740	25,321,895	(15,335)	-	25,306,560
	686,215,730	(987,355)	-	685,228,375	323,879,270	(1,280,078)	-	322,599,192
Instruments mandatorily classified as FVTPL								
Non-Government debt securities	1,864,880	-	-	1,864,880	1,864,933	-	-	1,864,933
Total Debt Investment								
	9,657,448,070	(2,655,344)	269,565,025	9,924,357,751	5,791,485,711	(3,014,107)	73,072,348	5,861,543,952
Equity instruments								
FVOCI								
Ordinary shares								
- Listed companies	10,382,250	-	7,994,146	18,376,396	12,989,295	-	7,463,396	20,452,691
- Unlisted companies	1,563,396	-	2,774,152	4,337,548	1,656,307	-	(50,317)	1,605,990
	11,945,646	-	10,768,298	22,713,944	14,645,602	-	7,413,079	22,058,681
Real Estate Investment Trust units								
	480,913	-	1,152,132	1,633,045	495,545	-	456,325	951,870
Associates								
	1,307,395	(1,057,485)	-	249,910	1,297,485	(1,057,485)	-	240,000
Subsidiaries								
	2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000
Total Investments								
	9,673,282,024	(3,712,829)	281,485,455	9,951,054,650	5,810,024,343	(4,071,592)	80,941,752	5,886,894,503

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

8.2 Investments by segment

Note	2025				2024			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Federal Government Securities								
Market Treasury Bills	23,015,524	-	104,891	23,120,415	399,958,123	-	9,702,416	409,660,539
Pakistan Investment Bonds	8,392,091,549	-	255,145,382	8,647,236,931	4,897,205,786	-	44,076,922	4,941,282,708
Government of Pakistan Sukuks	592,954,948	-	11,465,180	604,420,128	277,677,102	-	21,402,594	299,079,696
Government of Pakistan Eurobonds	97,211,624	(1,546,487)	3,095,498	98,760,635	5,261,130	(1,556,324)	731,540	4,436,346
Bai Muajjal with Government of Pakistan	113,953,748	-	-	113,953,748	47,618,148	-	-	47,618,148
Islamic Naya Pakistan Certificates	875,697	-	-	875,697	2,678,705	-	-	2,678,705
	9,220,103,090	(1,546,487)	269,810,951	9,488,367,554	5,630,398,994	(1,556,324)	75,913,472	5,704,756,142
Ordinary shares								
Listed companies	10,382,250	-	7,994,146	18,376,396	12,989,295	-	7,463,396	20,452,691
Unlisted companies	1,563,396	-	2,774,152	4,337,548	1,656,307	-	(50,317)	1,605,990
	11,945,646	-	10,768,298	22,713,944	14,645,602	-	7,413,079	22,058,681
Real Estate Investment Trust units								
	480,913	-	1,152,132	1,633,045	495,545	-	456,325	951,870
Non-Government Debt Securities								
Listed companies	2,185,190	(315)	-	2,184,875	2,247,813	(315)	-	2,247,498
Unlisted companies	19,064,709	(1,049,605)	107,432	18,122,536	20,683,642	(1,426,835)	-	19,256,807
	21,249,899	(1,049,920)	107,432	20,307,411	22,931,455	(1,427,150)	-	21,504,305
Foreign Securities								
Market Treasury Bills	269,806,501	(1,405)	275,850	270,080,946	22,934,112	-	20,253	22,954,365
Foreign bonds - sovereign	119,658,942	(45,608)	(757,833)	118,855,501	112,397,524	(29,686)	(2,744,533)	109,623,305
Foreign bonds - others	26,629,030	(11,924)	128,625	26,745,731	2,823,021	(947)	(116,844)	2,705,230
CDC SAARC Fund	608	-	-	608	605	-	-	605
	416,095,081	(58,937)	(353,358)	415,682,786	138,155,262	(30,633)	(2,841,124)	135,283,505
Associates								
UBL Insurers Limited	240,000	-	-	240,000	240,000	-	-	240,000
UBL Financial Sector Fund	9,910	-	-	9,910	-	-	-	-
Khushhali Microfinance Bank Limited	1,057,485	(1,057,485)	-	-	1,057,485	(1,057,485)	-	-
	1,307,395	(1,057,485)	-	249,910	1,297,485	(1,057,485)	-	240,000
Subsidiaries								
UBL Currency Exchange (Private) Limited	2,000,000	-	-	2,000,000	2,000,000	-	-	2,000,000
UBL Fund Managers Limited	100,000	-	-	100,000	100,000	-	-	100,000
	2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000
Total Investments								
	9,673,282,024	(3,712,829)	281,485,455	9,951,054,650	5,810,024,343	(4,071,592)	80,941,752	5,886,894,503

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	(Rupees in '000)	(Rupees in '000)
8.2.1 Investments given as collateral		
Federal Government securities		
Market Treasury Bills	2,746,493	285,281,664
Pakistan Investment Bonds	6,422,520,807	4,331,366,718
Foreign securities		
Foreign bonds - sovereign	11,342,262	29,926,938
	<u>6,436,609,562</u>	<u>4,646,575,320</u>

8.2.1.1 The market value of securities given as collateral is Rs. 6,629,601 million (2024: Rs. 4,691,781 million).

8.3 Particulars of credit loss allowance against debt securities

		2025			
	Note	Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
8.3.1 Investments - exposure					
Opening balance		5,782,779,877	8,087,551	618,283	5,791,485,711
Exchange adjustments		(500,572)	27,275	-	(473,297)
Acquisitions through business combinations	1.1	170,966,005	-	-	170,966,005
New investments - net		4,149,256,905	5,787,976	-	4,155,044,881
Investments derecognised or repaid - net		(459,547,940)	(2,601)	(24,689)	(459,575,230)
Transfer to stage 1		13,781,040	(13,781,040)	-	-
Transfer to stage 2		-	-	-	-
Transfer to stage 3		-	-	-	-
		<u>3,874,456,010</u>	<u>(7,995,665)</u>	<u>(24,689)</u>	<u>3,866,435,656</u>
Closing balance		<u>9,656,735,315</u>	<u>119,161</u>	<u>593,594</u>	<u>9,657,448,070</u>
		2024			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
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		-	-	-	-
Transfer to stage 3		-	-	-	-
		<u>1,466,855,068</u>	<u>(56,815,437)</u>	<u>(23,100)</u>	<u>1,410,016,531</u>
Closing balance		<u>5,782,779,877</u>	<u>8,087,551</u>	<u>618,283</u>	<u>5,791,485,711</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
8.3.2 Investments - Credit loss allowance				
Opening balance	31,219	2,364,605	618,283	3,014,107
Exchange adjustments	7,643	-	-	7,643
New investments - net	67,966	-	-	67,966
Investments repaid - net	(409,683)	-	(24,689)	(434,372)
Transfer to stage 1	2,364,605	(2,364,605)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
	<u>2,022,888</u>	<u>(2,364,605)</u>	<u>(24,689)</u>	<u>(366,406)</u>
Investments derecognised	-	-	-	-
Changes in risk parameters	-	-	-	-
Closing balance	<u>2,061,750</u>	<u>-</u>	<u>593,594</u>	<u>2,655,344</u>

	2024			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Investments - Credit loss allowance				
Opening balance	47,697	18,159,865	641,383	18,848,945
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 - net	(7,047)	(221,180)	(23,100)	(251,327)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
	<u>(7,047)</u>	<u>(221,180)</u>	<u>(23,100)</u>	<u>(251,327)</u>
Investments derecognised	-	(15,474,456)	-	(15,474,456)
Changes in risk parameters	(16,304)	(5,610)	-	(21,914)
Closing balance	<u>31,219</u>	<u>2,364,605</u>	<u>618,283</u>	<u>3,014,107</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

8.3.3 Credit loss allowance for diminution in value of investments	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Opening balance		4,071,592	26,013,551
Exchange adjustments		7,643	(94,642)
Impact of reclassification on adoption of IFRS 9		-	(6,107,121)
Impact of ECL recognised on adoption of IFRS 9		-	7,501
Charge / (reversals)			
Charge for the year		660,392	108,170
Reversals for the year		(1,026,798)	(381,411)
	34	(366,406)	(273,241)
Derecognition of ECL on disposals		-	(15,474,456)
Amounts written off		-	-
Closing balance		3,712,829	4,071,592

8.3.4 Category of classification

		2025		2024	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	9,135,503,335	91	5,644,745,195	589
Under performing	Stage 2	-	-	-	-
Non-performing					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		593,594	593,594	618,283	618,283
		9,136,096,929	593,685	5,645,363,478	618,872
Overseas					
Performing	Stage 1	521,231,980	2,061,659	138,034,682	30,630
Under performing	Stage 2	119,161	-	8,087,551	2,364,605
Non-performing					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		-	-	-	-
		521,351,141	2,061,659	146,122,233	2,395,235
Total		9,657,448,070	2,655,344	5,791,485,711	3,014,107

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, 2025

8.5 Quality of Securities

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

	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
8.5.1 Federal Government Securities - Government guaranteed		
Market Treasury Bills	16,132,491	395,024,093
Pakistan Investment Bonds	8,003,433,707	4,661,754,267
Government of Pakistan Sukuks	414,525,775	265,661,416
Islamic Naya Pakistan Certificates	875,697	2,678,705
Government of Pakistan Eurobonds	68,750,029	5,261,130
	8,503,717,699	5,330,379,611

8.5.2 Shares and Units

Shares

Listed Companies

Cement	992,332	1,158,240
Chemical	57	-
Commercial Banks	-	139,865
Engineering	311,831	311,831
Fertilizer	1,747,216	3,915,270
Insurance	362,818	-
Oil & Gas Exploration Companies	2,294,042	1,940,334
Oil & Gas Marketing Companies	152,546	569,150
Paper & Board	707,429	-
Power Generation & Distribution	2,382,851	2,382,851
Technology & Communication	75,353	74,930
Textile Composite	812,848	1,953,897
Textile Spinning	395,927	395,927
Miscellaneous	147,000	147,000
	10,382,250	12,989,295

Unlisted Companies

	2025		2024	
	Cost	Fair value	Cost	Breakup value
	----- (Rupees in '000) -----			
Cinepax Limited	60,122	-	60,122	116,237
First Women Bank Limited	21,100	21,100	21,100	51,903
National Institutional Facilitation Technologies (Pvt.) Limited (NIFT)	1,527	51,454	1,527	62,042
National Investment Trust Limited (NIT)	100	429,377	100	1,082,220
Pakistan Agricultural Storage & Services Corporation (PASSCO)	5,500	5,500	5,500	3,584,912
Pakistan Mortgage Refinance Company Limited	500,000	733,623	500,000	1,356,807
Pakistan Corporate Restructuring Company Limited	-	-	63,633	40,338
SWIFT (Belgium)	2,091	2,091	2,091	33,424
SME Bank Limited	26,950	-	26,950	-
Techlogix International Limited	-	-	29,314	193,098
The Benefit Company BSC	5,944	5,944	5,908	183,496
VIS Credit Information Services	325	325	325	253
1Link (Private) Limited	54,287	2,202,684	54,287	1,182,173
United National Bank Limited	885,450	885,450	885,450	1,428,747
	1,563,396	4,337,548	1,656,307	9,315,650

For the year ended December 31, 2025

Listed		
- AA+,AA, AA-	174,685	174,755
- A+	615,625	678,125
	<u>790,310</u>	<u>852,880</u>
Unlisted		
- AAA	8,802,274	10,689,565
- AA+,AA, AA-	249,252	249,350
- A+, A	604,545	650,000
- BB-,B, B-	3,081,041	360,000
- CCC+	-	2,706,445
- Unrated	71,258	5,095,947
	<u>12,808,370</u>	<u>19,751,307</u>

For the year ended December 31, 2025

8.8 Investments include Rs. 67.30 million (2024: Rs. 67.28 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 (2024: Rs. 5.00 million) held by the Controller of Military Accounts (CMA) under Regimental Fund Arrangements.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

8.9 Summary of financial position and performance of associates and subsidiaries

			2025			
Note	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax
			(Rupees in '000)			

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.

9. ADVANCES

Note	2025		2024			
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	723,214,738	107,924,425	831,139,163	1,250,821,132	108,082,351	1,358,903,483
Islamic financing and related assets	567,667,664	1,014,103	568,681,767	149,696,208	260,774	149,956,982
Bills discounted and purchased	89,595,187	3,014,094	92,609,281	48,618,071	7,648,825	56,266,896
Advances - gross	1,380,477,589	111,952,622	1,492,430,211	1,449,135,411	115,991,950	1,565,127,361
Credit loss allowance against advances						
-Stage 1	(8,249,766)	-	(8,249,766)	(6,009,588)	-	(6,009,588)
-Stage 2	(8,259,382)	-	(8,259,382)	(7,736,178)	-	(7,736,178)
-Stage 3	-	(106,554,668)	(106,554,668)	-	(107,899,651)	(107,899,651)
	(16,509,148)	(106,554,668)	(123,063,816)	(13,745,766)	(107,899,651)	(121,645,417)
Advances - net of credit loss allowance	1,363,968,441	5,397,954	1,369,366,395	1,435,389,645	8,092,299	1,443,481,944

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

9.1 Includes net investment in finance lease as disclosed below:

	2025				2024			
	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	16,392	537,925	-	554,317	13,261	168,205	-	181,466
Financial charges for future periods	(826)	(103,718)	-	(104,544)	(953)	(38,004)	-	(38,957)
Present value of minimum lease payments	15,566	434,207	-	449,773	12,308	130,201	-	142,509

9.2 Particulars of advances (Gross)

	2025	2024
	(Rupees in '000)	
In local currency	975,862,785	1,109,925,640
In foreign currencies	516,567,426	455,201,721
	1,492,430,211	1,565,127,361

9.3 Advances to Women, Women-owned and Managed Enterprises

	2025	2024
	(Rupees in '000)	
Women	11,282,540	11,441,631
Women-owned and Managed Enterprises	38,640	11,364
	11,321,180	11,452,995

9.3.1 Gross loans disbursed to women, women-owned and managed enterprises amounting to Rs. 8,817.723 million (2024:Rs. 8,980.054 million).

9.4 Particulars of credit loss allowance against advances

9.4.1 Advances - Exposure

Note	2025			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Opening balance	1,367,873,192	81,262,219	115,991,950	1,565,127,361
Acquisitions through business combinations	17,514,720	6,330,017	52,398,027	76,242,764
New advances	523,748,377	55,865,992	824,930	580,439,299
Advances derecognised or repaid	(646,106,997)	(25,994,379)	(9,879,918)	(681,981,294)
Transfer to stage 1	19,650,625	(19,506,758)	(143,867)	-
Transfer to stage 2	(13,745,474)	13,814,134	(68,660)	-
Transfer to stage 3	(1,301,206)	(799,938)	2,101,144	-
	(117,754,675)	23,379,051	(7,166,371)	(101,541,995)
Amounts charged off - agriculture financing	-	-	(71,556)	(71,556)
Amounts written off	-	-	(49,289,636)	(49,289,636)
Amounts charge off	-	-	(434,359)	(434,359)
Exchange adjustments	1,713,996	159,069	524,567	2,397,632
Closing balance	1,269,347,233	111,130,356	111,952,622	1,492,430,211

	2024			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Opening balance	563,413,657	48,113,494	105,540,520	717,067,671
Impact of adoption of IFRS 9	(57,023,856)	52,722,599	48,143	(4,253,114)
New advances	1,024,071,074	27,778,410	-	1,051,849,484
Advances derecognised or repaid	(158,910,082)	(27,795,479)	(5,213,688)	(191,919,249)
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	-
	867,937,008	(20,003,108)	11,996,335	859,930,235
Amounts charged off - agriculture financing	-	-	(69,501)	(69,501)
Amounts written off	-	-	(577,830)	(577,830)
Amounts charge off	-	-	-	-
Other adjustments	(5,627,359)	1,001,856	54,112	(4,571,391)
Exchange adjustments	(826,258)	(572,622)	(999,829)	(2,398,709)
Closing balance	1,367,873,192	81,262,219	115,991,950	1,565,127,361

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

9.4.2 Advances - Credit loss allowance

Note	2025			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417
Acquisitions through business combinations	1,047,088	1,426,155	52,398,027	54,871,270
New Advances	4,480,622	2,527,067	824,930	7,832,619
Advances derecognised or repaid	(2,788,827)	(2,564,227)	(6,469,372)	(11,822,426)
Transfer to stage 1	1,743,795	(1,622,765)	(121,030)	-
Transfer to stage 2	(63,007)	105,393	(42,386)	-
Transfer to stage 3	(88,058)	(239,680)	327,738	-
	3,284,525	(1,794,212)	(5,480,120)	(3,989,807)
Amounts charged off - agriculture financing	-	-	(71,556)	(71,556)
Amounts written off	-	-	(49,289,636)	(49,289,636)
Amounts charged off	-	-	(434,359)	(434,359)
Changes in risk parameters (PDs/LGDs/EADs)	(2,099,530)	871,555	1,016,110	(211,865)
Exchange adjustments	8,095	19,706	516,551	544,352
Closing balance	8,249,766	8,259,382	106,554,668	123,063,816

Advances - Credit loss allowance

	2024			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Opening balance	759,833	10,410,025	92,332,287	103,502,145
Impact of adoption of IFRS 9	4,046,484	2,689,194	1,234,016	7,969,694
New Advances	2,067,736	1,758,867	-	3,826,603
Advances derecognised or repaid	(376,907)	(1,687,780)	(3,180,881)	(5,245,568)
Transfer to stage 1	412,794	(412,794)	-	-
Transfer to stage 2	53,836	173,493	(227,329)	-
Transfer to stage 3	(4,507)	(5,834,599)	5,839,106	-
	2,152,952	(6,002,813)	2,430,896	(1,418,965)
Amounts charged off - agriculture financing	-	-	(69,501)	(69,501)
Amounts written off	-	-	(577,830)	(577,830)
Amounts charged off	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(945,706)	179,194	13,439,125	12,672,613
Exchange adjustments	(3,975)	(137,270)	(943,454)	(1,084,699)
Other adjustments	-	597,848	54,112	651,960
Closing balance	6,009,588	7,736,178	107,899,651	121,645,417

9.5 Advances include Rs.111,952.622 million (2024: Rs. 115,991.950 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3

Domestic

Other Assets Especially Mentioned

Substandard

Doubtful

Loss

Overseas

Other Assets Especially Mentioned

Substandard

Doubtful

Loss

Total

	2025		2024	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
	(Rupees in '000)			
106,608	35,805	80,088	47,504	
2,196,709	1,343,327	2,307,470	1,538,389	
3,439,765	3,205,029	280,114	135,921	
70,214,413	69,237,312	22,398,233	21,455,978	
75,957,495	73,821,473	25,065,905	23,177,792	
-	-	-	-	
28,751	12,369	78,407	12,297	
17,331	-	4,305,685	1,568,890	
35,949,045	32,720,826	86,541,953	83,140,672	
35,995,127	32,733,195	90,926,045	84,721,859	
111,952,622	106,554,668	115,991,950	107,899,651	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

9.6 Particulars of credit loss allowance against advances

Note	2025			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417
Exchange adjustments	8,095	19,706	516,551	544,352
Acquisitions through business combinations	1,047,088	1,426,155	52,398,027	54,871,270
	4,480,622	3,398,622	824,930	8,704,174
Charge for the year	(4,888,357)	(2,564,227)	(5,453,262)	(12,905,846)
Reversals for the year				
Net charge against advances	(407,735)	834,395	(4,628,332)	(4,201,672)
Amounts charged off - agriculture financing	-	-	(71,556)	(71,556)
Other adjustments	-	-	-	-
Amounts written off	-	-	(49,289,636)	(49,289,636)
Amounts charge off	-	-	(434,359)	(434,359)
Transfers (out) / in - net	1,592,730	(1,757,052)	164,322	-
Closing balance	8,249,766	8,259,382	106,554,668	123,063,816

Particulars of credit loss allowance against advances

	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
	1,384,897	3,362,228	13,911,386	18,658,511
Charge for the year	(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
Reversals for the year				
Net charge against advances	745,123	250,281	10,258,244	11,253,648
Amounts charged off - agriculture financing	-	-	(69,501)	(69,501)
Other adjustments	-	597,848	54,112	651,960
Amounts written off	-	-	(577,830)	(577,830)
Amounts charge off	-	-	-	-
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 Unconsolidated Financial Statements

For the year ended December 31, 2025

9.6.1 Particulars of credit loss allowance against advances

	2025			2024		
	Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
	----- (Rupees in '000) -----					
In local currency	10,685,810	72,879,717	83,565,527	7,940,414	22,254,174	30,194,588
In foreign currencies	5,823,338	33,674,951	39,498,289	5,805,352	85,645,477	91,450,829
	<u>16,509,148</u>	<u>106,554,668</u>	<u>123,063,816</u>	<u>13,745,766</u>	<u>107,899,651</u>	<u>121,645,417</u>

9.6.2 The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the credit loss allowance against non-performing advances would had been higher by Rs. 511.27 million (2024: Rs.1,254.08 million) for the overseas branches.

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

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 credit loss allowance 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 credit loss allowance
Directly charged to profit and loss account

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

Write-offs of below Rs. 500,000

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, 2025, 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 Charge off during the year - corporate, commercial and SME advances

In compliance with the SBP's BPRD Circular No. 02 of 2024, the Bank has charged-off corporate, commercial and SME non-performing loans which are fully provisioned and have been classified as loss for at least five consecutive years.

	2025	2024	2025	2024
	----- No. of Borrowers -----		----- (Rupees in '000) -----	
Opening balance	-	-	-	-
Charged off during the year	<u>22</u>	<u>-</u>	<u>434,359</u>	<u>-</u>
	22	-	434,359	-
Recoveries made during the year	-	-	-	-
Written off during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>22</u>	<u>-</u>	<u>434,359</u>	<u>-</u>

9.11 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

Capital work-in-progress
Property and equipment

10.1 Capital work-in-progress

Civil works
Equipment
Advances to suppliers

	Note	2025	2024
		----- (Rupees in '000) -----	
	10.1	9,493,801	3,294,327
	10.2	<u>111,052,370</u>	<u>81,952,404</u>
		<u>120,546,171</u>	<u>85,246,731</u>
		6,908,365	2,141,941
		1,681,923	897,707
		903,513	254,679
		<u>9,493,801</u>	<u>3,294,327</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

10.2 Property and Equipment

Note	2025								
	Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold Improve-ments	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
	----- (Rupees in '000) -----								
At January 01, 2025									
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	<u>13,558,343</u>	<u>36,883,483</u>	<u>3,242,542</u>	<u>7,237,673</u>	<u>5,081,037</u>	<u>2,166,830</u>	<u>12,002,443</u>	<u>1,780,053</u>	<u>81,952,404</u>

Year ended December 31, 2025

Opening 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
Acquisitions through business combinations	1.1	-	1,305,250	-	593,786	119,450	14,837	120,292	2,223,442
Additions		6,822,010	279,516	993,895	1,291,248	9,516,377	2,326,782	14,244,179	3,150,448
Movement in surplus on assets revalued during the year		-	-	-	-	-	-	-	-
Disposals		-	-	-	(65,879)	(7,851)	(46,440)	(82,017)	(202,187)
Depreciation charge	31	-	-	(204,708)	(393,599)	(1,667,264)	(575,564)	(6,098,252)	(9,592,956)
Exchange rate adjustments		-	-	44,654	(26,521)	(13,617)	6,853	38,257	72,590
Other adjustments / transfers		138,571	(25,283)	(22,267)	(114,083)	(755,419)	(26,987)	(1,085,768)	(2,025,378)
Closing net book value		<u>20,518,924</u>	<u>38,442,966</u>	<u>4,054,116</u>	<u>8,588,504</u>	<u>12,214,685</u>	<u>3,904,900</u>	<u>19,174,711</u>	<u>111,052,370</u>

At December 31, 2025

Cost / Revalued amount	20,518,924	38,442,966	4,624,606	9,949,693	20,865,055	6,583,439	44,533,059	5,313,187	150,830,929
Accumulated depreciation	-	-	(570,490)	(1,361,189)	(8,650,370)	(2,678,539)	(25,358,348)	(1,159,623)	(39,778,559)
Net book value	<u>20,518,924</u>	<u>38,442,966</u>	<u>4,054,116</u>	<u>8,588,504</u>	<u>12,214,685</u>	<u>3,904,900</u>	<u>19,174,711</u>	<u>4,153,564</u>	<u>111,052,370</u>

Rate of depreciation (%)	-	-	2.5 - 5	2.5 - 5	12.5	12.5 - 25	5 - 33.33	20	
--------------------------	---	---	---------	---------	------	-----------	-----------	----	--

	2024								
	Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold Improve-ments	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	<u>9,543,663</u>	<u>30,613,443</u>	<u>3,254,535</u>	<u>7,305,278</u>	<u>3,133,330</u>	<u>953,648</u>	<u>8,390,446</u>	<u>570,320</u>	<u>63,764,663</u>

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	31	-	(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	<u>13,558,343</u>	<u>36,883,483</u>	<u>3,242,542</u>	<u>7,237,673</u>	<u>5,081,037</u>	<u>2,166,830</u>	<u>12,002,443</u>	<u>1,780,053</u>	<u>81,952,404</u>

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	<u>13,558,343</u>	<u>36,883,483</u>	<u>3,242,542</u>	<u>7,237,673</u>	<u>5,081,037</u>	<u>2,166,830</u>	<u>12,002,443</u>	<u>1,780,053</u>	<u>81,952,404</u>

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, 2025

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, 2025, amounts to Rs. 39,506.784 million.

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

	2025	2024
	----- (Rupees in '000) -----	
Freehold land	11,757,842	4,797,261
Leasehold land	11,285,292	9,725,242
Buildings on freehold land	2,889,193	2,012,509
Buildings on leasehold land	6,165,399	4,714,851
	<u>32,097,726</u>	<u>21,249,863</u>
	<u>127,026</u>	<u>127,026</u>

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	1,004,893	960,138
Electrical, office and computer equipment	11,331,604	9,238,506
Vehicles	56,861	31,433
Leasehold improvements	3,664,510	2,571,650
	<u>16,057,868</u>	<u>12,801,727</u>

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

		2025			2024		
		Buildings	Others	Total	Buildings	Others	Total
Note		----- (Rupees in '000) -----					
At January 1,		15,824,195	140,673	15,964,868	13,834,046	182,562	14,016,608
Cost		(5,990,259)	(78,525)	(6,068,784)	(5,452,800)	(66,779)	(5,519,579)
Accumulated Depreciation		9,833,936	62,148	9,896,084	8,381,246	115,783	8,497,029
Net Carrying amount at January 1,							
Acquisitions through business combinations	1.1	2,143,671	-	2,143,671	-	-	-
Additions during the year		30,091,329	96,583	30,187,912	4,651,429	19,761	4,671,190
Deletions during the year		(1,644,486)	-	(1,644,486)	(837,213)	(11,130)	(848,343)
Depreciation charge for the year	31	(4,341,172)	(44,955)	(4,386,127)	(2,361,515)	(62,266)	(2,423,781)
Exchange rate adjustments		1,058	-	1,058	(11)	-	(11)
Net Carrying amount		<u>36,084,336</u>	<u>113,776</u>	<u>36,198,112</u>	<u>9,833,936</u>	<u>62,148</u>	<u>9,896,084</u>

12. INTANGIBLE ASSETS

Capital work-in-progress - Computer software

Intangible assets - Computer software

Intangible assets - through business combination

12.1 Intangible assets

		2025			
		Computer Software	Goodwill	Business combination benefits	Total
Note		----- (Rupees in '000) -----			
At January 1,		11,047,630	-	-	11,047,630
Cost		(8,733,284)	-	-	(8,733,284)
Accumulated amortisation		2,314,346	-	-	2,314,346
Net book value					
Year ended December 31,		2,314,346	-	-	2,314,346
Opening net book value					
Additions		1,930,001	-	-	1,930,001
- directly purchased		205,412	1,500,819	58,510,193	60,216,424
- through business combinations	1.1				
Disposals		-	-	-	-
Amortisation charge	31	(1,172,744)	-	(4,744,936)	(5,917,680)
Exchange rate adjustments		68,685	-	-	68,685
Other adjustments		(1,158,925)	-	-	(1,158,925)
Closing net book value		<u>2,186,775</u>	<u>1,500,819</u>	<u>53,765,257</u>	<u>57,452,851</u>
At December 31,		12,499,663	1,500,819	58,510,193	72,510,675
Cost		(10,312,888)	-	(4,744,936)	(15,057,824)
Accumulated amortisation		2,186,775	1,500,819	53,765,257	57,452,851
Net book value					
Rate of amortisation (%)		10 - 25	-	10	10 - 25
Useful life (in years)		4 - 10	-	10	4 - 10

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

		2024			
		Computer Software	Goodwill	Business combination benefits	Total
Note		----- (Rupees in '000) -----			
At January 1,		10,055,184	-	-	10,055,184
Cost		(7,770,266)	-	-	(7,770,266)
Accumulated amortisation		2,284,918	-	-	2,284,918
Net book value					
Year ended December 31,		2,284,918	-	-	2,284,918
Opening net book value					
Additions		1,057,491	-	-	1,057,491
- directly purchased		-	-	-	-
- through business combinations	1.1				
Disposals		(3,451)	-	-	(3,451)
Amortisation charge	31	(1,007,926)	-	-	(1,007,926)
Exchange rate adjustments		(16,686)	-	-	(16,686)
Other adjustments		-	-	-	-
Closing net book value		<u>2,314,346</u>	<u>-</u>	<u>-</u>	<u>2,314,346</u>
At December 31,		11,047,630	-	-	11,047,630
Cost		(8,733,284)	-	-	(8,733,284)
Accumulated amortisation		2,314,346	-	-	2,314,346
Net book value					
Rate of amortisation (%)		10 - 25	-	10	10 - 25
Useful life (in years)		4 - 10	-	10	4 - 10

12.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 6,673.299 million (2024: Rs. 5,050.919 million).

13. DEFERRED TAX (LIABILITIES) / ASSETS

DEFERRED TAX (LIABILITIES) / ASSETS

2025

	At January 01, 2025 - as restated	Acquisitions through business combinations (Note 1.1)	Recognised in profit and loss account	Recognised in OCI	At December 31, 2025
	----- (Rupees in '000) -----				
Deductible temporary differences on					
- Credit loss allowance against advances and off balance sheet obligations	7,252,539	28,074,280	(6,779,894)	-	28,546,925
- Business losses	-	24,307,476	(24,307,476)	-	-
- Surplus on revaluation of investments	(45,227,466)	1,173,731	(190,091)	(104,520,893)	(148,764,719)
- Lease liabilities and related right of use assets	-	-	1,236,053	-	1,236,053
- Post retirement employee benefits	(5,378,140)	-	-	(13,107,684)	(18,485,824)
- Workers' Welfare Fund	6,638,445	69,969	2,939,051	(50,663)	9,596,802
- Others	(63,681)	(141,085)	-	217,289	12,523
	(36,778,303)	53,484,371	(27,102,357)	(117,461,951)	(127,858,240)
Taxable temporary differences on:					
- Surplus on revaluation of property and equipment / non-banking assets	(1,219,970)	-	77,787	-	(1,142,183)
- Accelerated tax depreciation	(960,788)	(27,567)	(5,954,459)	-	(6,942,814)
	(2,180,758)	(27,567)	(5,876,672)	-	(8,084,997)
	<u>(38,959,061)</u>	<u>53,456,804</u>	<u>(32,979,029)</u>	<u>(117,461,951)</u>	<u>(135,943,237)</u>

Taxable temporary differences on:

- Surplus on revaluation of property and equipment / non-banking assets

- Accelerated tax depreciation

Deductible temporary differences on

- Credit loss allowance against advances and off balance sheet obligations

- Business losses

- Surplus on revaluation of investments

- Lease liabilities and related right of use assets

- Post retirement employee benefits

- Workers' Welfare Fund

- Others

Taxable Temporary Differences on:

- Surplus on revaluation of property and equipment / non-banking assets

- Accelerated tax depreciation

2024				
At January 01, 2024	Acquisitions through business combinations (Note 1.1)	Recognised in profit and loss account	Recognised in OCI	At December 31, 2024
----- (Rupees in '000) -----				
5,367,816	-	1,884,723	-	7,252,539
-	-	-	-	-
(3,606,464)	-	-	(41,621,002)	(45,227,466)
-	-	-	-	-
(841,433)	-	(11,084)	(4,525,623)	(5,378,140)
4,406,522	-	2,231,923	-	6,638,445
(64,971)	-	-	1,290	(63,681)
5,261,470	-	4,105,562	(46,145,335)	(36,778,303)
(1,610,164)	-	77,788	312,406	(1,219,970)
(884,730)	-	(76,058)	-	(960,788)
(2,494,894)	-	1,730	312,406	(2,180,758)
2,766,576	-	4,107,292	(45,832,929)	(38,959,061)

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
14. OTHER ASSETS			
Income / mark-up accrued in local currency		281,498,612	161,322,103
Income / mark-up accrued in foreign currencies	14.2	6,088,868	3,617,197
Advance taxation - net of provision for taxation	14.1	12,637,536	1,913,753
Receivable from staff retirement fund	14.5	39,221,613	13,006,849
Receivable from other banks against telegraphic transfers and demand drafts		126,192	2,097,214
Unrealised gain on forward foreign exchange contracts		1,845,323	1,102,125
Rebate receivable - net		23,968,033	9,500,919
Unrealised gain on derivative financial instruments	25.2	93,247	1,262,202
Suspense accounts		452,131	51,321
Stationery and stamps on hand		521,352	599,150
Non-banking assets acquired in satisfaction of claims	14.3	352,513	39,688
Advances, deposits, advance rent and other prepayments		24,455,058	13,146,683
Acceptances	21	52,658,946	38,205,805
Dividend Receivable		26,757	-
Commission receivable - Bancassurance & Branchless Banking		614,634	719,773
Receivable against fraud & forgery and looted notes		501,980	463,765
Others		5,382,664	1,432,231
		450,445,459	248,480,778
Credit loss allowance held against other assets	14.4	(2,174,763)	(1,558,408)
Other assets - net of credit loss allowance		448,270,696	246,922,370
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23.2	2,387	2,387
Other assets - Total		448,273,083	246,924,757

14.1 The Income Tax returns of the Bank have been filed up to the tax year 2025 (accounting year ended December 31, 2024) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2025, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.16,646 million (2024: Rs.16,123 million) . The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2025 (accounting year ended December 31, 2024) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2024: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

The tax returns for UAE and Qatar branches have been filed upto the year ended December 31, 2024 and Yemen branches have been filed upto the year ended December 31, 2019 under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

Ex - Silk Bank Limited status

The Income Tax returns of the Bank have been filed up to the tax year 2025 (accounting year ended December 31, 2024) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders up to tax year 2025. The Bank has filed appeals against these assessments. The appeals from assessment / tax year(s) 2000-2001 to 2002-2003, 2004 and 2015 to 2021 are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 3,026 million (2024: Rs. 3,026 million). The appeals for tax years 2003, 2006 & 2022 to 2025 are pending before Commissioner-Appeals (CIR-A) against the disallowances amounting to Rs. 682 million (2024: Rs.682 million). The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals will be decided in favor of the Bank.

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

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

The income tax returns of the Bank's for Azad Kashmir operations have been filed up to the tax year 2025. The tax authorities have issued amended assessment orders from the tax years 2016 to 2020. The Banks has filed appeals against these orders. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

14.2 Unrealised mark-up held in suspense amounting to Rs. 23,625.546 million (2024: Rs. 46,732.081 million) against non-performing overseas advances has been netted off.

	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
14.3 Market value of Non-banking assets acquired in satisfaction of claims	354,900	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. However, valuation of non-banking assets acquired through business combinations are carried out at fair value by independent valuers.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
14.3.2 Non-banking assets acquired in satisfaction of claims			
Opening balance		42,075	42,075
Acquisitions through business combinations	1.1	249,999	-
Additions		76,222	-
Revaluation during the year		-	2,387
Impairment reversal		-	839
Disposals		-	-
Depreciation	31	(13,396)	(3,226)
Closing balance		354,900	42,075

14.4 Credit loss allowance held against other assets

Advances and other receivables	1,672,783	1,094,643
Receivable against fraud & forgery and looted notes	501,980	463,765
	2,174,763	1,558,408

14.4.1 Movement in credit loss allowance held against other assets

Opening balance	1,558,408	1,150,885
Exchange adjustments	1,556	(5,319)
Acquisitions through business combinations	1.1	529,827
Charge / (reversals)		
Charge for the year	135,462	595,026
Reversals for the year	(49,490)	(118,774)
	85,972	476,252
Transfers out - net	-	(62,852)
Amounts written off	(1,000)	(558)
Closing balance	2,174,763	1,558,408

14.5 Receivable from staff retirement fund

- Defined benefit plan	39.4.1	27,177,608	13,006,849
- Other receivable from funds		12,044,006	-
		39,221,614	13,006,849

15. CONTINGENT ASSETS

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

16. BILLS PAYABLE

In Pakistan	39,927,711	42,994,426
Outside Pakistan	18,704,133	1,227,392
	58,631,844	44,221,818

17. BORROWINGS

Secured

Borrowings from the SBP under:

Export refinance scheme	17.2	19,390,877	31,367,936
Refinance facility for modernization of SME	17.3	1,321,161	2,119,689
Long term financing facility	17.4	7,265,940	10,373,465
Renewable energy scheme	17.5	1,125,564	1,339,755
Temporary economic refinance facility	17.6	12,818,459	15,009,764
Refinance facility for combating COVID-19	17.7	30,797	110,693
Refinance for women entrepreneurs	17.8	28,688	45,295
Financing facility for storage of agriculture products	17.9	40,329	20,625
Repurchase agreement borrowings	17.10	6,326,782,743	4,532,326,857
		6,368,804,558	4,592,714,079
Repurchase agreement borrowings	17.11	76,097,576	157,965,709
		6,444,902,134	4,750,679,788

Unsecured

Call borrowings	17.12	83,249,214	103,908,861
Overdrawn nostro accounts		1,863,372	784,867
		85,112,586	104,693,728
		6,530,014,720	4,855,373,516

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

17.1	Particulars of borrowings with respect to currencies	2025	2024
		----- (Rupees in '000) -----	
	In local currency	6,503,762,366	4,826,733,738
	In foreign currencies	26,252,354	28,639,778
		<u>6,530,014,720</u>	<u>4,855,373,516</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 2026. These carry mark-up at rates ranging from 1.00% to 8% (2024: 1.00% to 15.50%) 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 December 2033 and carry mark-up at rates ranging from 1.00% to 6.00% (2024: 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 1.00% to 11.00% (2024: 2.00% to 12.30%) 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 1.00% to 3.00% (2024: 2.00% to 4.80%) 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 rate of 1.00% (2024: 1.00% to 2.80%) per annum and are due to mature latest by December 2032.		
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 rate of 0.00% (2024: 0.00% to 1.00%) 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% (2024: 0.00%) per annum and are due to mature latest by March 2030.		
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% (2024: 2.00%) per annum and are due to mature latest by April 2028.		
17.10	This represents repurchase agreement borrowing from SBP at rates ranging from 10.51% to 11.49% (2024: 13.04% to 13.07%) per annum having maturity upto January 2026. 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 4.45% to 10.51% (2024: 5.23% to 13.05%) per annum. These borrowings are repayable latest by April 2026. 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 10.25% to 10.90% (2024: 12.05% to 15.90%) per annum, and are repayable latest by March 2026.		

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

18.	DEPOSITS AND OTHER ACCOUNTS	2025			2024		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Note		----- (Rupees in '000) -----					
Customers							
	Current deposits	1,595,112,858	981,580,507	2,576,693,365	1,061,667,711	438,673,584	1,500,341,295
	Savings deposits	1,215,125,737	70,817,651	1,285,943,388	745,150,912	48,987,572	794,138,484
	Term deposits	458,853,253	155,159,290	614,012,543	74,795,514	90,103,254	164,898,768
	Others	73,777,259	13,822,006	87,599,265	50,177,905	6,621,539	56,799,444
		3,342,869,107	1,221,379,454	4,564,248,561	1,931,792,042	584,385,949	2,516,177,991
Financial Institutions							
	Current deposits	37,220,269	8,044,676	45,264,945	18,273,598	6,784,813	25,058,411
	Savings deposits	446,951,807	160,550	447,112,357	95,621,869	93,460	95,715,329
	Term deposits	103,908,600	7,889,955	111,798,555	131,850	3,127,908	3,259,758
		588,080,676	16,095,181	604,175,857	114,027,317	10,006,181	124,033,498
18.2		3,930,949,783	1,237,474,635	5,168,424,418	2,045,819,359	594,392,130	2,640,211,489

18.1	Composition of deposits	2025		2024	
		----- (Rupees in '000) -----			
	- Individuals		2,482,400,673		1,751,566,545
	- Government (Federal and Provincial)		516,871,175		116,543,627
	- Public Sector Entities		237,811,454		62,786,663
	- Banking Companies		10,179,317		6,112,347
	- Non-Banking Financial Institutions		593,996,540		117,921,151
	- Private Sector		1,327,165,259		585,281,156
			5,168,424,418		2,640,211,489

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. 2,370,046.609 million (2024: Rs. 1,637,394.911 million).

19.	LEASE LIABILITIES	Note	2025	2024
			----- (Rupees in '000) -----	
	Opening balance		12,008,797	10,339,867
	Acquisitions through business combinations	1.1	2,143,671	-
	Addition during the year		30,148,485	4,645,024
	Lease payments including interest		(7,297,972)	(3,501,433)
	Interest expense	27	3,607,665	1,469,697
	Termination / modification		(1,737,464)	(944,022)
	Exchange adjustments		632	(336)
	Closing balance		38,873,814	12,008,797
	Contactual maturity of lease liabilities			
	Short-term lease liabilities - within one year		687,650	331,744
	Long-term lease liabilities			
	- 1 to 5 years		6,952,479	4,086,832
	- 5 to 10 years		16,910,104	7,086,958
	- More than 10 years		14,323,581	503,263
			38,186,164	11,677,053
	Total lease liabilities		38,873,814	12,008,797

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
	Issue Date
	Tenor
	Rating
	Security
	Mark-up rate
	Mark-up payment frequency
	Call option
	Lock-in clause
	Loss absorbency clause

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		46,049,441	55,728,483
Mark-up / return / interest payable in foreign currencies		1,727,168	1,192,511
Accrued expenses		13,793,390	17,598,319
Branch adjustment account		129,844	153,603
Deferred income	21.3	3,479,802	2,532,247
Unearned commission and income on bills discounted		2,124,842	3,100,180
Credit loss allowance against off-balance sheet obligations	21.1	3,955,230	3,385,916
Unrealised loss on forward foreign exchange contracts		1,223,848	1,324,301
Unrealised loss on derivative financial instruments	25.2	145,581	5,708
Liability against trading of securities		17,117,164	-
Deferred liabilities	21.2	4,693,384	4,652,052
Workers' Welfare Fund payable	32	18,455,388	12,766,241
Liabilities against card settlement		245,758	74,372
Dividends payable		515,541	372,343
Unclaimed dividends		472,497	393,372
Acceptances	14	52,658,946	38,205,805
Charity fund balance		7,957	17,237
Levies and taxes payable		6,238,009	888,448
Others		6,540,056	3,744,064
		<u>179,573,846</u>	<u>146,135,202</u>
21.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		3,385,916	1,056,385
Exchange adjustments		10,196	(11,779)
Impact of adoption of IFRS 9		-	1,037,902
Acquisitions through business combinations	1.1	382,155	-
Charge / (reversal)			
Charge for the year		224,511	1,308,168
Reversals for the year		(47,548)	(4,760)
	34	176,963	1,303,408
Transfer out		-	-
Closing balance		<u>3,955,230</u>	<u>3,385,916</u>
21.2 Deferred liabilities			
Provision for post-retirement medical benefits	39.4.1	2,823,836	2,921,465
Provision for compensated absences		535,652	554,514
End of service benefits			
-Overseas branches		887,672	675,476
-Outsourced services		446,224	500,597
		<u>4,693,384</u>	<u>4,652,052</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

21.3 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

2025	2024		2025	2024
(Number of shares)			----- (Rupees in '000) -----	
<u>4,000,000,000</u>	<u>2,000,000,000</u>	Ordinary shares of Rs. 5 each	<u>20,000,000</u>	<u>20,000,000</u>

22.2 Issued, subscribed and paid-up capital

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

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, 2025, 192,211 (2024: 242,278) GDRs, representing 1,537,688 (2024: 969,112) shares are in issue.

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

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

	2025		2024	
Name of shareholder	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Bestway International Holdings Limited	1,263,457,790	50.45%	631,728,895	51.60%
Bestway Cement Limited	240,765,870	9.61%	118,693,799	9.70%

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
23. SURPLUS ON REVALUATION OF ASSETS - NET			
Surplus arising on revaluation of:			
- Securities measured at FVOCI - Debt	8.1	269,314,769	73,037,280
- Securities measured at FVOCI - Equity	8.1	11,920,430	7,869,404
- Property and Equipment	23.1	39,522,677	39,672,178
- Non-banking assets acquired in satisfaction of claims	23.2	2,387	2,387
		320,760,263	120,581,249
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI - Debt		140,378,905	37,979,386
- Securities measured at FVOCI - Equity		6,213,461	4,092,088
- Property and Equipment	23.1	1,140,942	1,218,729
- Non-banking assets acquired in satisfaction of claims	23.2	1,241	1,241
		147,734,549	43,291,444
		<u>173,025,714</u>	<u>77,289,805</u>
23.1 Surplus on revaluation of Property and Equipment			
Surplus on revaluation of property and equipment as at January 01,		39,672,178	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		(71,714)	(77,583)
Related deferred tax liability on incremental depreciation		(77,787)	(77,788)
Surplus on revaluation of property and equipment as at December 31,		39,522,677	39,672,178
Less: Related deferred tax liability on			
- Revaluation as at January 01,		1,218,729	1,610,164
- Revaluation recognised during the year		-	-
- Surplus realised on disposal of property and equipment during the year		-	-
- Other adjustments		-	(313,647)
- Exchange adjustments		-	-
- Incremental depreciation charged during the year		(77,787)	(77,788)
- Revaluation as at December 31,		1,140,942	1,218,729
		<u>38,381,735</u>	<u>38,453,449</u>
23.2 Surplus on revaluation of non-banking assets			
Surplus on revaluation of non-banking assets as at January 01,		2,387	-
Revaluation of non-banking assets during the year		-	2,387
Other adjustments		-	-
Realised on disposal during the year		-	-
Surplus on revaluation of non-banking assets as at December 31,		2,387	2,387
Less: Related deferred tax liability on			
- Revaluation as at January 01,		1,241	-
- Revaluation of non-banking assets during the year		-	1,241
- Surplus realised on disposal of non-banking assets during the year		-	-
- Other adjustments		-	-
- Revaluation as at December 31,		1,241	1,241
		<u>1,146</u>	<u>1,146</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
24. CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	475,329,535	352,581,311
Commitments	24.2	2,074,985,013	1,433,032,657
Other contingent liabilities	24.3	27,522,680	15,960,716
		<u>2,577,837,228</u>	<u>1,801,574,684</u>
24.1 Guarantees:			
Financial guarantees		231,428,710	124,354,428
Performance guarantees		227,204,106	221,439,705
Other guarantees		16,696,719	6,787,178
		<u>475,329,535</u>	<u>352,581,311</u>
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		460,745,442	354,707,969
Commitments in respect of:			
- forward foreign exchange contracts	24.2.2	1,113,461,380	582,473,911
- forward government securities transactions	24.2.3	36,537,900	319,286,690
- derivatives	24.2.4	-	-
- forward lending	24.2.5	441,246,156	168,187,869
- operating leases	24.2.6	230,903	172,438
		1,591,476,339	1,070,120,908
Commitments for acquisition of:			
- property and equipment		19,357,008	6,691,082
- intangible assets		3,406,224	1,512,698
		22,763,232	8,203,780
		<u>2,074,985,013</u>	<u>1,433,032,657</u>
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.			
24.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		605,289,894	302,218,129
Sale		508,171,486	280,255,782
		<u>1,113,461,380</u>	<u>582,473,911</u>
24.2.3 Commitments in respect of forward government securities transactions			
Purchase	25.1	23,037,900	296,701,690
Sale	25.1	13,500,000	22,585,000
		<u>36,537,900</u>	<u>319,286,690</u>
24.2.4 Commitments in respect of derivatives			
FX options			
Purchase	25.1	-	-
Sale	25.1	-	-
		<u>-</u>	<u>-</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
24.2.5 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.5.1	191,627,944	73,281,452
Others		249,618,212	94,906,417
		<u>441,246,156</u>	<u>168,187,869</u>

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.

	Note	2025 ----- (Rupees in '000) -----	2024
24.2.6 Commitments in respect of operating leases			
Not later than one year		230,903	167,593
Later than one year and not later than five years		-	4,845
Later than five years		-	-
		<u>230,903</u>	<u>172,438</u>

24.3 Other contingencies

24.3.1	Claims against the Bank not acknowledged as debts	24.3.2	<u>27,522,680</u>	<u>15,960,716</u>
---------------	---	--------	-------------------	-------------------

These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security).

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated financial statements.

24.3.2 This includes, penalties amounting to Rs. 4.089 billion which were levied during 2016, by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and filed a Constitutional Petition in 2018 in the High Court of Sindh challenging the levy of the penalty. The High Court granted a stay on action being taken against the Bank, which stay order was in the field till February 2025, when the High Court of Sindh dismissed the Petition filed by the Bank and other Banks as well. The Bank has decided to challenge the said decision of the High Court before the Supreme Court of Pakistan by filing an Appeal, through the appropriate legal counsel. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.

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, 2025

25.1 Product analysis

Counterparties	2025									
	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	Notional principal	Mark to market gain / (loss)
	----- (Rupees in '000) -----									
With banks for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-	-	-
With FIs other than Banks for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	1,794,200	2,843	13,500,000	(145,581)	15,294,200	(142,738)
	-	-	-	-	1,794,200	2,843	13,500,000	(145,581)	15,294,200	(142,738)
With other entities for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	21,243,700	90,404	-	-	21,243,700	90,404
	-	-	-	-	21,243,700	90,404	-	-	21,243,700	90,404
Total										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	23,037,900	93,247	13,500,000	(145,581)	36,537,900	(52,334)
	-	-	-	-	23,037,900	93,247	13,500,000	(145,581)	36,537,900	(52,334)
----- (Rupees in '000) -----										
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 gain / (loss)	Notional principal	Mark to market gain / (loss)
	----- (Rupees in '000) -----									
With banks for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-	-	-
With FIs other than Banks for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)
	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)
With other entities for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579
	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579
Total										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494
	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

25.2 Maturity analysis of derivatives

Remaining Maturity	2025				
	No. of contracts	Notional principal	Mark to Market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	9	36,537,900	(145,581)	93,247	(52,334)
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	-	-	-	-	-
	9	36,537,900	(145,581)	93,247	(52,334)
Remaining Maturity	2024				
	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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
26. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		121,774,719	113,169,381
Investments		1,048,817,357	961,285,297
Lendings to financial institutions		4,120,534	3,271,180
Balances with banks		10,104,992	6,856,999
		<u>1,184,817,602</u>	<u>1,084,582,857</u>
27. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		176,724,308	202,416,226
Borrowings		639,192,646	701,158,547
Subordinated debt		1,389,170	2,130,979
Cost of foreign currency swaps against foreign currency deposits / borrowings		2,342,353	3,992,583
Lease liability against right-of-use assets		3,607,665	1,469,697
		<u>823,256,142</u>	<u>911,168,032</u>
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		2,006,627	1,958,183
Consumer finance related fees		2,925,753	1,303,431
Card related fees (debit and credit cards)		6,309,370	3,815,903
Investment banking fees		1,013,998	277,908
Financial institution rebate / commission		1,242,849	762,725
Corporate service charges / facility fee		2,562,498	1,394,957
Commission on trade		3,571,725	3,084,229
Commission on guarantees		1,998,212	1,402,824
Commission on cash management		1,071,234	1,138,065
Commission on remittances including home remittances - net		3,521,706	2,123,851
Commission on bancassurance		969,770	1,156,957
Rent on lockers		313,593	225,953
Others		485,235	265,368
		<u>27,992,570</u>	<u>18,910,354</u>
29. GAIN ON SECURITIES - NET			
Realised	29.1	9,628,755	42,557,633
Unrealised - Measured at FVTPL	8.1	250,256	35,068
		<u>9,879,011</u>	<u>42,592,701</u>
29.1 Realised gain / (loss) on:			
Federal Government securities		9,571,952	37,624,519
Shares		33,074	244,402
Foreign securities		23,280	4,642,824
Other Securities		449	45,888
		<u>9,628,755</u>	<u>42,557,633</u>
30. OTHER INCOME			
Charges recovered		751,608	440,601
Rent on properties		134,670	107,475
Gain on sale of Property and equipment - net		156,735	232,084
Gain on sale of subsidiary		-	7,083,501
(Loss) / gain on sale of Ijarah assets - net		(234)	1,016
Loss on trading liabilities - net		(740)	(16,549)
		<u>1,042,039</u>	<u>7,848,128</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
31. OPERATING EXPENSES			
Total compensation expense	31.1	49,743,928	37,769,981
Property expense			
Rent and taxes	31.5	2,300,049	1,861,782
Insurance		218,715	300,831
Utilities cost		4,051,812	3,466,609
Security (including guards)		2,254,715	1,894,223
Repair and maintenance (including janitorial charges)		669,565	516,546
Depreciation on owned property and equipment	10.2	2,265,571	1,406,529
Depreciation on right-of-use assets	11	4,386,127	2,423,781
Depreciation on non-banking assets acquired in satisfaction of claims	14.3.2	13,396	3,226
Others		50,341	41,935
		16,210,291	11,915,462
Information technology expenses			
Software maintenance		4,350,367	3,769,362
Hardware maintenance		833,964	552,685
Depreciation	10.2	2,812,293	1,881,892
Amortisation	12.1	1,172,744	1,007,926
Network charges		1,745,449	1,080,775
Consultancy charges		1,062,791	504,872
		11,977,608	8,797,512
Other operating expenses			
Legal and professional charges		781,559	768,130
Commission paid to branchless banking agents		193,243	345,593
Commission paid to sales force		902,425	5,055,630
Outsourced service costs	31.2	3,094,143	2,729,108
Travelling and conveyance		402,764	287,365
Clearing charges		585,015	362,669
Depreciation	10.2	4,515,092	2,494,917
Depreciation on Islamic financing against leased assets		172,811	79,527
Amortization	12.1	4,744,936	-
Training and development		182,372	206,308
Postage and courier charges		506,492	504,982
Communication		316,437	291,881
Stationery and printing		2,642,806	2,194,702
Marketing, advertisement and publicity		9,357,473	4,325,076
Donations	31.3	647,654	205,000
Auditors' remuneration	31.4	216,233	151,330
Insurance		275,396	136,483
Deposit protection premium expense		2,734,151	2,202,917
Cash transportation and sorting charges		1,790,851	1,265,657
Entertainment		760,665	444,437
Vehicle expenses		1,716,736	612,002
Subscription		86,041	58,866
Office running expenses		677,674	425,014
Banking service charges		10,409,405	7,332,055
Repairs and maintenance		2,793,980	2,536,221
Cartage, freight and conveyance		134,219	87,850
Miscellaneous expenses		1,616,415	1,198,184
		52,256,988	36,301,904
		130,188,815	94,784,859

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
31.1 Total compensation expense			
Non- Executive Directors' fees	41.2	118,971	117,870
Shariah Board's fees and allowances	41.3	13,791	12,973
Managerial Remuneration			
i) Fixed		27,315,076	16,466,063
ii) Variable - Cash Bonus		4,065,460	8,598,022
Charge for defined benefit plan		-	71,967
Contribution to defined contribution plan		928,995	657,313
Charge for compensated absences		334,824	-
Rent & house maintenance		6,188,538	4,278,660
Utilities		3,049,825	2,292,133
Medical		2,383,758	1,548,302
Conveyance		2,275,560	1,791,428
Group assurance premium		185,156	127,495
Others		2,749,994	1,632,280
Sub-total		49,609,948	37,594,506
Sign-on bonus		78,000	44,700
Severance allowance		55,980	130,775
Grand Total		49,743,928	37,769,981
----- Number of person -----			
Awards		8	21
Severance allowance		7	13
31.2 Total outsourced activities is Rs. 5,563.750 million (2024: Rs. 3,803.008 million). This includes outsourced service costs of Rs.3,094.143 million (2024: Rs. 2,729.108 million), disclosed as seperate line item in note 31. Out of total outsource cost, Rs. 5,237.724 million (2024: Rs. 3,521.182 million) pertains to the payment to companies incorporated in Pakistan and Rs. 326.025 million (2024: Rs. 281.826 million) pertains to payment to companies incorporated outside Pakistan.Total cost of outsourced activities for the year given to related parties is Nil (2024: Nil).			
The material outsourcing arrangements along with their nature of services are as follows:			
Name of service provider	Type of service	2025 ----- (Rupees in '000) -----	2024
TCS (Private) Limited	Statement of account printing and dispatching	107,354	131,610
Paradise Press (Private) Limited	Cheque book printing services	356,867	235,483
APEX Printry (Private) Limited	Cheque book printing services	160,931	145,096
Printlink	Cheque book printing services	194,267	103,540
ASC First Solution (Private) Limited	Storage and digital archiving services	11,843	6,491
Raaziq International	Storage and digital archiving services	71,184	56,054
Archiving And Data Solution Pvt Ltd	Storage and digital archiving services	38,370	-
Phoenix Armour (Pvt) Limited	Cash Replenishment	374,697	-
Askari Guards (Pvt) Limited	Cash Replenishment	541,802	47,215
Security Organizing Services	Cash Replenishment	283,986	22,256
Wackenhut Pakistan Pvt Ltd	Cash Replenishment	111,130	-
Qadri Enterprises	Key Punch	39,420	24,950
CMS Company	Cash Management Services	102,400	224,050
Docusafe	Vouchers Warehouse	5,947	-
Transguard Group	Cash Management Services	26,849	23,144
Back Office FZ LLC	Record Management	26,280	27,894
Infafort	Record Management	-	9,948
Electronic Document Center	Printing Services	6,456	7,450
National Printing Press	Printing Services	9,824	8,719
		2,469,607	1,073,900

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

31.3 Details of donations

	2025	2024
	(Rupees in '000)	
Lahore University of Management Sciences	275,000	-
Namal Education Foundation	119,250	10,000
Shaukat Khanum Memorial Cancer Hospital	75,000	50,000
Kiran Foundation	20,000	10,000
Dow University of Health Sciences	20,000	-
SOS Children's Village	17,464	3,000
Saylani Welfare International Trust	15,000	10,000
Aga Khan University Hospital	10,500	-
Dr. Ruth K.M. Pfau Civil Hospital	10,000	10,000
Layton Rahmatullah Benevolent Trust	10,000	10,000
Alkhidmat Foundation	10,000	10,000
Patients Behbud Society for AKUH	10,000	-
Akhuwat College Chakwal	9,900	-
NJV Government Higher Secondary School	9,000	-
The Health Foundation	9,000	-
Memon Medical Hospital	7,500	-
The Citizens Foundation	6,700	-
The Hunar Foundation	5,000	5,000
Anjuman Kashana-E-Atfal-O-Naunihal	3,300	-
Education Trust Nasra Schools	2,640	2,500
National Institute of Child Health through OAKS	2,400	3,000
Indus Hospital	-	50,000
Cancer Foundation Hospital / Roche Pakistan	-	10,000
Patients Aid Foundation	-	8,900
Afzaal Memorial Thalassemia Foundation	-	5,000
Family Educational Services Foundation	-	3,600
Marie Adelaide Leprosy Center	-	2,000
Developments in Literacy (DIL)	-	1,000
Karachi Down Syndrome Program	-	1,000
Donations individually not exceeding Rs. 0.5 million	-	-
	<u>647,654</u>	<u>205,000</u>

31.4 Auditors' remuneration

Audit fee	47,520	19,440
Fee for other statutory certifications	33,588	20,520
Fee for audit of foreign branches	111,597	84,875
Special certifications and sundry advisory services	15,833	17,280
Out of pocket expenses	7,695	9,215
	<u>216,233</u>	<u>151,330</u>

31.5 This includes expense in respect of short term leases and low value assets not included in lease liabilities amounting to Rs. 175.464 million (2024: Rs. 24.769 million) and Rs. 0.001 million (2024: Rs. 0.001 million) respectively.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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	2025	2024
		(Rupees in '000)	
33. OTHER CHARGES			
Penalties imposed by the SBP		102,683	43,527
Penalties imposed by other regulatory bodies of overseas branches		37	31,743
		<u>102,720</u>	<u>75,270</u>
34. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance / (Reversal) against loans and advances	9.6	(4,201,672)	11,253,648
Credit loss allowance / (Reversal) for diminution in value of investments	8.3.3	(366,406)	(273,241)
Bad debts written off directly	9.8	107,914	54,951
Credit loss allowance against other assets - net	14.4.1	85,972	476,252
Credit loss allowance against off-balance sheet obligations - net	21.1	176,963	1,303,408
Recoveries against written off / charged off bad debts		(614,433)	(422,754)
Credit loss allowance against cash and balances with treasury banks		146,127	199,497
Other credit loss allowance / write-offs		12,107	160,014
		<u>(4,653,428)</u>	<u>12,751,775</u>

35. TAXATION

Current	120,534,492	85,411,894
Prior years	6,747,701	(11,640,488)
Deferred	<u>32,979,029</u>	<u>(4,107,292)</u>
	<u>160,261,222</u>	<u>69,664,114</u>

35.1 Relationship between tax expense and accounting profit

Accounting profit for the year	<u>288,270,069</u>	<u>150,191,648</u>
Tax on income @ 43% (2024: 44%)	123,956,130	66,084,325
Super tax @ 10% (2024: 10%)	28,827,007	15,019,165
Prior year charge	6,747,701	(11,640,488)
Tax effect of permanent differences	54,442	40,646
Others	675,942	160,466
Tax charge	<u>160,261,222</u>	<u>69,664,114</u>

36. EARNINGS PER SHARE

Profit after taxation for the year	<u>128,008,847</u>	<u>80,527,534</u>
	----- (Number of shares) -----	
Weighted average number of ordinary shares	<u>2,493,682,550</u>	<u>2,448,359,374</u>
	----- (Rupees) -----	
Basic and diluted earnings per share - restated	<u>51.33</u>	<u>32.89</u>

There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2025 and 2024.

	Note	2025	2024
		(Rupees in '000)	
37. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	5	547,646,979	309,745,911
Balances with other banks	6	57,179,677	59,968,246
		<u>604,826,656</u>	<u>369,714,157</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

37.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025			2024		
	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,	12,008,797	765,715	111,955,818	10,339,867	727,315	90,492,296
Changes from financing cash flows						
Payment of lease liability against right-of-use assets	(7,297,972)	-	-	(3,501,422)	-	-
Dividend paid	-	(67,084,981)	-	-	(53,825,508)	-
Total changes from financing cash flows	(7,297,972)	(67,084,981)	-	(3,501,422)	(53,825,508)	-
Other Changes						
- Liability related						
Cash dividend	-	67,307,304	(67,307,304)	-	53,863,908	(53,863,908)
Interest expense on lease liability against right-of-use assets	3,607,665	-	-	1,469,697	-	-
Non-cash based	30,555,324	-	-	3,700,655	-	-
Total other changes	34,162,989	67,307,304	(67,307,304)	5,170,352	53,863,908	(53,863,908)
- Equity related	-	-	130,018,401	-	-	75,327,430
Balance as at December 31,	38,873,814	988,038	174,666,915	12,008,797	765,715	111,955,818

38. STAFF STRENGTH

	Note	2025			2024		
		(Number of employees)					
		Domestic	Overseas	Total	Domestic	Overseas	Total
Permanent		22,882	389	23,271	17,508	337	17,845
On contract		3,444	5	3,449	1,677	6	1,683
Bank's own staff strength		26,326	394	26,720	19,185	343	19,528
Outsourced	38.1	172	29	201	226	20	246
Total		26,498	423	26,921	19,411	363	19,774

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, 2025

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:

	2025	2024
	(Number)	(Number)
- Pension fund	290	371
- Gratuity fund	22,461	17,128
- Post-retirement medical benefit scheme	381	490
- Benevolent fund	425	552
- Employee compensated absences	425	567

In addition to above active employees, pension fund, benevolent fund and post-retirement medical benefit schemes include 5,709 (2024: 5,961), 1,163 (2024: 1,163) and 7,896 (2024: 7,787) 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, 2025, using Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2025	2024
	Per annum	Per annum
Discount rate	11.00%	12.25%
Expected rate of salary increase	11.00%	10.25%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	5.00%	6.25%
Expected rate of return on plan assets	11.00%	12.25%

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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, 2025 are as follows:

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
Note		(Rupees in '000)			
Present value of defined benefit obligations		(9,338,076)	(2,884,803)	(148,847)	(2,823,836)
Fair value of plan assets		34,558,405	4,517,316	473,613	-
Receivable / (payable)	14.5 & 21.2	25,220,329	1,632,513	324,766	(2,823,836)
		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)	14.5 & 21.2	12,306,781	427,558	272,510	(2,921,465)

39.5 Movement in the present value of defined benefit obligations

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
		(Rupees in '000)			
Obligations at the beginning of the year		8,553,357	1,982,123	159,458	2,921,465
Current service cost		4,845	342,300	1,645	248
Interest cost		937,189	248,443	18,672	346,897
Benefits paid by the Bank		(936,612)	(260,708)	(25,813)	(130,847)
Return allocated to other funds	39.8.1	72,803	-	-	-
Re-measurement (gains) / losses		706,494	572,645	(5,115)	(313,927)
Obligations at the end of the year		9,338,076	2,884,803	148,847	2,823,836
		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	39.8.1	73,510	-	-	-
Re-measurement (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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

39.6 Movement in fair value of plan assets

		2025			2024		
		Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
		(Rupees in '000)					
Fair value at the beginning of the year		20,860,138	2,409,681	431,968	11,929,445	1,652,156	306,766
Interest income on plan assets		2,503,621	297,879	50,180	1,780,969	261,838	43,154
Contribution by the Bank		(12,838,724)	295,870	951	(1,169,284)	147,337	736
Contribution by the employees		-	-	951	-	-	736
Amount paid by the fund to the Bank		(311,662)	(1,019,254)	(299,928)	(841,332)	(266,092)	(31,091)
Re-measurements gains		24,345,032	2,533,140	289,491	9,160,340	614,442	111,667
Fair value at the end of the year		34,558,405	4,517,316	473,613	20,860,138	2,409,681	431,968

39.7 Movement in (payable) / receivable under defined benefit schemes

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
		(Rupees in '000)			
Opening balance		12,306,781	427,558	272,510	(2,921,465)
Adjustment for mark-up		442,408	426,176	1,683	-
(Charge) / reversal for the year		1,488,784	(292,864)	30,814	(347,145)
Contribution by the Bank		(12,838,724)	295,870	951	-
Amount paid by the fund to the Bank		(311,662)	(1,019,254)	(299,928)	-
Benefits paid by the Bank		936,612	260,708	25,813	130,847
Re-measurement gains / (loss) recognised in OCI		23,196,130	1,534,319	292,923	313,927
Closing balance		25,220,329	1,632,513	324,766	(2,823,836)
		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)

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

39.8 Charge for defined benefit plans

39.8.1 Cost recognised in profit and loss

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
Note		(Rupees in '000)			
		4,845	342,300	1,645	248
Current service cost		-	-	-	-
Past service cost		(1,566,432)	(49,436)	(31,508)	346,897
Net interest on defined benefit asset / (liability)		72,803	-	-	-
Return allocated to other funds	39.8.1.1	-	-	(951)	-
Employees' contribution		(1,488,784)	292,864	(30,814)	347,145
		2024			
		Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
		(Rupees in '000)			
		7,256	256,074	1,823	288
Current service cost		-	-	-	-
Past service cost		(764,700)	(5,479)	(16,363)	389,632
Net interest on defined benefit asset / (liability)		73,510	-	-	-
Return allocated to other funds	39.8.1.1	-	-	(736)	-
Employees' contribution		(683,934)	250,595	(15,276)	389,920

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 4.19.

39.8.2 Re-measurements recognised in OCI during the year

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post - retirement medical benefit
		(Rupees in '000)			
Losses / (gains) on obligation		807,910	410,210	3,327	5,060
- Financial assumptions		(101,416)	162,435	(8,442)	(318,987)
- Experience adjustment		(24,345,032)	(2,533,140)	(289,491)	-
Return on plan assets over interest income		442,408	426,176	1,683	-
Adjustment for mark-up		(23,196,130)	(1,534,319)	(292,923)	(313,927)
Total re-measurements recognised in OCI					
		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					

Re-measurement (loss) / gain recognised in OCI during the year pertaining to other schemes as disclosed in note 39.1.6 is Rs. 130.214 million (2024: Rs. 51.289 million)

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

39.9 Components of fair value of plan assets

		2025			2024		
		Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
		(Rupees in '000)					
Cash and cash equivalents - net		76,375	(692,410)	51,496	67,218	46,578	3,880
Ordinary shares		48,162,648	4,112,438	508,849	19,980,648	1,086,895	229,043
Non-Government debt securities		781,259	1,097,288	35,663	812,272	1,077,785	12,239
Mutual funds units		-	-	-	-	-	-
Pakistan Investment Bonds		-	-	150,192	-	54,123	154,606
Market Treasury Bills		-	-	-	-	-	-
National Saving Certificates / Bonds		-	-	-	-	-	32,200
Certificate of Investments		-	-	-	-	-	-
Repurchase agreements		-	-	-	-	144,300	-
Payable to the Bank/Gratuity Fund		(14,461,877)	-	(272,587)	-	-	-
		34,558,405	4,517,316	473,613	20,860,138	2,409,681	431,968

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:

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
		(Rupees in '000)			
Increase in Discount Rate by 1 %		(657,239)	(213,051)	(2,688)	(262,829)
Decrease in Discount Rate by 1 %		757,800	244,873	2,773	315,940
Increase in expected future increment in salary by 1%		-	256,584	686	-
Decrease in expected future increment in salary by 1%		-	(226,912)	(742)	-
Increase in expected future increment in pension by 1%		782,048	-	-	-
Decrease in expected future increment in pension by 1%		(686,960)	-	-	-
Increase in expected future increment in medical benefit by 1%		-	-	-	307,840
Decrease in expected future increment in medical benefit by 1%		-	-	-	(261,476)

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:

		2026			
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
		(Rupees in '000)			
Expected contribution		-	-	510	-
Expected (reversal) / charge for the year		(2,772,850)	392,084	(33,051)	300,764

39.12 Maturity profile

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
		(Rupees in '000)			
The weighted average duration of the obligation (in years)		7.90	7.90	2.87	9.31

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 18,099 (2024: 17,128) 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, 2025

41. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total Compensation Expense

Items	2025						
	Directors			Members	President / CEO	Key	Other
	Chairman	Executives (other than CEO)	Non- Executives	Shariah Board		Management Personnel	Material Risk Takers/ Controllers
(Rupees in '000)							
Fees and Allowances etc.	9,320	-	109,651	13,791	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	-	160,971	352,414	886,145
ii) Variable - Cash Bonus	-	-	-	-	80,000	482,584	449,532
Contribution to defined contribution plan	-	-	-	-	13,100	23,016	65,208
Charge for defined benefit plan	-	-	-	-	4,108	8,335	37,740
Rent & house maintenance	-	-	-	-	4,400	150,028	363,042
Utilities	-	-	-	-	-	64,588	161,291
Medical	-	-	-	-	-	32,052	80,646
Conveyance	-	-	-	-	6,842	144,226	289,476
Others	-	-	-	-	-	188,898	150,421
Sub-total	9,320	-	109,651	13,791	269,421	1,446,141	2,483,501
Sign-on bonus	-	-	-	-	-	42,400	35,600
Total	9,320	-	109,651	13,791	269,421	1,488,541	2,519,101
Number of Persons	1	-	7	4	1	22	208

Items	2024						
	Directors			Members	President / CEO	Key	Other
	Chairman	Executives (other than CEO)	Non- Executives	Shariah Board		Management Personnel	Material Risk Takers/ Controllers
(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	143,831
Others	-	-	-	-	-	42,684	27,366
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	-	7	3	1	21	159

The total amount of deferred bonus as at December 31, 2025 for the President / CEO, Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 388.461 million (2024: Rs. 363.459 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, 2025

41.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2025										
Meeting Fees and Allowances Paid										
For Board Committees										
Sr. No.	Name of Director	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)	Allowance	Total Amount Paid
(Rupees in '000)										
1	Sir Mohammed Anwar Pervez, OBE, HPk	4,320	-	2,400	-	-	-	2,400	200	9,320
2	Lord Zameer M. Choudrey, CBE, SI Pk	4,400	-	3,200	3,200	-	800	4,160	300	16,060
3	The Honorable Haider Zameer Choudrey	4,400	4,400	-	-	3,840	800	3,200	300	16,940
4	Mr. Rizwan Pervez	4,400	4,400	-	-	3,200	-	3,200	250	15,450
5	Mr. Daniel Michael Howlett	4,400	-	-	3,840	3,200	-	3,200	214	14,854
6	Ms. Shazia Syed	4,400	5,280	3,200	-	-	-	3,200	214	16,294
7	Mr. Tariq Rashid	4,400	4,400	3,840	-	-	-	3,200	-	15,840
8	Mr. Muhammad Irfan A.sheikh	4,400	-	-	3,200	3,200	-	3,200	214	14,214
Total Amount Paid		35,120	18,480	12,640	10,240	13,440	1,600	25,760	1,691	118,971

2024										
Meeting Fees and Allowances Paid										
For Board Committees										
Sr. No.	Name of Director	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)	Allowance	Total Amount Paid
(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

41.3 Remuneration paid to Shariah Board Members

Items	2025				2024			
	Chairman	Resident Member	Non-Resident Member	Total	Chairman	Resident Member	Non-Resident Member	Total
(Rupees in '000)								
Meeting fees and allowances	5,832	4,363	3,596	13,791	5,616	3,737	3,620	12,973
Total number of persons	1	1	2		1	1	2	

42. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to collect model, is based on quoted market price. Quoted securities classified as "held to collect" are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is carried at fair value. This valuation is carried out using appropriate methodologies.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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.
Unquoted equity securities	The fair value of unlisted equity investments is determined using cash flow projections of the investee company. If cashflow projections of investees are unavailable, the Bank uses the break-up value as an estimate of fair value.
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
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.

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

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

Non-listed equity investments financial sector

Ordinary shares unlisted (income approach)	DCF Method	WACC, CAGR, DLOM, DLOC	17% - 20.13%, 53.72%, 28% & 10%	Increase/decrease in WACC by 1% with all other variables held constant, would (decrease)/increase the fair value by Rs. 2,277 million as at December 31, 2025.
Ordinary shares unlisted (market approach)	Price to Book Value	Market multiple/ transaction price	Not applicable	Not applicable

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:

	2025				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	8,836,797,960	-	8,836,797,960	-	8,836,797,960
- Foreign Bonds - Market Treasury Bills	266,392,159	-	266,392,159	-	266,392,159
- Foreign bonds - sovereign	103,115,862	-	103,115,862	-	103,115,862
- Foreign bonds - others	25,281,025	-	25,281,025	-	25,281,025
- Ordinary shares of listed companies	18,376,396	18,376,396	-	-	18,376,396
- Ordinary shares of unlisted companies	4,337,548	-	-	4,337,548	4,337,548
- Mutual fund units	-	-	-	-	-
- Non-Government debt securities	7,542,370	-	7,542,370	-	7,542,370
- Real Estate Investment Trust units	1,633,045	1,633,045	-	-	1,633,045
	9,263,476,365	20,009,441	9,239,129,376	4,337,548	9,263,476,365

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

		2025				
		Carrying value	Fair value			
			Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
Financial assets - disclosed but not measured at fair value						
Investments						
- Federal Government Securities		651,569,594	-	662,796,595	-	662,796,595
- Foreign Bonds - Market Treasury Bills		3,688,787	-	3,666,685	-	3,666,685
- Foreign Bonds - sovereign		15,739,639	-	15,533,700	-	15,533,700
- Foreign Bonds - others		1,464,706	-	1,400,033	-	1,400,033
- Non-Government debt securities		12,765,041	-	13,058,977	-	13,058,977
		685,227,767	-	696,455,990	-	696,455,990
		9,948,704,132	20,009,441	9,935,585,366	4,337,548	9,959,932,355
Off-balance sheet financial instruments - measured at fair value						
Forward purchase and sale of foreign exchange contracts						
		1,113,461,380	-	621,475	-	621,475
FX options - purchased and sold						
		-	-	-	-	-
Forward purchase and sale of Government Securities						
		36,537,900	-	(52,334)	-	(52,334)
		2024				
		Carrying value	Fair value			
			Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
On balance sheet financial instruments						
Financial assets - measured at fair value						
Investments						
- Federal Government Securities		5,426,802,954	-	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
Financial assets - disclosed but not measured at fair value						
- 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
		2024				
		Carrying value	Fair value			
			Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
Off-balance sheet financial instruments - measured at fair value						
Forward purchase and sale of foreign exchange contracts						
		582,473,911	-	(222,176)	-	(222,176)
FX options - purchased and sold						
		-	-	-	-	-
Forward purchase and sale of Government Securities						
		319,286,690	-	1,256,494	-	1,256,494
		2025				
		Carrying value	Fair value			
			Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
Property and equipment						
		71,604,510	-	-	71,604,510	71,604,510
Non-banking assets acquired in satisfaction of claims						
		354,900	-	-	354,900	354,900
		71,959,410	-	-	71,959,410	71,959,410
		2024				
		Carrying value	Fair value			
			Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
Property and equipment						
		60,922,041	-	-	60,922,041	60,922,041
Non-banking assets acquired in satisfaction of claims						
		42,075	-	-	42,075	42,075
		60,964,116	-	-	60,964,116	60,964,116
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.						

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

43. SEGMENT INFORMATION

43.1 Segment details with respect to business activities

	2025						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
Profit & Loss	(Rupees in '000)						
Net mark-up / return / profit	16,233,125	373,537,989	(108,987,822)	43,254,109	37,258,778	265,281	361,561,460
Inter segment (expense) / revenue - net	(1,038,109)	(203,448,038)	210,845,374	-	-	(6,359,227)	-
Non mark-up / return / interest income	11,048,496	19,253,854	16,705,382	2,326,236	6,320,302	2,344,467	57,998,737
Total Income	26,243,512	189,343,805	118,562,934	45,580,345	43,579,080	(3,749,479)	419,560,197
Segment direct expenses	2,806,744	4,247,549	76,115,574	24,228,616	10,104,340	18,440,733	135,943,556
Inter segment expense allocation	3,488,209	3,484,714	8,100,297	-	-	(15,073,220)	-
Total expenses	6,294,953	7,732,263	84,215,871	24,228,616	10,104,340	3,367,513	135,943,556
Credit loss allowance - net	(2,806,365)	(130,802)	499,327	3,943,194	(1,642,747)	(4,516,035)	(4,653,428)
Profit / (loss) before tax	22,754,924	181,742,344	33,847,736	17,408,535	35,117,487	(2,600,957)	288,270,069
Balance Sheet							
Cash & Bank balances	73,537	157,538,266	67,645,918	96,532,778	283,036,157	-	604,826,656
Investments	9,174,174	8,915,527,870	-	495,954,343	522,528,452	7,869,811	9,951,054,650
Net inter segment lending	313,262,186	-	2,175,337,853	-	14,226,985	-	2,502,827,024
Lendings to financial institutions	-	17,000,000	-	14,574,547	-	-	31,574,547
Advances - performing	236,353,075	8,555,039	115,981,454	562,986,863	440,075,704	16,306	1,363,968,441
Advances - non-performing net of credit loss allowance	1,881,585	-	187,845	66,592	3,261,932	-	5,397,954
Others	1,826,306	92,487,272	305,116,044	57,282,314	6,513,826	200,145,435	663,371,197
Total Assets	562,570,863	9,191,108,447	2,664,269,114	1,227,397,437	1,269,643,056	208,031,552	15,123,020,469
Borrowings	21,396,778	6,463,604,043	5,288,844	15,336,073	24,388,982	-	6,530,014,720
Subordinated debt	-	-	-	-	-	10,000,000	10,000,000
Deposits & other accounts	548,603,889	-	2,574,287,467	956,712,493	1,088,820,569	-	5,168,424,418
Net inter segment borrowing	-	2,292,801,720	-	134,692,381	-	75,332,923	2,502,827,024
Others	12,504,162	149,382,080	104,114,204	37,123,268	18,850,311	91,048,716	413,022,741
Total Liabilities	582,504,829	8,905,787,843	2,683,690,515	1,143,864,215	1,132,059,862	176,381,639	14,624,288,903
Equity	(19,933,966)	285,320,604	(19,421,401)	83,533,222	137,583,194	31,649,913	498,731,566
Total Equity & liabilities	562,570,863	9,191,108,447	2,664,269,114	1,227,397,437	1,269,643,056	208,031,552	15,123,020,469
Contingencies and Commitments	1,093,032,940	415,512,685	188,006,592	41,126,448	831,161,418	8,997,145	2,577,837,228
	2024						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
Profit & Loss	(Rupees in '000)						
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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2024						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Others	Total
	(Rupees in '000)						
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

43.2 Geographical segment analysis

	2025			
	Pakistan	Middle East	Export Processing Zones	Total
Profit and Loss				
Net mark-up / return / profit	324,302,682	36,544,668	714,110	361,561,460
Non mark-up / return / interest income	51,678,435	6,282,676	37,626	57,998,737
Total Income	375,981,117	42,827,344	751,736	419,560,197
Segment direct expenses	125,839,216	10,065,091	39,249	135,943,556
Inter segment expense allocation	-	-	-	-
Total expenses	125,839,216	10,065,091	39,249	135,943,556
Credit loss allowance - net	(3,010,681)	(1,642,747)	-	(4,653,428)
Profit before tax	253,152,582	34,405,000	712,487	288,270,069
Balance Sheet				
Cash & Bank balances	321,790,499	282,962,602	73,555	604,826,656
Investments	9,428,526,198	520,277,286	2,251,166	9,951,054,650
Net inter segment lending	2,488,600,039	14,226,985	-	2,502,827,024
Lendings to financial institutions	31,574,547	-	-	31,574,547
Advances - performing	923,892,737	440,075,704	-	1,363,968,441
Advances - non-performing net of credit loss allowance	2,136,022	3,261,932	-	5,397,954
Others	656,857,371	6,165,333	348,493	663,371,197
Total Assets	13,853,377,413	1,266,969,842	2,673,214	15,123,020,469
Borrowings	6,505,625,738	24,388,982	-	6,530,014,720
Subordinated debt	10,000,000	-	-	10,000,000
Deposits & other accounts	4,079,603,849	1,083,545,173	5,275,396	5,168,424,418
Net inter segment borrowing	2,502,827,024	-	-	2,502,827,024
Others	394,172,430	25,938,493	(7,088,182)	413,022,741
Total Liabilities	13,492,229,041	1,133,872,648	(1,812,786)	14,624,288,903
Equity	361,148,372	133,097,194	4,486,000	498,731,566
Total Equity & liabilities	13,853,377,413	1,266,969,842	2,673,214	15,123,020,469
Contingencies and Commitments	1,746,675,810	831,081,672	79,746	2,577,837,228

	2024			
	Pakistan	Middle East	Export Processing Zones	Total
	(Rupees in '000)			
Profit and Loss				
Net mark-up / return / profit	152,139,722	20,361,920	913,183	173,414,825
Non mark-up / return / interest income	75,603,450	12,274,293	(383,620)	87,494,123
Total Income	227,743,172	32,636,213	529,563	260,908,948
Segment direct expenses	90,104,532	7,817,621	43,372	97,965,525
Inter segment expense allocation	-	-	-	-
Total expenses	90,104,532	7,817,621	43,372	97,965,525
Credit loss allowance - net	4,780,176	7,971,599	-	12,751,775
Profit before tax	132,858,464	16,846,993	486,191	150,191,648

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2024			
	Pakistan	Middle East	Export Processing Zones	Total
	(Rupees in '000)			
Balance Sheet				
Cash & Bank balances	208,815,344	160,721,743	177,070	369,714,157
Investments	5,746,149,952	139,877,233	867,318	5,886,894,503
Net inter segment lending	1,794,179,500	-	-	1,794,179,500
Lendings to financial institutions	18,492,483	-	-	18,492,483
Advances - performing	1,119,207,644	316,124,639	57,362	1,435,389,645
Advances - non-performing net of credit loss allowance	1,888,113	6,204,186	-	8,092,299
Others	333,419,594	10,782,925	346,528	344,549,047
Total Assets	9,222,152,630	633,710,726	1,448,278	9,857,311,634
Borrowings	4,827,518,605	27,854,911	-	4,855,373,516
Subordinated debt	10,000,000	-	-	10,000,000
Deposits & other accounts	2,143,832,880	483,677,824	12,700,785	2,640,211,489
Net inter segment borrowing	1,785,357,695	8,333,854	487,951	1,794,179,500
Others	223,747,536	28,956,172	(11,378,830)	241,324,878
Total Liabilities	8,990,456,716	548,822,761	1,809,906	9,541,089,383
Equity	231,695,914	84,887,965	(361,628)	316,222,251
Total Equity & liabilities	9,222,152,630	633,710,726	1,448,278	9,857,311,634
Contingencies and Commitments	1,359,023,696	442,472,468	78,520	1,801,574,684

Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates.

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	2025			
		Securities held (Face Value)			Total
		Pakistan Investment Bonds	GoP Ijara Sukuks	Market Treasury Bills	
		(Rupees in '000)			
Asset Management Companies	3	1,850,000	995,000	-	2,845,000
Corporates	32	54,329,400	-	38,071,385	92,400,785
Individuals	181	381,600	30,300	5,850,155	6,262,055
Insurance Companies	5	909,780,800	2,019,500	53,849,600	965,649,900
NGO / Charitable Organisation	3	3,938,500	-	5,613,030	9,551,530
Pension & Employee Funds	26	67,051,200	805,000	47,356,860	115,213,060
Others	18	28,108,900	-	74,491,245	102,600,145
Total	268	1,065,440,400	3,849,800	225,232,275	1,294,522,475

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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the year are as follows:

	2025					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Statement of financial position						
Balances with other banks						
In current accounts	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	5,016,240
Repaid during the year	-	-	-	-	-	(5,016,240)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	2,100,000	1,657,486	3,635,440
Adoption Impact of IFRS 9	-	-	-	-	-	-
Investment made during the year	-	-	-	-	9,910	-
Investment disposed / written off during the year	-	-	-	-	-	(63,635)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	2,100,000	1,667,396	3,571,805
Credit loss allowance for diminution in value of investments	-	-	-	-	1,417,485	-
Advances						
Opening balance	-	537	596,283	-	-	231,097,420
Addition during the year	-	9,805	379,813	-	-	177,640,570
Repaid during the year	-	(9,816)	(289,673)	-	-	(261,900,702)
Transfer in / (out) - net	-	-	(188,816)	-	-	(1,285)
Closing balance	-	526	497,607	-	-	146,836,003
Credit loss allowance held against advances	-	11	6,948	-	-	26
Property and equipment / CWIP	-	-	-	-	-	10,298
Other Assets						
Interest / mark-up accrued	-	-	-	-	-	4,573,212
Receivable from staff retirement fund	-	-	-	-	-	39,221,613
Prepaid insurance	-	-	-	-	211,601	-
Unrealised gain on forward foreign exchange contracts	-	-	-	-	-	-
Other receivable	-	-	-	17,717	-	25,065
Credit loss allowance written off	-	-	-	-	-	-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Borrowings						
Opening balance	-	-	-	-	-	94,460,700
Borrowings during the year	-	-	-	-	3,896,632	541,102,568
Settled during the year	-	-	-	-	(3,896,632)	(629,618,427)
Closing balance	-	-	-	-	-	5,944,841
Overdrawn nostros	-	-	-	-	-	105,130
Deposits and other accounts						
Opening balance	3,205	7,263,037	152,126	335,500	596,425	40,635,616
Received during the year	28,285,690	50,068,956	2,336,597	226,339,885	104,872,912	3,798,106,048
Withdrawn during the year	(28,265,985)	(49,601,675)	(2,382,635)	(226,340,866)	(104,242,502)	(3,695,912,103)
Transfer in / (out) - net	-	-	(63,558)	-	98,661	(222,419)
Closing balance	22,910	7,730,318	42,530	334,519	1,325,496	142,607,142
Subordinated loans	-	-	-	-	-	50,000
Other Liabilities						
Interest / mark-up payable on deposits and borrowings	-	68,683	-	-	-	307,329
Dividend payable	-	-	-	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	717	-	-
Unearned income	-	-	-	434	-	45,192
Other payable	-	8,690	-	-	9,708	33,215
Contingencies and Commitments						
Letter of guarantee	-	-	-	-	-	-
Forward Government securities sale	-	-	-	-	-	-
Forward foreign exchange contracts purchase	-	-	-	218,496	-	-
Others						
Securities held as custodian	5,584,520	1,427,490	12,800	-	2,690,500	18,509,990
Profit and loss account						
Income						
Mark-up / return / interest earned	-	4	17,408	-	-	17,885
Commission / charges recovered	-	260	3,375	1,890	22,277	18,337
Dividend income	-	-	-	-	80,815	920,233
Other income	-	-	-	3,577	-	92,318
Gain on sale of subsidiary	-	-	-	-	-	-
Gain/(Loss) on sale of property and equipment	-	-	(39,111)	-	3,395	-
Switch revenue	-	-	-	-	-	705,701
Management fee	-	-	-	73,454	-	-
Expense						
Mark-up / return / interest paid	58,281	295,698	5,487	19,978	62,927	6,231,138
Remuneration paid	-	-	1,695,434	-	-	-
Directors' fees and allowances	-	118,971	-	-	-	-
Charge for defined contribution plans	-	-	36,116	-	-	928,995
Charge/(reversal) for defined benefit plans	-	-	12,443	-	-	(660,408)
Other expenses	-	-	10,071	-	-	365,312
Clearing charges	-	-	-	-	-	321,558
Membership, subscription, sponsorship and maintenance charges	-	-	3,898	-	-	24,173

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
Other Information						
Dividend paid	34,113,360	1,641,120	23,210	-	-	13,534,815
Insurance premium paid	-	-	-	-	1,131,432	-
Insurance claims settled	-	-	-	-	377,572	-
Purchase of Government securities	-	110,638	13,742	-	1,949,099	3,010,646,820
Sale of Government securities	11,573,574	2,362,553	-	-	2,231,514	2,988,026,372
	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 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
Credit loss allowance written off	-	-	-	-	-	-
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
Overdrawn nostros	-	-	-	-	-	-

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2024					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					
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	2,145,778	97,445,145	84,366,733	1,393,847,149
Withdrawn during the year	(71,550,659)	(42,298,845)	(2,101,521)	(98,108,394)	(84,337,211)	(1,368,907,850)
Transfer in	-	-	(6,893)	(56,579)	-	779,016
Closing balance	3,205	7,263,037	152,126	335,500	596,425	40,635,616
Subordinated loans	-	-	-	-	-	-
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	-	-	-
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
Forward foreign exchange contracts purchase	-	-	-	-	-	-
Others						
Securities held as custodian	5,290,205	1,222,000	52,350	-	3,467,400	34,604,380
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
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	-
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	-	-	-
Directors' fees and allowances	-	117,870	-	-	-	-
Charge for defined contribution plans	-	-	34,580	-	-	657,313
Charge for defined benefit plans	-	-	10,748	-	-	130,567
Other expenses	-	-	3,997	-	-	365,806
Clearing charges	-	-	-	-	-	210,344
Membership, subscription, sponsorship and maintenance charges	-	-	3,396	-	-	21,072
Other Information						
Dividend paid	27,796,071	989,492	33,061	-	-	7,491,134
Insurance premium paid	-	-	-	-	838,586	-
Insurance claims settled	-	-	-	-	379,205	-
Purchase of Government securities	11,791,252	1,160,162	17,185	-	695,758	71,177,708
Sale of Government securities	8,363,790	2,414,284	60,071	-	1,235,001	220,232,330

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

46. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):
Paid-up capital (net of losses)

2025	2024
----- (Rupees in '000) -----	
12,521,239	12,241,797

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital
Eligible Additional Tier 1 (ADT 1) Capital
Total Eligible Tier 1 Capital
Eligible Tier 2 Capital
Total Eligible Capital (Tier 1 + Tier 2)

393,765,766	231,378,975
9,934,770	9,934,770
403,700,536	241,313,745
116,875,980	79,934,771
520,576,516	321,248,516

Risk Weighted Assets (RWAs):

Credit Risk
Market Risk
Operational Risk
Total

1,651,146,520	982,317,606
325,516,675	268,034,475
501,882,859	331,068,883
2,478,546,054	1,581,420,964

Common Equity Tier 1 Capital Adequacy Ratio
Tier 1 Capital Adequacy Ratio
Total Capital Adequacy Ratio

15.89%	14.63%
16.29%	15.26%
21.00%	20.31%

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

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

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2025. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 21.00% whereas CET 1 and Tier 1 ratios stood at 15.89% and 16.29% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, UBL has been designated as a D-SIB under letter BSD-1/Bank/UBL/984691/2025 dated August 22, 2025. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

Leverage Ratio (LR):

Eligible Tier-1 Capital
Total Exposures
Leverage Ratio

2025	2024
----- (Rupees in '000) -----	
403,700,536	241,313,745
13,251,327,927	7,852,713,980
3.05%	3.07%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets
Total Net Cash Outflow
Liquidity Coverage Ratio

2,737,102,361	1,809,400,194
1,250,537,173	721,237,268
218.87%	250.87%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding
Total Required Stable Funding
Net Stable Funding Ratio

3,141,118,282	2,163,819,529
2,299,775,237	2,027,714,826
136.58%	106.71%

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.ubldigital.com/Investor-Relations/CAR-Statements.aspx>.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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, Financial Institution Risk, Consumer Risk, Operational Risk, Environmental, Social & Governance (ESG) 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 credit risk.
- In collaboration with Finance , assessing the position of Bank's RWA in line with the application of Standardized Approach under Basel for computation of capital requirement for the Bank.

The year 2025 proved to be a resilient year for the global economy despite conflicts, debt pressures and climate shocks.

In 2025, macroeconomic conditions stabilised, supported by a sharp decline in inflation and cautious monetary easing by the State Bank of Pakistan. Real GDP growth improved modestly to around 3.0%, while the external account recorded a current account surplus and higher foreign exchange reserves. Despite these improvements, structural constraints, limited fiscal space, and reliance on external financing remained.

Despite these challenges, Pakistan's banking industry expanded its asset base, driven primarily by investment growth, while advances recorded subdued performance during the year. Private sector credit contracted, whereas public sector borrowing continued to increase. Profitability improved significantly, supported by strong growth in net interest income amid easing monetary conditions.

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 experience / 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, 2025

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 proactively reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the ongoing economic uncertainty.

IFRS 9 is applicable currently on the international branches of the Bank and requires the estimation of Expected Credit Losses (ECL) based on various parameters such as client fundamentals, credit structure, historical portfolio default rate and transitions i.e. probability of default, loss given default as well as current and forecasted macro-economic variables.

47.1.1Lendings to financial institutions

Credit risk by public / private sector	Gross lendings	Non-performing lendings	2025			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Public / Government	-	-	-	-	-	-
Private	31,574,547	-	-	-	-	-
	31,574,547	-	-	-	-	-
Credit risk by public / private sector	Gross lendings	Non-performing lendings	2024			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Public / Government	-	-	-	-	-	-
Private	18,492,483	-	-	-	-	-
	18,492,483	-	-	-	-	-

47.1.2 Investment in debt securities

Credit risk by industry sector	Gross investments	Non-performing investments	2025			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Chemical and pharmaceuticals	457,963	3,418	23	-	3,418	3,441
Financial	9,637,077,813	360,000	1,604,057	-	360,000	1,964,057
Food	913	913	-	-	913	913
Production and transmission of energy	11,620,840	-	456,236	-	-	456,236
Metal and allied	15,625	-	-	-	-	-
Textile	229,263	229,263	-	-	229,263	229,263
Others	8,045,653	-	1,434	-	-	1,434
	9,657,448,070	593,594	2,061,750	-	593,594	2,655,344
Credit risk by industry sector	Gross investments	Non-performing investments	2024			
			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	5,769,429,669	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
	5,791,485,711	618,283	31,219	2,364,605	618,283	3,014,107

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

Credit risk by public / private sector	Gross investments	Non-performing investments	2025			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Public / Government	9,653,305,991	-	2,061,662	-	-	2,061,662
Private	4,142,079	593,594	88	-	593,594	593,682
	9,657,448,070	593,594	2,061,750	-	593,594	2,655,344

Credit risk by public / private sector	Gross investments	Non-performing investments	2024			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Public / Government	5,780,277,708	-	898	-	-	898
Private	11,208,003	618,283	30,321	2,364,605	618,283	3,013,209
	5,791,485,711	618,283	31,219	2,364,605	618,283	3,014,107

47.1.3 Advances

Credit risk by industry sector	Gross advances	Non-performing advances	2025			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Agriculture	203,523,682	3,000,515	241,627	102,632	2,902,752	3,247,011
Airlines	541,988	541,988	-	-	541,988	541,988
Automobile and transportation equipment	19,976,532	7,317,618	63,532	608,931	7,132,765	7,805,228
Education and medical	983,900	-	5,055	-	-	5,055
Cables	3,491,564	-	37,048	-	-	37,048
Cement	7,325,049	112,194	15,498	17,075	112,194	144,767
Chemical and pharmaceuticals	9,503,079	151,495	36,982	30,210	151,495	218,687
Construction	137,497,085	22,309,625	298,688	42,139	22,300,086	22,640,913
Electronics and electrical appliances	11,793,572	5,477,682	16,339	7,000	5,477,155	5,500,494
Engineering	49,687	77	364	-	77	441
Fertilizer	3,466,906	20,665	69,406	144	6,893	76,443
Financial	145,179,472	2,468,722	460,081	1,742,430	2,468,722	4,671,233
Food, tobacco and beverages	5,838,922	-	49,517	619	-	50,136
Glass and allied	-	-	-	-	-	-
Hotel and tourism	5,321,899	-	21,318	-	-	21,318
Individuals	101,137,319	6,705,039	2,307,437	347,034	5,930,885	8,585,356
Paper and allied	783,347	-	19,987	1,502	-	21,489
Production and transmission of energy	181,699,450	2,549,163	672,638	270,158	1,847,333	2,790,129
Shoes and leather garments	2,242,007	1,144,255	7,837	3,529	1,144,255	1,155,621
Sugar	53,839,957	4,738,377	500,046	-	4,738,377	5,238,423
Metal and allied	7,665,119	-	75,102	557	-	75,659
Telecommunication	57,431,555	14,332	495,787	-	4,780	500,567
Textile composite	59,623,405	3,899,417	261,041	1,794,489	3,899,417	5,954,947
Textile	74,517,420	3,845,908	299,291	746,078	3,845,331	4,890,700
Textile spinning	29,425,311	3,620,577	166,773	163,378	3,582,873	3,913,024
Textile weaving	2,362,418	168,601	6,995	-	168,601	175,596
Wholesale and retail trade	37,145,016	16,723,335	45,063	180,647	16,595,661	16,821,371
Others	330,064,550	27,143,037	2,076,314	2,200,830	23,703,028	27,980,172
	1,492,430,211	111,952,622	8,249,766	8,259,382	106,554,668	123,063,816

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

		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
		2025				
	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	407,897,553	986,650	927,968	269,359	9,549	1,206,876
Private	1,084,532,658	110,965,972	7,321,798	7,990,023	106,545,119	121,856,940
	1,492,430,211	111,952,622	8,249,766	8,259,382	106,554,668	123,063,816
		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

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
47.1.4 Contingencies and Commitments		
Credit risk by industry sector		
Agriculture	83,783,061	47,675,276
Airlines	489,608	701,407
Automobile and transportation equipment	48,931,039	34,334,323
Cables	616,646	590,684
Cement	20,846,375	24,576,331
Chemical and pharmaceuticals	25,787,166	114,013,140
Construction	76,176,223	55,620,268
Contractors	16,709,985	16,592,159
Electronics and electrical appliances	17,151,979	15,917,539
Engineering	36,088,108	6,312,074
Fertilizer dealers	30,162,415	28,121,284
Financial	1,186,354,575	681,377,492
Food, tobacco and beverages	52,425,224	21,983,965
Glass and allied	188,774	676,722
Hotel and tourism	3,689,512	2,375,535
Individuals	52,053,073	23,376,647
Paper and allied	5,512,281	4,478,131
Polyester and fiber	4,395,990	3,707,328
Production and transmission of energy	338,659,213	261,949,358
Shoes and leather garments	1,459,449	1,703,028
Sugar	13,256,361	4,864,721
Telecommunication	40,577,015	16,862,904
Textile	140,819,964	84,184,116
Wholesale traders	8,636,270	8,139,301
Others	373,066,922	341,440,951
	<u>2,577,837,228</u>	<u>1,801,574,684</u>
Credit risk by public / private sector		
Public / Government	510,178,561	402,453,384
Private	<u>2,067,658,667</u>	<u>1,399,121,300</u>
	<u>2,577,837,228</u>	<u>1,801,574,684</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

47.1.6 Advances - Province / Region-wise Disbursement & Utilisation

		2025					
Province / Region	Disburse-ments	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		(Rupees in '000)					
Punjab	597,885,400	597,885,400	-	-	-	-	-
Sindh	665,276,734	-	665,276,734	-	-	-	-
KPK including FATA	184,587	-	-	184,587	-	-	-
Balochistan	78,416	-	-	-	78,416	-	-
Islamabad	91,860,096	-	-	-	-	91,860,096	-
AJK including Gilgit-Baltistan	228,297	-	-	-	-	-	228,297
Total	1,355,513,530	597,885,400	665,276,734	184,587	78,416	91,860,096	228,297

		2024					
Province / Region	Disburse-ments	Utilisation					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		(Rupees in '000)					
Punjab	754,018,770	754,018,770	-	-	-	-	-
Sindh	653,255,392	-	653,255,392	-	-	-	-
KPK including FATA	580,446	-	-	580,446	-	-	-
Balochistan	2,494,308	-	-	-	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	42,682

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 manage Market Risk, a well-defined Risk Management Policy is in place which includes coverage of Market Risk, approved by the Board of Directors is in place. The policy defines appropriate risk measures, controls and methods carried out 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

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
(Rupees in '000)						
Cash and balances with treasury banks	547,646,979	-	547,646,979	309,745,911	-	309,745,911
Balances with other banks	57,179,677	-	57,179,677	59,968,246	-	59,968,246
Lendings to financial institutions	31,574,547	-	31,574,547	18,492,483	-	18,492,483
Investments	9,787,349,294	163,705,356	9,951,054,650	1,647,791,198	4,239,103,305	5,886,894,503
Advances	1,369,366,395	-	1,369,366,395	1,443,481,944	-	1,443,481,944
Property and equipment	120,546,171	-	120,546,171	85,246,731	-	85,246,731
Right-of-use assets	36,198,112	-	36,198,112	9,896,084	-	9,896,084
Intangible assets	58,353,831	-	58,353,831	2,481,475	-	2,481,475
Deferred tax assets	-	-	-	-	-	-
Other assets	448,273,083	-	448,273,083	246,924,757	-	246,924,757
	12,456,488,089	163,705,356	12,620,193,445	3,824,028,829	4,239,103,305	8,063,132,134

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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.

The currency risk is effectively monitored against the applicable regulatory limits. Market risk ensures that the FX exposure remains under the limits prescribed by SBP and Internal Limits approved by GALCO.

	2025				2024			
	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	658,449,410	384,819,551	(285,022,595)	(11,392,736)	390,743,192	207,749,537	(183,932,859)	(939,204)
Great Britain Pound	3,128,763	23,002,590	19,498,411	(375,416)	2,141,638	16,222,269	14,090,143	9,512
Japanese Yen	5,330	202,367	153,871	(43,166)	5,480	221,517	212,403	(3,634)
Euro	3,574,218	27,481,293	23,261,252	(645,823)	2,742,496	18,579,385	15,853,031	16,142
UAE Dirham	633,010,330	919,566,451	293,903,723	7,347,602	271,660,686	404,871,579	132,592,756	(618,137)
Bahraini Dinar	11,263,208	40,679,370	36,365,253	6,949,091	13,696,018	42,480,832	28,001,813	(783,001)
Qatari Riyal	36,561,767	53,175,572	16,652,728	38,923	36,000,718	55,174,415	19,218,594	44,897
Other Currencies	31,100,533	23,714,992	(7,690,087)	(304,546)	29,183,092	25,109,030	(4,058,452)	15,610
	1,377,093,559	1,472,642,186	97,122,556	1,573,929	746,173,320	770,408,564	21,977,429	(2,257,815)

	2025		2024	
	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	(15,739)	-	22,578	-

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 Levels (MAT).

	2025		2024	
	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	81,652	918,820	47,594	1,022,635

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.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
(Rupees in '000)				
Impact of 1% change in interest rates on				
- Profit and loss account	-	645,269	-	201,828
- Other comprehensive income	82,424,252	17,861,089	32,387,768	8,887,116

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

47.2.5 Mismatch of interest rate sensitive assets and liabilities

Effective yield / interest rate	2025										Non-interest bearing financial instruments
	Exposed to yield / interest rate risk										
	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	
(Rupees in '000)											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	547,646,979	46,152,467	-	-	-	-	-	-	-	-	
Balances with other banks	57,179,677	-	2,786,369	-	-	-	-	-	-	-	54,393,308
Lendings to financial institutions	31,574,547	31,574,547	-	-	-	-	-	-	-	-	-
Investments	9,951,054,650	1,115,173,158	2,130,396,919	4,113,935,260	469,039,413	568,456,809	100,856,600	819,500,692	618,248,417	-	15,447,382
Advances	1,369,366,395	175,568,750	862,267,172	121,808,205	26,729,017	75,639,644	2,522,123	8,472,155	21,476,525	-	74,882,804
Other assets	404,956,467	-	-	-	-	-	-	-	-	-	404,956,467
	12,361,778,715	1,368,468,922	2,995,450,460	4,235,743,465	495,768,430	644,096,453	103,378,723	827,972,847	639,724,942	-	1,051,174,473
Liabilities											
Bills payable	58,631,844	-	-	-	-	-	-	-	-	-	58,631,844
Borrowings	6,530,014,720	6,421,170,855	44,128,126	40,454,354	869,185	1,879,837	2,845,381	2,107,345	14,496,265	200,000	1,863,372
Deposits and other accounts	5,168,424,418	396,589,015	1,383,064,725	246,432,689	589,952,949	19,512,194	3,333,800	6,428,310	6,270,579	-	2,516,840,157
Lease liabilities	38,873,814	-	-	-	-	-	-	-	-	-	38,873,814
Subordinated debt	10,000,000	10,000,000	-	-	-	-	-	-	-	-	-
Other liabilities	138,565,940	-	-	-	-	-	-	-	-	-	138,565,940
	11,944,510,736	6,827,759,870	1,427,192,851	286,887,043	590,822,134	21,392,031	6,179,181	8,535,655	20,766,844	200,000	2,754,775,127
On-balance sheet gap											
	417,267,979	(5,459,290,948)	1,568,257,609	3,948,856,422	(95,053,704)	622,704,422	97,199,542	819,437,192	618,958,098	(200,000)	(1,703,600,654)
Off-balance sheet financial instruments											
FX Options - Purchase	-	-	-	-	-	-	-	-	-	-	-
FX Options - Sale	-	-	-	-	-	-	-	-	-	-	-
Forward Government Securities - Purchase	23,037,900	23,037,900	-	-	-	-	-	-	-	-	-
Forward Government Securities - Sale	(13,500,000)	(13,500,000)	-	-	-	-	-	-	-	-	-
Foreign currency forward - Purchase	605,289,894	260,826,998	254,643,092	69,535,758	20,284,046	-	-	-	-	-	-
Foreign currency forward - Sale	(508,171,486)	(262,021,749)	(254,598,897)	28,980,835	(20,531,675)	-	-	-	-	-	-
Off-balance sheet Gap											
	106,656,308	8,343,149	44,195	98,516,593	(247,629)	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap											
	(5,450,947,799)	1,568,301,804	4,047,373,015	(95,301,333)	622,704,422	97,199,542	819,437,192	618,958,098	(200,000)	(1,703,600,654)	
Cumulative Yield / Interest Rate Risk Sensitivity Gap											
	(5,450,947,799)	(3,882,645,995)	164,727,020	69,425,687	692,130,109	789,329,651	1,608,766,843	2,227,724,941	2,227,524,941	523,924,287	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

Effective yield / interest rate	2024										Non-interest bearing financial instruments
	Exposed to yield / interest rate risk										
	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	
%											
(Rupees in '000)											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	309,745,911	27,531,895	-	-	-	-	-	-	-	-	282,214,016
Balances with other banks	59,968,246	9,478,017	2,693,859	-	-	-	-	-	-	-	47,796,370
Lendings to financial institutions	18,492,483	18,492,483	-	-	-	-	-	-	-	-	-
Investments	5,886,894,503	23,152,612	588,311,866	3,490,053,762	321,878,483	551,133,261	470,536,853	353,309,225	69,977,894	-	18,540,547
Advances	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	-	17,886,189
Other assets	233,385,308	-	-	-	-	-	-	-	-	-	233,385,308
	7,951,968,395	377,456,819	1,497,271,689	3,621,843,575	374,242,545	556,239,334	472,972,794	362,273,163	89,846,046	-	599,822,430
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	200,000	784,866
Deposits and other accounts	2,640,211,489	89,404,109	680,161,994	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	1,886,284,743
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)	(1,086,462,313)
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	302,218,129	111,262,471	96,020,496	92,427,041	2,508,121	-	-	-	-	-	-
Foreign currency forward - Sale	(280,255,782)	(92,565,232)	(93,157,410)	(94,024,477)	(508,663)	-	-	-	-	-	-
Off-balance sheet Gap											
	296,079,037	261,553,489	18,280,926	14,245,164	1,999,458	-	-	-	-	-	-
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)	(3,411,574,274)	(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	

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

47.2.5.1 Reconciliation of Assets and Liabilities exposed to yield / interest rate risk with Total Assets and Liabilities

	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Total financial assets as per note 47.2.5	12,361,778,715	7,951,968,395
Add: Non financial assets		
Property and equipment	120,546,171	85,246,731
Right-of-use assets	36,198,112	9,896,084
Intangible assets	58,353,831	2,481,475
Deferred tax assets	-	-
Other assets	43,316,616	13,539,449
Total assets as per statement of financial position	<u>12,620,193,445</u>	<u>8,063,132,134</u>
Total financial liabilities as per note 47.2.5	11,944,510,736	7,681,577,546
Add: Non financial liabilities		
Other liabilities	41,007,906	26,373,276
Deferred tax liabilities	135,943,237	38,959,061
Total liabilities as per statement of financial position	<u>12,121,461,879</u>	<u>7,746,909,883</u>

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.

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.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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

	2025									
	(Rupees in '000)									
	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
Assets										
Cash and balances with treasury banks	547,646,979	-	35,110,199	1,074,154	508,993,752	-	-	-	-	-
Balances with other banks	57,179,677	7,227,487	286	1,573,777	48,378,127	-	-	-	-	-
Lendings to financial institutions	31,574,547	-	26,784,647	4,789,900	-	-	-	-	-	-
Investments	9,951,054,650	1,411,800	-	10,282,303	290,952,779	50,953,451	751,334	635,786,186	256,617,286	208,574,397
Advances	1,369,366,395	93,833,388	-	39,431,149	143,190,608	43,958,309	100,536,367	281,329,503	48,840,672	121,170,946
Property and equipment	120,546,171	-	-	-	422,588	2,047,067	2,026,152	6,144,379	288,845	418,668
Right-of-use assets	36,198,112	14,130	84,700	98,817	239,982	436,311	434,089	1,230,893	1,263,946	1,253,923
Intangible assets	58,353,831	-	-	-	40	9,322	-	43,584	653,717	653,717
Deferred tax asset	-	-	-	-	-	-	-	-	-	-
Other assets	448,273,083	60,075,744	4,301,855	1,213,148	34,555,417	6,729,323	6,140,806	51,850,420	16,623,068	2,203,472
	12,620,193,445	162,562,549	142,653,063	58,463,248	1,026,733,293	104,133,783	109,898,070	976,384,965	324,287,534	334,275,123
Liabilities										
Bills payable	58,631,844	-	117,978	19,904	58,493,962	-	-	-	-	-
Borrowings	6,530,014,720	1,868,247	6,373,866,801	4,824,461	42,868,353	35,652,250	8,475,876	40,060,698	422,639	446,546
Deposits and other accounts	5,168,424,418	12,234,635	23,871,661	112,402,256	4,234,848,912	111,686,487	107,021,951	340,887,842	138,211,776	64,209,069
Lease liabilities	38,873,814	15,174	90,961	106,121	257,721	468,562	466,176	1,321,878	1,357,375	1,346,611
Subordinated debt	10,000,000	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	135,943,237	-	-	-	135,943,237	-	-	-	-	-
Other liabilities	179,973,846	6,556,572	2,930,886	1,339,002	67,193,834	6,788,235	30,192,544	24,347,674	11,299,876	1,703,071
	12,121,461,879	20,674,628	6,400,878,287	118,691,744	4,539,606,019	154,595,534	146,156,547	406,618,092	151,291,666	67,705,297
Net assets	<u>498,731,566</u>	<u>141,887,921</u>	<u>(6,258,225,224)</u>	<u>(60,228,496)</u>	<u>(3,512,872,726)</u>	<u>(50,461,751)</u>	<u>(36,258,477)</u>	<u>569,766,873</u>	<u>172,995,868</u>	<u>266,569,826</u>
Share capital	12,521,239									
Reserves	138,517,698									
Surplus on revaluation of assets	173,025,714									
Unappropriated profit	<u>174,666,915</u>									
	<u>498,731,566</u>									

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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	-	24,880,044	-	-	-	-	-	-	-	-	-
	Balances with other banks	9,951,821	9,388,184	-	-	-	-	-	-	-	-	-
	Lendings to financial institutions	-	18,492,483	-	-	-	-	-	-	-	-	-
	Investments	256,975	-	3,714,376	1,588,208	440,035,183	170,915,031	160,831,307	600,926,620	481,939,250	1,020,777,992	2,899,259,814
	Advances	236,801,157	25,681,968	439,093,785	33,752,061	123,579,099	20,439,826	120,222,224	27,556,175	49,355,415	133,072,297	154,687,947
	Property and equipment	1,443,481,944	-	48,884,976	656,090	1,931,852	253,823	370,609	2,314,199	4,709,767	8,116,837	66,676,165
	Right-of-use assets	85,246,731	124	-	561,367	193,673	547,536	474,337	1,885,084	1,436,837	2,174,638	2,239,123
	Intangible assets	9,896,084	6,370	44,563	196,238	108,225	108,225	41,360	567,144	636,532	849,976	41,028
	Deferred tax assets	2,481,475	-	-	1,422	212	-	-	-	-	-	-
	Other assets	246,924,757	671,116	698,789	4,319,669	7,459,116	31,234,116	5,564,069	12,857,564	18,174,298	34,758,793	85,289,724

8,063,132,134	267,697,038	79,151,982	53,342,704	887,490,819	40,513,688	47,213,089	597,628,559	199,306,942	287,504,094	646,106,786	556,252,099	1,199,750,533	3,207,173,801
---------------	-------------	------------	------------	-------------	------------	------------	-------------	-------------	-------------	-------------	-------------	---------------	---------------

Liabilities	Bills payable	-	117,285	-	-	-	-	-	-	-	-	-	-
	Borrowings	44,221,818	49,933,585	5,106,493	52,330,404	2,910,379	173,230	96,320	1,688,052	2,426,323	6,574,226	17,787,110	-
	Deposits and other accounts	4,855,373,516	51,405,412	4,150,184	18,696,910	12,645,373	21,273,402	5,794,882	20,109,070	9,315,179	4,894,292	9,634,027	-
	Lease liabilities	2,640,211,489	7,452,647	2,462,902,360	469,156	424,696	1,123,670	759,314	2,446,406	1,702,666	1,979,187	1,597,395	-
	Subordinated debt	12,008,797	23,832	102,776	291,199	-	-	-	-	-	-	10,000,000	-
	Deferred tax liabilities	10,000,000	-	-	-	-	-	-	-	-	-	-	-
	Other liabilities	38,959,061	-	-	38,959,061	-	-	-	-	-	-	-	-
		146,135,202	1,450,198	842,021	3,835,838	14,136,795	86,488,159	4,421,864	5,296,136	5,617,205	718,590	279,449	-
		102,813,027	2,662,116	15,389,628	75,332,308	30,117,243	148,699,217	11,072,380	29,539,664	19,061,373	14,166,295	39,297,981	-
		7,746,909,883	1,773,860,267	10,218,604	5,474,654,746	17,095,846	448,929,342	276,431,714	616,567,122	537,190,726	1,185,584,238	3,167,875,820	-

316,222,251	164,884,011	(1,694,708,285)	43,124,100	(4,593,163,927)	(34,818,620)	17,095,846	448,929,342	181,230,164	616,567,122	537,190,726	1,185,584,238	3,167,875,820	-
-------------	-------------	-----------------	------------	-----------------	--------------	------------	-------------	-------------	-------------	-------------	---------------	---------------	---

Share capital	12,241,797
Reserves	114,734,831
Surplus on revaluation of assets	77,289,805
Unappropriated profit	111,955,818
	316,222,251

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2025

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 Global Asset and Liabilities Committee (GALCO).

2025									
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
(Rupees in '000)									

Assets	Cash and balances with treasury banks	547,646,979	312,402,365	29,584,699	28,822,595	41,448,769	57,077,182	36,635,454	40,972,555	585,956	117,404	-
	Balances with other banks	57,179,677	54,393,236	2,786,441	-	-	-	-	-	-	-	-
	Lendings to financial institutions	31,574,547	31,574,547	-	-	-	-	-	-	-	-	-
	Investments	9,951,054,650	15,077,261	52,892,327	634,980,513	476,165,153	591,349,008	293,222,117	1,594,249,839	6,011,352,693	281,765,739	-
	Advances	1,369,366,395	117,278,134	408,098,848	167,734,366	167,812,140	111,800,205	124,144,584	175,699,849	83,935,058	12,863,211	-
	Property and equipment	120,546,171	443,490	4,052,304	6,443,898	576,313	5,611,544	5,861,144	14,495,924	12,708,554	70,353,000	-
	Right-of-use assets	36,198,112	437,629	870,400	1,230,893	2,517,869	4,402,266	3,953,728	6,694,382	10,930,881	5,160,064	-
	Intangible assets	58,353,831	67	18,806	45,837	1,315,898	626,400	825,861	229,728	25,156	55,266,078	-
	Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-
	Other assets	448,273,083	72,620,314	23,363,348	47,309,647	18,822,408	21,310,649	7,292,353	46,523,868	189,017,114	22,013,392	-

12,620,193,445	604,227,043	521,667,173	886,567,749	708,658,550	792,177,254	471,935,241	1,878,866,145	6,308,555,412	447,538,878	-	-	-
----------------	-------------	-------------	-------------	-------------	-------------	-------------	---------------	---------------	-------------	---	---	---

Liabilities	Bills payable	58,631,844	19,374,843	14,183,441	25,073,560	-	-	-	-	-	-	-
	Borrowings	6,530,014,720	6,423,427,863	44,128,124	40,060,699	869,187	1,879,843	2,845,387	2,107,350	14,496,267	200,000	-
	Deposits and other accounts	5,168,424,418	880,287,064	771,949,490	618,892,730	894,017,749	934,066,332	542,056,490	496,144,503	31,010,060	-	-
	Lease liabilities	38,873,814	469,978	934,738	1,321,878	2,703,986	4,727,674	4,245,981	7,189,219	11,738,873	5,541,487	-
	Subordinated debt	10,000,000	-	-	-	-	-	-	-	10,000,000	-	-
	Deferred tax liabilities	135,943,237	-	-	-	33,985,809	33,985,809	33,985,809	33,985,809	-	-	-
	Other liabilities	179,573,846	53,179,736	36,195,544	24,867,664	18,302,720	6,486,336	715,198	17,187,962	4,300,800	18,337,886	-
		12,121,461,879	7,376,739,484	867,391,337	710,216,531	949,879,451	981,145,994	583,848,865	556,614,843	71,546,000	24,079,373	-
		498,731,566	(6,772,512,441)	(345,724,164)	176,351,218	(241,220,901)	(188,968,740)	1,322,251,302	6,237,009,412	423,459,505	-	-

Net assets	12,521,239
Share capital	138,517,698
Reserves	173,025,714
Surplus on revaluation of assets	174,666,915
Unappropriated profit	498,731,566

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2025

2024									
(Rupees in '000)									
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	27,088,108	26,541,760	36,515,233	53,487,507	485,042	769,165	4,172,146	1,306,002
Balances with other banks	59,968,246	-	-	-	-	-	-	-	-
Lendings to financial institutions	18,492,483	-	-	-	-	-	-	-	-
Investments	5,886,894,503	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	7,272,517	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	70,075,547	2,369,972	507,013	2,806,074	3,918,068	8,124,876	4,755,769	60,912,356
Right-of-use assets	9,896,084	1,270,066	547,536	1,025,600	1,885,084	1,436,837	2,174,638	2,239,123	-
Intangible assets	2,481,475	389,910	306,184	82,909	567,147	631,119	864,882	26,121	-
Deferred tax asset	-	2,878	-	-	-	-	-	-	-
Other assets	246,924,757	22,640,578	23,717,996	13,348,967	13,745,847	19,658,166	32,343,931	24,700,565	69,434,314
	8,063,132,134	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	10,746,051	18,790,575	5,811	-	-	-	-	-
Borrowings	4,855,373,516	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	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	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	38,959,061	-	-	9,739,764	9,739,765	9,739,766	9,739,766	-	-
Other liabilities	146,135,202	26,928,041	11,574,330	21,987,547	9,230,287	5,948,678	282,557	4,044,969	4,533,329
	7,746,909,883	5,297,976,169	419,517,296	516,846,592	696,517,661	63,153,194	79,774,785	184,236,775	9,461,879
Net assets	316,222,251	(4,268,414,489)	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	114,734,831								
Surplus on revaluation of assets	77,289,805								
Unappropriated profit	111,955,818								
	316,222,251								

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2025

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 monitor 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:

Notes to and forming part of the Unconsolidated Financial Statements
For the year ended December 31, 2025

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
 - 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.
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 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.

47.7 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 categorized into settlement risk and pre-settlement risk. Credit proposals for derivatives transactions are approved by the relevant credit authority. 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 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 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 Department are assigned the responsibility of monitoring any deviation from policies and procedures. The Bank's Audit 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, 2025

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 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.

48. YEMEN OPERATIONS

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

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

49. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors, in its meeting held on February 25, 2026 has proposed a final cash dividend of Rs. 8 per share for the year 2025. This is in addition to Rs. 27 already paid during the year bringing the total dividend for the year to Rs. 35 per share (2024: 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, 2025 do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2026.

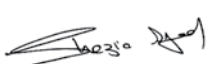
50. GENERAL

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 25, 2026 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 9.9 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, 2025

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	Others	Total
1	Naveed Iqbal 15-C State Life Society Ring Road Lahore	Naveed Iqbal	42201-0589670-5		-	-	-	-	-	867	-	867
2	Muhammad Ahsan Hs 1563 A St 54 Phase 03 Bahria Town Islamabad	Muhammad Ahsan	17201-2252139-9		-	-	-	-	-	597	-	597
3	Zia Ul Din House Name Siraj Din Mohalla Kot Abdullah Near Super Asia Factory Gt Road	Zia Ul Din	34101-9215643-5		-	-	-	-	483	19	4	506
4	Bushra . 45-D Mehboob Park Jia Musa Shaidaraguzar Manzil Wali Gali Lhr.	Bushra .	35202-9639497-8		1,374	29	-	1,403	-	469	51	521
5	Faisal Mehmood H No 29-A Sector G-7/1-3 Near Goal Market Islamabad	Faisal Mehmood	33100-7165861-1	Muhammad Ishaq	988	-	-	988	-	452	86	538
6	Maqsood Ahmad H No 4 St No 4 Moh Haji Pura Shark Pur Sharif Sheikhupura	Maqsood Ahmad	35402-6224380-1	Muhammad Ashiq	1,519	12	-	1,530	-	616	174	789
7	Waqas Karamat Qadri Bazar Gt Road Mohallah Peran Mandi Muridkay	Waqas Karamat	35401-9532931-9		1,432	9	-	1,441	-	743	106	849
8	Muhammad Anas H# 261, Block H Sabzazar Scheme Multan Road Lahore	Muhammad Anas	35201-1458250-5		1,665	23	-	1,687	-	931	0	931
9	Rasheed Ahmed Abbasi Jhangal Shah Mohalla	Rasheed Ahmed Abbasi	43201-1868483-7	Abdul Hadi Abbasi	1,175	23	-	1,199	-	1,013	11	1,024
10	Muhammad Akram Multan Rd Moh Riazabad Malisi	Muhammad Akram	36602-8425506-3	Muhammad Bakhsh	998	1	-	999	-	411	112	523
11	Muhammad Abbas Chak No 11/11-L Chichawatni	Muhammad Abbas	35202-4268653-9	Khushi Muhammad	1,158	-	-	1,158	-	462	95	557
12	Shafqat Naeem Janjua H No 1019 St No 01 Block-C National Police Foundation	Shafqat Naeem Janjua	37405-4390714-1	Muhammad Ibrahim Janjua	2,352	13	-	2,365	-	994	120	1,114
13	Saleem Raza Merchant 502 Sana Residency Allama Iqbal Road Pechs Karachi	Saleem Raza Merchant	42201-1500918-9	Akber Ali Merchant	-	-	-	-	-	745	81	827
14	Syed Muzafar Javed Hina Cloth Depot Dehli Gate Multan	Syed Muzafar Javed	36302-5561127-5	Syed Sabir Hussain	-	895	-	895	-	900	85	985
15	Hamid Mehmood H No 433 St No 3 Rasheed Pura Javid Colony Pakistan Mint	Hamid Mehmood	35201-1838763-5		192	1,274	-	1,466	192	1,287	139	1,618
16	Shamshad Akbar Raheel And Titu Brothers Intl Opp Cia Staff Tehsil Bazar Sialkot	Shamshad Akbar	34603-2643563-5	Ch Muhammad Bashir	-	549	-	549	-	559	64	623
17	Haider Ali H No 14 Ittefaq Villas Q Block Model Town	Haider Ali	38201-1191787-5		150	503	-	653	-	496	53	548

Annexure ‘I’ as referred to in note 9.9 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, 2025

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Total	Written-off			
					Principal	Interest / Mark-up	Others		Principal	Interest / Mark-up	Others	Total
18	Muhammad Shafiq House No 593-B Ghulam Mohammad Abad Islami Chowk Civil Quarters Near Younus Kiriyaana Store Faisalabad.	Muhammad Shafiq	33102-1788923-3	Muhammad Sadiq	87	884	-	971	72	892	91	1,056
19	Faisal Tanveer H No 1854-D Muhala Kocha Bhader kail Androon Shahalam Gate Lahore	Faisal Tanveer	35202-4054857-5	Muhammad Ashfaq	125	1,319	-	1,443	110	1,331	133	1,574
20	Nadeem Anwar H No 10 Atta Ullah Khan Street Near 127 F/G Block Wafqi Colony.	Nadeem Anwar	35201-1567955-7		401	1,412	-	1,812	21	1,432	145	1,598
21	Kashif Atique Flat No J-9 Tooba Apartment Korangiroad Phase 1 Dha	Kashif Atique	42401-1729289-1		200	453	-	652	100	463	53	616
22	Syed Mohsin Ali 42- Cooper Road, Lahore.	Syed Mohsin Ali	35201-1444261-7		141	1,295	-	1,435	100	1,308	129	1,536
23	Sunil Hous No 20 S 88 Jan-Street Mohallabahr Colony Kot Lakh Pal Lahore	Sunil	35202-3511850-5		328	1,014	-	1,342	53	1,032	107	1,192
24	Malik Rab Nawaz H No 241 Block H Shah Rukne Alam Colony Near Nishat Girl High School	Malik Rab Nawaz	36201-0577486-3		159	1,366	-	1,525	61	1,377	140	1,579
25	Saad Fazal Cave Restaurant Jinnah Avenue Awan Arcade I-B Blue Area Islamabad	Saad Fazal	61101-0995795-3	Raja Fazal Hussain	99	1,136	-	1,234	-	1,146	112	1,258
26	Shakeel Ahmed H No R-350 2Nd Floor Block 15 Dastagir	Shakeel Ahmed	42101-0798105-9		141	464	-	605	49	477	51	577
27	Masroor Ahmed Adli Enterprises 3 C 12/19 Tracma Centre Nazimabad Karachi	Masroor Ahmed	42101-4556222-9	Muhammad Zubair	383	1,074	-	1,457	103	1,116	115	1,334
28	Shafqat Iqbal Salik Steel Work Al Mumtaz Road Chowk Yateem Khana Lahore	Shafqat Iqbal	35201-2673134-1	Muhammad Shafi	239	618	-	858	39	644	71	754
29	Zain Ul Abiden House No 61-A Boat Club New Queens Road Karachi	Zain Ul Abiden	42201-0705305-9	Zia Uddin Valika	169	656	-	825	59	674	65	798
30	Rana Bakhtawar Ali Toor Uni Power International Sh No 3 1St Fir Hussain Centre Babar Chowk Peoples Colony Faisalabad	Rana Bakhtawar Ali Toor	33100-7470214-9	Rana Ghulam Hussain	122	851	-	973	78	868	94	1,040
31	Sheikh Adnan Munir H No 272 Block D Peoples Colony No 1 Faisalabad	Sheikh Adnan Munir	33100-6607331-1	Sheikh M Munir	93	661	-	754	30	675	71	776
32	Masood Arif House No 50/S Sheet No 33 Model Colony Karachi	Masood Arif	42401-0468024-1		244	762	-	1,007	-	745	88	833
33	Jamshed Ahmed H No 7 Block X 100 Feet Road New Stellite Town	Jamshed Ahmed	38403-2123008-5		191	586	-	777	41	608	69	718

Annexure ‘I’ as referred to in note 9.9 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, 2025

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	Others	Total
34	Umer Farooq Cheema Sardar Pak Po Box No 20, Daska Road, Nr Recto Sports, Salikot	Umer Farooq Cheema	34603-3583001-7	Choudhary Farooq Ahmed Cheema	77	753	-	830	-	758	75	833
35	Muhammad Asif Jamil Suman Enterprises P-495 Ground Floor Block E Sir Syed Town,Faisalabad	Muhammad Asif Jamil	33100-0732052-7	Muhammad Jamil	114	450	-	564	49	465	53	567
36	Asif Ali H No R-36-37 Sector 5-C-3 North Karachi	Asif Ali	42101-7222037-3		151	637	-	788	-	664	68	732
37	Afzal Khan H No L-499-500 Block 1 Kerkashan Sh-E-Ghalib Road Clifton,Karachi	Afzal Khan	42301-0753644-1	Nazar Gul	499	1,380	-	1,879	193	1,458	154	1,805
38	Atif Ali Irshad H No 18 Friends Colony Bhallah Stop Multan Road	Atif Ali Irshad	35202-8023158-1		107	636	-	743	78	653	72	804
39	Mushtaq Ali H No 15-D-K-5819 32-S New Islamia Park	Mushtaq Ali	35202-5388762-9		384	1,320	-	1,704	140	1,378	139	1,657
40	Asif Moin H No R-555 Sector 15-B Buffer Zone North Karachi Karachi	Asif Moin	42101-8147430-9	Moin Ud Din	494	1,901	-	2,395	86	1,982	194	2,262
41	Muhammad Younus H No 151/3 Street No 9 Bhadurabad Karachi	Muhammad Younus	42201-3595232-5	Haji Rehmat Ullah	352	925	-	1,277	127	979	107	1,213
42	Abid Nazir Minhas Minhas Enterprises B-31 Star Gate Karachi	Abid Nazir Minhas	42201-5123970-9	Muhammad Nazeer	280	684	-	964	-	711	81	791
43	Rauf Azam Khan HH180/G3 Johar Town Lahore	Rauf Azam Khan	35202-1898734-9	Muhammad Azam	300	894	-	1,194	104	946	100	1,150
44	Mushtaq Ali Jivani Flat No C-106 MI Paradise Nishtar Park Solder Bazar No 2 Karachi	Mushtaq Ali Jivani	42301-0847957-1	Hussain Ali	122	1,304	-	1,426	32	1,328	125	1,486
45	Syed Waqas Ahmed Mehran Industrial Aid C-14 Momin Square Block 6 Gulshan- E-Iqbal Karachi	Syed Waqas Ahmed	42101-6545592-9	Sed Saghi Ruddin	188	697	-	885	38	730	73	841
46	Ali Ahmed H No R-853 Block 17 F B Area Karachi	Ali Ahmed	42101-3598178-3	Shafi Ullah	345	1,187	-	1,532	130	1,257	128	1,514
47	Hafiz Aqib Hassan Milan Traders Off No 90 Food Mandi Guliam Muhammad Abad Faisalabad	Hafiz Aqib Hassan	33100-1704853-3	Sardar Muhammad	278	963	-	1,241	103	1,019	106	1,229
48	Adnan H No R-101 Block 5 Azizabad F B Area Karachi	Adnan	42101-1847436-5	Fazal Mehmood	470	1,830	-	2,300	188	1,932	189	2,308

Annexure ‘I’ as referred to in note 9.9 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, 2025

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	Others	Total
49	Khawar Riaz H No 60 Ns 1 Block Y New Satellite Town	Khawar Riaz	38403-3128970-5		240	769	-	1,009	-	808	87	895
50	Adeel Anwar Husnain Cotex Ltd 242,Ahmed Block, New Garden Town, Lahore	Adeel Anwar	35103-1346723-1	Muhammad Anwar	126	433	-	559	44	459	47	550
51	Mohammad Akram Malik H No 13 Block C-6 Satelite Town Farqaan Aftab Chughtai	Mohammad Akram Malik	44103-4494421-1		455	1,224	-	1,679	-	1,327	146	1,473
52	Haji Aftab And Sons Conontment Plaza Cantt Salikot	Farqaan Aftab Chughtai	34603-2633335-1	Aftab Ahmed Chughtai	67	503	-	570	-	503	56	560
53	Syed Asad Ali Shah Bukhari Mohallah Anmeer Hamza Zargaran Khalid Farooq	Syed Asad Ali Shah Bukhari	37302-1169937-9	Sed Nawab Ali Shah Bukhari	267	570	-	837	71	621	72	764
54	Cardinal Educational Khalid Farooq 42 B 3 Gulberg Iii Lahore Lahore	Khalid Farooq	38403-3411104-1	Ahmed Haat	150	481	-	631	-	519	58	577
55	Abdul Waheed Khan Flat No A-28 Bano Plaza Nashter Road Garden East Karachi	Abdul Waheed Khan	42201-4214388-1	Abdul Latif	490	1,648	-	2,137	140	1,751	186	2,077
56	Syed Muhammad Abbas Rizvi A-92 Kda Officer Society Scheme 3 Gulzar E Hijri St 1 Sector 15-A-4	Syed Muhammad Abbas Rizvi	42101-8166383-9		390	1,031	-	1,421	-	1,135	122	1,257
57	Jamal U Ddin H No 2002 Abuzar Gali Mohalla Karma Bagh Laikana	Jamal U Ddin	43203-6252683-5	Mohammad Ishaque	197	1,296	-	1,493	40	1,331	127	1,498
58	Muhammad Amir Main Chowk Old Bahawalpur Road Kehlor Pacca	Muhammad Amir	36202-8618087-5		170	531	-	701	-	577	59	636
59	Mohammad Ijaz Khan Hayat Town Eid Ghah Road Narawal	Mohammad Ijaz Khan	34501-2027623-9	Muhammad Ishaq Khan	91	707	-	798	24	735	80	838
60	Rana Asif Rana Motors And Old Spare Part 35 Inside Truck Stand Fatima Jinnah Road Rex	Rana Asif	38403-8579855-9	Abdul Latif	282	916	-	1,199	-	985	104	1,089
61	Motors Saroodha Salan Uddin Shinwari Khyber Traders, G.T. Dimonds Kpt Building, Shop No.19, Opp Crown Cenima Truck Stand, Old Marjpur Road, Karachi...	Salah Uddin Shinwari	42000-9540898-9	Syed kamal Shinwari	225	1,178	-	1,402	110	1,240	130	1,480
62	Shaikh Tahir Ahmad Sta International Room No 407 4Th Floor Japan Plaza M A Jinnah Road Karachi	Shaikh Tahir Ahmad	42101-1034435-3	Shaikh Mazhar Ahmed	367	1,057	-	1,424	32	1,166	117	1,315
63	Rehmat Ullah Mukry 43/II Commercial Avenue Phase Iv Dha Karachi	Rehmat Ullah Mukry	42201-9475526-9		131	439	-	569	26	476	52	553

Annexure ‘I’ as referred to in note 9.9 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, 2025

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Total	Written-off			
					Principal	Interest / Mark-up	Others		Principal	Interest / Mark-up	Others	Total
64	Muhammad Javed Khan H No M-C-94 Green Town Pathar Road Shah Faisal Town Zafar Iqbal	Muhammad Javed Khan	33100-5919108-3		497	1,443	-	1,940	197	1,589	172	1,959
65	231/10 Miyo Road Ahata Madan Lal Old Dharanpura Lahore	Zafar Iqbal	35201-1489080-9	Ch Bashir Ahmed	168	590	-	758	66	639	66	771
66	Rizwan Sadrudin H No D-10 Gulshan-E-Karim Housing Socity Nazimabad No 11/E Karachi	Rizwan Sadrudin	42101-1733270-3		275	937	-	1,212	77	1,021	107	1,205
67	Saleem Ullah Zahid Oriental Group Of British Educ 35-B Gol Bagh Gulgashat Colonv, Multan	Saleem Ullah Zahid	36304-3203368-5	Rao Abdul Sattar	150	488	-	638	57	534	59	650
68	Muhammad Tanveer H No P-127 St No 1 Saeed Abad Ghulam Muhammad Abad Near Qaim Slandarbar Safder	Muhammad Tanveer	33100-0940932-1		247	842	-	1,089	99	906	96	1,100
69	Kervana Store Shoukat Ali Hussainabad Gulberg Town, Lahore	Shoukat Ali	42101-1554248-1		500	1,321	-	1,821	190	1,479	161	1,830
70	Muhammad Rizwan Chaudhry H No 257/B St No 3 Nazim Abad Faisalabad	Muhammad Rizwan Chaudhry	33100-0603338-9	Mian M Bakhsh	13	534	-	547	4	542	52	597
71	Muhammad Shaban H No 05 St No 01 Block C Nishat Colony	Muhammad Shaban	35202-9349485-9		392	1,070	-	1,463	117	1,197	131	1,445
72	Syed Wajid Ali Shah Mobilink (Pak Mobile Comm.) Eden Centre Jail Road, Lahore	Syed Wajid Ali Shah	35200-1492779-7	Syed Anwar Ahmed Shah	103	397	-	500	40	431	42	512
73	Naveed Iqbal Awan Al Awan House Ward No 04 Galm Wala	Naveed Iqbal Awan	32303-7458934-1		230	843	-	1,073	-	901	93	994
74	Muhammad Mushtaq H No 31 St No 1 Block Z New Satellite Town lgh School Sargodha	Muhammad Mushtaq	38403-7883650-9	Ghulam Rasool	201	709	-	910	-	738	79	817
75	Ajmal Majeed And Brothers New Gala Mandi Yazman Bahawalpur	Ajmal Majeed	31205-5046704-5	Abdul Majeed Nadeem	273	573	-	846	-	667	70	737
76	Qamar Zaman 702/1 Rohri Sukkur Sukkur Mujeeb Ali	Qamar Zaman	45502-2674769-7	M G Qaoom	400	1,103	-	1,503	116	1,244	131	1,491
77	A/98 Central Govt Copperative Society Block 10-A Gulshan E Iqbal Karachi	Mujeeb Ali	45504-1110486-9	Muhammad Shakoor	201	745	-	946	29	803	81	914
78	Muhammad Ashfaq H No 69, St No 2,Sumbel Colony, Factory Area, Sargodha	Muhammad Ashfaq	38403-2704147-1	Muhammad Ishaq	299	1,066	-	1,365	-	1,158	119	1,277
79	Abdul Razaq FI No A-20 Al Karim Terrace Block No 7 F B Area, Karachi	Abdul Razaq	42101-7367054-1	Abdul Latif	126	488	-	615	-	523	53	576
80	Muhammad Ameen 1St Floor Ameen Traders Tranda Saway Khan Pepsi Chowk	Muhammad Ameen	31303-2430550-7		101	1,409	-	1,510	11	1,449	159	1,619

5

Annexure ‘I’ as referred to in note 9.9 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, 2025

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Total	Written-off			
					Principal	Interest / Mark-up	Others		Principal	Interest/ Mark-up	Others	Total
81	Hassan Mehmood Sheikh House No # 363 Block A Phase #1, Wapda Town Multan	Hassan Mehmood Sheikh	35201-2939178-1	Sheikh Naimat Ali	439	509	-	948	15	615	69	699
82	Babar Zulfiqar H No 229 Gali No 4 Gulshan Hayat Colony Near Civil Hospital Sargodha	Babar Zulfiqar	38403-2221053-3	Zulfiqar Ali	223	829	-	1,052	-	898	90	988
83	Saad Mirza H # A-205 Erum Banglows Gulshan E Iqbal Blk # 11 Khi Near Jamia Masjid Umar Farooq	Saad Mirza	42201-2057108-7	Mirza Khalid Ahmed Baig	1,062	34	-	1,097	199	461	27	688
84	Israr Hussain New Lahore Gramer School 34-Surriya Jabeen Park Near Sing Pura Lahore	Israr Hussain	35202-2866166-3	Safdar Ali	239	-	-	239	-	3,143	169	3,312
85	Nadeem Ahmed Altahir Centreinmodel School Gate No 2 Railway Phatic Main Sannabad Faisalabad	Nadeem Ahmed	33100-0872061-7	Anwar Ahmed	388	9	-	396	-	3,733	211	3,944
86	Waqas Ahmad H# 12, Club Road Old Officer Colony Canal Girls High School Bahim Yar Khan	Waqas Ahmad	31303-4259964-3	Khushi Muhammad	4,740	-	-	4,740	-	1,232	2	1,234
87	Robina Shaheen H No 103 Block A Main Road Batala Colony Faisalabad	Robina Shaheen	42101-0139325-9	Muhammad Khalid	3,750	-	-	3,750	-	2,679	58	2,738
88	Muhammad Inam Ul Haq 135 Moh Block B 2 Sec B 2 Township	Muhammad Inam Ul Haq	35200-2708071-9	Liaqat Ali	17,380	279	-	17,659	-	3,486	33	3,519
89	Tauheed Waheed H No 221 Zeenat Block Iqbal Town Lahore	Tauheed Waheed	35202-6856646-7	Ch Abdul Waheed	649	2	-	651	-	2,174	173	2,347
90	Muhammad Sadam Saeed H No 407 St No 17 L Block Dha Phase V Lahore	Muhammad Sadam Saeed	34101-8591661-3	Muhammad Saeed	25,000	-	-	25,000	-	1,113	4	1,117
91	Saira Noman House No 89 Block 3/4 Bms Bahadurabad Karachi	Saira Noman	42201-0423638-6	M Noman Saigal	1,972	28	-	2,000	-	6,090	242	6,332
92	Saira Noman House No 89 Block 3/4 Bms Bahadurabad Karachi	Saira Noman	42201-0423638-6	M Noman Saigal	2,247	34	-	2,281	-	6,858	240	7,098
93	Muhammad Afzal Basti Anwarabad Near Abdullah Islami Kanja Haslipur Road Vehari	Muhammad Afzal	36603-2579035-3	Muhammad Hassan	2,291	-	-	2,291	-	683	12	694
94	Muhammad Kashif H No 7545/4453 Madni Colony Mohini Road Nawab Marriage Hall Lahore	Muhammad Kashif	35202-3113696-9		1,867	-	-	1,867	-	517	63	580
95	Muhammad Bilal Moh Salamat Pura Warburton Chak No-575 Gb Po Same Nankana Sahib	Muhammad Bilal	35402-7674330-1		5,070	-	-	5,070	-	2,214	156	2,370
96	Ali Gul H.No. 24-A Ph-2 Sindh University Housing Society University Of Sindh	Ali Gul	41504-0552817-3	Gul Muhammad Panhwar	2,166	-	-	2,166	-	956	56	1,012

Annexure ‘I’ as referred to in note 9.9 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, 2025

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	Others	Total
97	Faiz Rasool H#548 SHKashmir Block Allama Iqbal Town Lahore Bismillah Chowk Lahore	Faiz Rasool	35301-4002709-7	Ghulam Rasool	6,049	-	-	6,049	-	7,670	-	7,670
98	Muddassar Saeed Basti Bohar Near Govt Boys High School Multan	Muddassar Saeed	36302-1980120-7	Malir Muhammad Saeed	8,397	-	-	8,397	-	3,066	-	3,066
99	Irfan Haneef Watto H No 38 Watto House Block 10- B-1 Township	Irfan Haneef Watto	35202-9776474-9	Muhammad Haneef Watto	429	116	26	571	429	116	26	571
100	Akhtar Hussain Flat No B 4 Ground Flr Blk B S H Way Alazam Plaza Sch 33 Malir	Akhtar Hussain	42000-6239759-1		453	166	-	620	453	166	-	620
101	Shaikh Noman Waheed H No H 125 8 Mohallah Malir Colony	Shaikh Noman Waheed	42201-7578131-5	Shaikh Waheed	453	166	-	620	453	166	-	620
102	Sufiyan Shehzad FI No F 32 Sec 6 Blk F 1st Flr Kda Surjani Town	Sufiyan Shehzad	42401-0214784-9		458	125	-	583	433	150	-	583
103	Syeda Komal Zehra Surjani Town Al Maqsood Maslid	Syeda Komal Zehra	42201-5472091-2	Syed Naseer Ul Hassan	426	147	-	573	426	147	-	573
104	Zoya Asif Flat No F-33 Blk F 2Nd Flr Sec 06 Kda Flats Surjani Town Near Al Maqsood Maslid	Zoya Asif	42201-3330568-0		460	122	-	581	433	148	-	581
105	Imran Zahid H No C 11 Blk 6 Gulshan E Iqbal N/R Dhakka Sweet	Imran Zahid	42201-5235676-9	Saulat Zahid	465	79	27	571	465	79	27	571
106	Muhammad Salmar FI No 502-503 Thandi Sarak Block A Defence Plaza Danish Morris	Muhammad Salmar	41303-7947864-3	Muhammad Rashid Ali	998	144	6	1,148	998	144	6	1,148
107	Plot No Ls 99 1st Flr Sec No 5 C 2 North Kbi	Danish Morris	42201-8448844-9	Moris Masih	696	58	6	760	445	174	6	626
108	Intazar Rafique H No B-2/299 Mohallah Bara Darl Gulrat	Intazar Rafique	34201-0432749-3	Muhammad Rafique	704	58	6	768	626	108	6	741
109	Fareed Ahmed Qureshi H No L 293 Sec No 5 C 4 North Kbi N/R Makki Maslid	Fareed Ahmed Qureshi	42101-1747524-3	Abdul Saleem Qureshi	667	45	10	722	433	154	-	588
110	Syed Ahmed Zishan Flat # 803/7, 8Th Floor Salma Presidency Apartment Block Z Gulistan E Jauhar	Syed Ahmed Zishan	42101-1921360-9	Syed Mushaq Ahmed Jafri	480	53	64	598	480	71	66	618
111	Asif Ahmed H No 237 Pak Colony Johar Colony Mangro Pir Colony Road Faysal Bank Pak Colony Bismillah Hotel	Asif Ahmed	42101-9179813-9	Sharif Ahmed	628	53	4	684	412	154	3	569
112	Sarosh Ahmed H No Ls 9798 3Rd Flr Sec 5G 2 North Karachi	Sarosh Ahmed	42201-5175508-7	Najm Ul Fuqran	593	31	4	627	385	137	-	522
113	Uzma Fazal H No 263-C Ground Floor St No 87 Sector E-11/2	Uzma Fazal	61101-5288826-4	Mian Fazal Elahi	647	121	6	774	613	156	8	777

Annexure ‘I’ as referred to in note 9.9 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, 2025

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Total	Written-off			
					Principal	Interest / Mark-up	Others		Principal	Interest / Mark-up	Others	Total
114	Umar Farooq Mohallah Sabz Ali Town Street- F Warsak Road Near General Store.	Umar Farooq	17102-7072980-5	Ikram Ullah	470	17	2	489	470	52	30	552
115	Ch Jamal H No 161 E Awais karri Block Bahria Town Lhr.	Ch Jamal	35202-5909408-9	Chaudhry Hakim Ali	730	45	38	813	730	101	44	875
116	Faizan Khan H No P 492 Bilalabad BIK S North Nazimabad N/R Bilal Masid.	Faizan Khan	42101-5116960-7	Afzal Khan	720	8	-	728	703	25	30	757
117	Muhammad Farooq Kube Chak Saidpur Road Near Mina House	Muhammad Farooq	34603-7671849-9	Muhammad Boota	496	18	0	514	496	72	7	575
118	Muhammad Akhtar Po Dinpure Lachra Dera Ismail Khan.	Muhammad Akhtar	12101-7408202-5	Haji Muhammad Bakhsh	486	18	2	506	481	52	7	540
119	Muhammad Aftab Street Habib Bank Wali H No Biji S- Mohallah Shekhan Wala Farooqabad Sheikhpura,	Muhammad Aftab	35404-1596591-7	Sheikh Muhammad Sabir	359	148	4	511	362	134	7	504
120	Ammar Akhtar Flat No E 17 2Nd Floor Street No 7 Badar Commercial Dha Phase-5 Ktc	Ammar Akhtar	31302-7980216-1	Muhammad Akhter	492	8	3	503	488	60	27	575
121	Fateh Mubeen H No-574 Block J St No-11 Phase-6 Dha	Fateh Mubeen	35202-2428484-1	Fateh Alim	990	36	14	1,039	995	129	9	1,133
122	Amir Abrar Ft # B-6 Block-K Ground Floor Bhayani Lonage Paradise North Nazimabad.	Amir Abrar	42201-5034936-5	Abrar Hussain Zubairi	398	107	4	508	404	136	32	571
123	Nagman Mehmood Purany Bank Wali Nai Abadi Akbar Abad Po Khaskh M Talha Arjumand	Nagman Mehmood	34603-1614172-5	Mehmood Sadiq	505	24	2	531	481	67	13	560
124	M Talha Arjumand H # R 243 Gohar Green City Malir Behind Malir.	M Talha Arjumand	42501-6123461-5	Arjumand Iqbal	494	23	-	517	494	77	30	601
125	Usama Anjad House # 42 Hamza Block Madina Town	Usama Anjad	38403-8533129-7	Muhammad Anjad	593	33	2	628	405	131	7	542
126	Noor Fatima Fabrics (Pvt) Ltd. Ramzan Abad Juhmra Road, Faisalabad.	1.Ajmal Farooq 2. Muhammad Ali Shahid Faisalabad.	33100-2966254-3 33100-9910974-3	1. Abdul Ghani 2. Muhammad Shahid Iqbal	225,000	-	62,611	287,611	-	-	60,498	60,498
127	Noor Fatima Fabrics (Pvt) Ltd. Ramzan Abad Juhmra Road, Faisalabad.	1. Ajmal Farooq 2. Muhammad Ali Shahid Faisalabad.	33100-2966254-3 33100-9910974-3	1. Abdul Ghani 2. Muhammad Shahid Iqbal	57,718	-	31,315	89,033	-	-	30,650	30,650
128	Sitara Spinning Mills Limited 5Th Floor Sitara Tower, New Civil Lines, Faisalabad	1.Imran Ghafoor 2.Shermeen Imran 3.Muhammad Asif Pasha	33100-8871999-3 33100-7986578-0 33100-0192895-7	1. Haji Abdul Ghafoor 2. Imran Ghafoor 3. Khawaja M. Sharif	153,528	26,486	13,778	193,791	-	26,486	3,778	30,264
129	Jaguar (Pvt) Ltd. P-13/15, Usman Colony, Opposite Crescent Textile Mills, Sargodha Road, Faisalabad.	1. Asam Ul Haq 2. Naeem Ul Haq Kashwaha 3. Irum Asam 4. Sobia Kashwaha	33100-2732219-3 33100-7705265-3 33100-2101785-6 35201-4926404-6	1. Ch. Abdul Haleem 2. Abdul Haleem 3. Asam Ul Haq 4. Naeem Ul Haq Kashwaha	121,858	-	30,323	152,181	-	-	30,258	30,258

Annexure ‘I’ as referred to in note 9.9 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, 2025

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Total			Written-off		
					Principal	Interest / Mark-up	Others	Principal	Interest / Mark-up	Others	Principal	Interest / Mark-up	Total
130	Quetta Textile Mills Ltd. Nadir House I I Chindigarh Road, Karachi.	1.Abdas Ali 2.Omer Khalid 3.Saima Asim 4.Asim Khalid 5.Tauqir Tariq 6.Major M. Saeed 7.Tahir Jabbal	35202-2983888-5 42301-9761475-5 42301-8514052-4 42301-8188578-3 41303-8619417-3 41303-7106210-7 41302-2562591-1	1. Imtiaz Ali 2. Khalid Iqbal 3. Asim Khalid 4. Khalid Iqbal 5. Tariq Iqbal 6. Maqbool Ahmed 7. Dost Muhammad	154,865	28,137	-	-	22,908	-	-	-	22,908
					25,276	6,922	12,358	-	5,698	12,358	-	-	18,056
					110,000	10,000	14,000	-	2,950	14,000	-	-	16,950
					12,740	344	15,983	-	-	15,052	-	-	15,052
					61,907	-	13,519	-	-	13,425	-	-	13,425
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
131	Neelam Cotton Ginners Crack # 57 / D8, Tehsil Yazman, District Bahawalpur. Madina Flour & Dal Mills Plot No. 57-58, Sector -27, Korangi Industrial Area, Karachi.	1. Muhammad Akhtar Bhatti 2. Zia Ahmed 3. Muhammad Ashraf	31205-8519469-7 31202-8917133-1	Muhammad Rasheed Qureshi	110,000	10,000	14,000	-	-	-	-	-	-
132	Muhammad Muneer Ahmad Kineptic Gas Filling Station Al Hamad Rice Mills 02-KM Pattan Road, Tehsil Pindi Bhatian, District Hafizabad.	Muhammad Muneer Ahmad	36302-8098463-5	Abdul Aziz	12,740	344	15,983	-	-	15,052	-	-	15,052
133	Ch. Nasir Imran	Ch. Nasir Imran	34302-1781685-5	Mr. Jan Muhammad	61,907	-	13,519	-	-	13,425	-	-	13,425
134	Sabro Technologies Pvt Limited Plot#270 Kahuta Triangle Industrial Area, Islamabad	1. Muhammad Siddique 2. Misbah Siddique 3. Humaira Shahid 4. Muhammad Shahid 5. Uzma Shaheen Khalid 6. Muhammad Khalid	61101-1869309-5 35201-5342802-4 61101-7162747-2 61101-4529593-7 61101-1888068-4 61101-5890279-1	1. Nawab Din 2. Muhammad Siddique 3. Muhammad Shahid 4. Ashiq Ali 5. Muhammad Khalid 6. Ashiq Ali	52,798	9,537	8,402	-	9,537	3,402	-	-	12,939
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
136	Nest Western Incorporation-II 79/C, DHA Villas, Phase-VII, DHA, Lahore	1. Saif Ullah Cheema 2. Salman Saif Cheema	35201-9350351-5 35201-1105573-3	Muhammad Din Cheema 2. Saif Ullah Cheema	46,831	4,969	14,288	-	-	10,651	-	-	10,651
137	Saudi Pak Leasing Company 6th floor, Lakson Squire Building 1 Sarwar Shaheed Road, Saddar Karachi.	Niaz Ahmed	61101-2439056-9	Wisal Muhammad Khan	5,703	1,807	8,631	-	1,807	8,631	-	-	10,438
138	Nest Western Incorporation-I 79/C, DHA Villas, Phase-VII, DHA, Lahore	1. Saif Ullah Cheema 2. Salman Saif Cheema	35201-9350351-5 35201-1105573-3	Muhammad Din Cheema 2. Saif Ullah Cheema	22,190	2,509	8,198	-	-	6,380	-	-	6,380
139	Faisal Bilal & Company Cotton Ginners Jatoi Road Shaher Sultan, Tehsil Jatoi.	1. Muhammad Yaqoob 2. Muhammad Alish 3. Aisha 4. Muhammad Bilal	32302-2269156-7 32302-1436086-3 32302-4926535-6 318-80-496108	1. Muhammad Siddique 2. Muhammad Siddique 3. Muhammad Yaqoob 4. Muhammad Alish	13,668	914	4,617	-	833	4,617	-	-	5,450
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-
140	Farooq Ahmed Khan Hassan Wala, P.O Rodhi Gulaman No.1, Tehsil Kaloor Kot District Bhakkar.	Farooq Ahmed Khan	38103-6094478-5	Naseer Ahmed Khan	7,000	-	5,248	-	-	4,748	-	-	4,748
141	Khatib Gul and Brothers Main Bazar, Par Hoti, Mardan	1. Utai Gul 2. Munir Khan	16101-2566267-1 16101-2707399-1	1. Raheem Gul 2. Raheem Gul	56,430	1,300	3,161	-	929	3,161	-	-	4,090
					24,906	4,004	-	-	4,004	-	-	-	4,004
142	Nabeel Industries (Pvt) Ltd. 17-J, Gulberg III, Lahore.	1. Tanvir Tariq 2. Sadia Tanvir	35201-6803576-3 35201-5294165-8	1. Tariq Iqbal 2. Tanvir Tariq	-	-	-	-	-	-	-	-	-
143	Itfikhhar Hussain House No 126, St No 10, Babar Block, Sector A, Bahria Town Lahore	Itfikhhar Hussain	38403-2213480-3	Ijaz Hussain	5,468	4,095	-	-	3,963	-	-	-	3,963
144	Aamir Ali Gul Apartment # 301, 3rd Floor, Plot # 17-C, Kh-e-Nishat, Lance-9, D.H.A., Karachi.	Aamir Ali Gul	42201-6349373-1	Ghulam Hadi Balouch	4,134	4,345	-	-	3,778	-	-	-	3,778

Annexure ‘I’ as referred to in note 9.9 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, 2025

Sr. No.	Name and Address of the borrower	Name of individuals / partners / proprietors / directors	CNIC Number	Father / Husband Name	At the beginning			Total			Written-off		
					Principal	Interest / Mark-up	Others	Principal	Interest / Mark-up	Others	Principal	Interest / Mark-up	Total
160	Asad Traders Mohallah Islamabad, P.O Khas, Saroki, Wazirabad, District Gujranwala.	Muhammad Rafique	34104-2315283-5	Muhammad Siddique	1,500	-	876	-	-	726	-	-	726
161	Muhammad Shehryar Khan Tareen Tareen House No. 15-1, Architect Housing Society, Near Railway Road, Lahore.	Muhammad Shehryar Khan Tareen	36302-1535726-1	Muhammad Qaiser Khan Tareen	1,125	319	545	-	159	545	-	-	704
162	Muhammad Ali Chak No. 243 J.B, PO Same, Tehsil Bhowana, District Chiniot.	Muhammad Ali	33201-9568224-3	-	1,000	-	706	-	-	656	-	-	656
163	Naz Traders Eidgah Road, Narowal.	Muhammad Anwar	34501-0431433-9	Ghulam Rasool	2,850	-	658	-	-	521	-	-	521
164	Shazia Jabeen Flat # 4, 2nd floor, (Mehwish Arcade) Plot# 6-C, Bukhari Commercial, Lane-14, Phase. VI, DHA, Karachi.	Shazia Jabeen	42000-0251350-8	Kamran Aslam	7,088	1,031	-	-	518	-	-	-	518
165	Zeeshan Ahmed Village Mevo Khan Talpur, Taluka Matli, District Badin, Sindh	Zeeshan Ahmed	41103-0936171-3	Abdullah Talpur	3,000	1,311	-	-	511	-	-	-	511
					1,409,698	185,589	277,963	1,873,250	18,556	213,702	255,544	487,803	487,803

Annexure ‘II’ as referred to in notes 2.3 and 9.11 of the Bank’s
Unconsolidated and Consolidated Financial Statements

ISLAMIC BANKING BUSINESS

The Bank operates 752 (2024: 496) Islamic Banking Branches and 596 (2024: 558) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	2025	2024
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		94,809,700	44,290,715
Balances with other banks		1,723,078	571,962
Due from financial institutions	1	14,574,547	-
Investments	2	495,954,343	119,366,357
Islamic financing and related assets - net	3	563,053,455	147,886,966
Property and equipment		15,652,921	6,029,227
Right-of-use assets		16,698,882	3,181,023
Intangible assets		-	-
Due from Head Office	4	-	284,069,490
Other assets		24,930,511	4,813,226
Total Assets		1,227,397,437	610,208,966
LIABILITIES			
Bills payable		8,244,351	8,607,107
Due to financial institutions		15,336,073	8,003,110
Deposits and other accounts	5	962,340,876	519,488,249
Due to Head Office	4	129,063,998	-
Lease Liabilities		17,964,460	3,788,556
Other liabilities		10,914,457	5,519,705
		1,143,864,215	545,406,727
NET ASSETS		83,533,222	64,802,239
REPRESENTED BY			
Islamic Banking Fund		2,181,000	2,181,000
Reserves		-	-
Surplus on revaluation of assets		1,894,506	572,058
Unappropriated profit	7	79,457,716	62,049,181
		83,533,222	64,802,239
CONTINGENCIES AND COMMITMENTS			
	8		
PROFIT AND LOSS ACCOUNT			
Profit / return earned	9	60,915,271	68,039,934
Profit / return expensed	10	(17,661,162)	(29,808,386)
Net profit / return		43,254,109	38,231,548
Other income			
Fee and commission income		1,437,942	588,210
Foreign exchange income		480,481	38,684
Gain on securities - net		43,047	1,439,053
Other income		364,766	85,760
Total other income		2,326,236	2,151,707
Total Income		45,580,345	40,383,255
Other expenses			
Operating expenses		23,880,445	7,358,957
Workers Welfare Fund		348,171	812,085
Total other expenses		24,228,616	8,171,042
Profit before credit loss allowance		21,351,729	32,212,213
Credit loss allowance and write-offs - net		3,943,194	(8,250)
Profit before taxation		17,408,535	32,220,463
Taxation		9,226,524	17,399,050
Profit after taxation		8,182,011	14,821,413

Annexure ‘II’ as referred to in notes 2.3 and 9.11 of the Bank’s
Unconsolidated and Consolidated Financial Statements

1. Due from Financial Institutions	2025			2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)			(Rupees in '000)		
Musharakah / Mudarabah	-	-	-	-	-	-
Bai Muajjal	-	-	-	-	-	-
with other Financial Institutions	14,574,547	-	14,574,547	-	-	-
with State Bank of Pakistan	-	-	-	-	-	-
	<u>14,574,547</u>	<u>-</u>	<u>14,574,547</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: Credit loss allowance	-	-	-	-	-	-
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from financial institutions - net of credit loss allowance	14,574,547	-	14,574,547	-	-	-
2. Investments by segments	2025					
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	(Rupees in '000)	
Debt Instruments Measured at amortised cost Federal Government Securities - Ijarah Sukuks - Bai Muajjal with Govt. of Pakistan Non Government debt securities	167,404,649	-	-	167,404,649		
	113,953,748	-	-	113,953,748		
	2,887,289	(23)	-	2,887,266		
	<u>284,245,686</u>	<u>(23)</u>	<u>-</u>	<u>284,245,663</u>		
Measured at FVOCI Federal Government securities - Ijarah Sukuks - Islamic Naya Pakistan Certificate Non Government debt securities	197,598,274	-	1,894,507	-		
	875,697	-	-	875,697		
	-	-	-	-		
	<u>198,473,971</u>	<u>-</u>	<u>1,894,507</u>	<u>200,368,478</u>		
Instruments mandatorily classified / measured at FVPTL Federal Government securities - Ijarah Sukuks Non Government debt securities	11,024,524	-	15,678	11,040,202		
	300,000	-	-	300,000		
	11,324,524	-	15,678	11,340,202		
	<u>494,044,181</u>	<u>(23)</u>	<u>1,910,185</u>	<u>495,954,343</u>		
	2024					
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	(Rupees in '000)	
Debt Instruments Measured at amortised cost Federal Government Securities - Ijarah Sukuks - Bai Muajjal with Govt. of Pakistan Non Government debt securities	10,001,109	-	-	10,001,109		
	47,618,148	-	-	47,618,148		
	8,900,193	(151)	-	8,900,042		
	<u>66,519,450</u>	<u>(151)</u>	<u>-</u>	<u>66,519,299</u>		
Measured at FVOCI Federal Government securities - Ijarah Sukuks - Islamic Naya Pakistan Certificate Non Government debt securities	49,296,295	-	572,058	-		
	2,678,705	-	-	2,678,705		
	-	-	-	-		
	<u>51,975,000</u>	<u>-</u>	<u>572,058</u>	<u>52,547,058</u>		
Instruments mandatorily classified / measured at FVPTL Non Government debt securities	300,000	-	-	300,000		
	300,000	-	-	300,000		
	118,794,450	(151)	572,058	119,366,357		
	<u>118,794,450</u>	<u>(151)</u>	<u>572,058</u>	<u>119,366,357</u>		
	2025					
	Stage 1	Stage 2	Stage 3	Total	(Rupees in '000)	
Particulars of credit loss allowance	(23)	-	-	(23)		
	(23)	-	-	(23)		
	2024					
	Stage 1	Stage 2	Stage 3	Total	(Rupees in '000)	
Non Government debt securities	(151)	-	-	(151)		
	(151)	-	-	(151)		

Annexure ‘II’ as referred to in notes 2.3 and 9.11 of the Bank’s Unconsolidated and Consolidated Financial Statements

2.1. Bai Muajjal with Government of Pakistan

Bai Muajjal Investment
Less: Deferred Income
Bai Muajjal Investment-net

Note	2025	2024
	----- (Rupees in '000) -----	
	138,740,520	69,340,000
	(24,786,772)	(21,721,852)
	<u>113,953,748</u>	<u>47,618,148</u>

3. Islamic financing and related assets

Ijarah
Murabaha
Musharakah
Tijarah
Diminishing Musharakah
Mera Pakistan Mera Ghar (MPMG)
Istisna
Baimuajjal financing
Diminishing Musharakah - Under SBP's Islamic Temporary Economic Refinance Facility
Ameen Musharakah Running Finance Under SBP's - Islamic Export Refinance scheme
Islamic Export Refinance scheme - Istisna
Advances against Islamic assets
Advances against Ijarah
Advances for Diminishing Musharakah
Advances against Musharika
Advances for Murabaha
Advances against MGMA
Advances for Istisna
Advances against Istisna - Under SBP' Islamic Export Refinance scheme
Advances against Mera Pakistan Mera Ghar
Inventory related to Islamic financing
Istisna
Tijarah
Other financing
Profit and other receivables against financings
Gross Islamic financing and related assets

Note	2025	2024
	----- (Rupees in '000) -----	
3.1	27,693,491	183,651
3.2	2,618,962	165,372
	267,632,811	73,230,869
	8,125,000	-
	157,034,805	45,705,613
	4,467,165	4,839,643
	946,253	240,064
	34,967,935	-
	14,269,777	3,692,614
	364,360	8,710,000
	3,302,445	608,058
	403,145	17,910
	2,404,664	8,689,619
	25,901,730	-
	974,836	-
	29,850	-
	6,688,863	1,312,312
	126,000	256,000
	1,532	4,335
	997,934	111,700
	859,125	-
	10,794	-
	8,860,290	2,189,222
	<u>568,681,767</u>	<u>149,956,982</u>

Less: credit loss allowance against Islamic financings
- Stage 1
- Stage 2
- Stage 3

(3,191,567)	(1,668,457)
(1,529,914)	(213,344)
(906,831)	(188,215)
<u>(5,628,312)</u>	<u>(2,070,016)</u>
<u>563,053,455</u>	<u>147,886,966</u>

Islamic financing and related assets - net of credit loss allowance

3.1 Ijarah

	2025					
	Cost			Accumulated Depreciation		
	At January 1, 2025	Additions / (deletions)	At December 31, 2025	At January 1, 2025	Charge for the year	At December 31, 2025
	----- (Rupees in '000) -----					
Plant & Machinery	86,579	26,236,296	26,318,195	(4,164)	163,689	154,845
	-	(4,680)			(4,680)	
Vehicles	263,353	1,457,027	1,630,858	170,445	9,149	100,717
	-	(89,522)			(78,877)	
Total	<u>349,932</u>	<u>27,599,121</u>	<u>27,949,053</u>	<u>166,281</u>	<u>89,281</u>	<u>255,562</u>

	2024					
	Cost			Accumulated Depreciation		
	At January 1, 2024	Additions / (deletions)	At December 31, 2024	At January 1, 2024	Charge for the year	At December 31, 2024
	----- (Rupees in '000) -----					
Plant & Machinery	230,385	-	86,579	124,787	1,264	(4,164)
		(143,806)			(130,215)	
Vehicles	259,661	81,858	263,353	154,884	75,399	170,445
		(78,166)			(59,838)	
Total	<u>490,046</u>	<u>(140,114)</u>	<u>349,932</u>	<u>279,671</u>	<u>(113,390)</u>	<u>166,281</u>

Annexure ‘II’ as referred to in notes 2.3 and 9.11 of the Bank’s Unconsolidated and Consolidated Financial Statements

Future Ijarah payments receivable

2025				2024			
Not later than 1 year	Later than 1 year and less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year and less than 5 years	Over Five years	Total
----- (Rupees in '000) -----							

Ijarah rental receivables	6,221,319	29,941,502	-	36,162,821	98,885	93,874	-	192,759
---------------------------	-----------	------------	---	------------	--------	--------	---	---------

3.2 Murabaha

Murabaha financing
Advances for Murabaha

3.2.1 Murabaha receivable - gross
Less: Deferred Murabaha income
Less: Profit receivable shown in other assets
Murabaha financings

Note	2025	2024
	----- (Rupees in '000) -----	
3.2.1	2,618,962	165,372
	974,836	-
	<u>3,593,798</u>	<u>165,372</u>
3.2.2	2,618,962	165,372
3.2.4	(42,635)	(12,204)
	(44,604)	(2,669)
	<u>2,531,723</u>	<u>150,499</u>

3.2.2 The movement in Murabaha financing during the year is as follows:

Opening balance	165,372	326,733
Sales during the year	9,859,423	2,066,993
Adjusted during the year	(7,405,833)	(2,228,354)
Closing balance	<u>2,618,962</u>	<u>165,372</u>

3.2.3 Murabaha sale price
Murabaha purchase price

2,663,251	165,372
(2,576,012)	(150,499)
<u>87,239</u>	<u>14,873</u>

3.2.4 Deferred Murabaha income

Opening balance	12,204	9,852
Arising during the year	211,805	134,989
Less: recognised during the year	(181,374)	(132,637)
Closing balance	<u>42,635</u>	<u>12,204</u>

4. Due from / to Head Office mainly represents inter branch transactions.

5. Deposits

Note	2025			2024		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	556,650,081	20,853,711	577,503,792	333,951,554	9,960,998	343,912,552
Savings deposits	166,711,202	5,345,086	172,056,288	122,413,890	840,298	123,254,188
Term deposits	13,520,512	-	13,520,512	5,223,078	-	5,223,078
	<u>736,881,795</u>	<u>26,198,797</u>	<u>763,080,592</u>	<u>461,588,522</u>	<u>10,801,296</u>	<u>472,389,818</u>
Financial Institutions						
Current deposits	1,280,155	-	1,280,155	1,164,744	-	1,164,744
Savings deposits	169,526,129	-	169,526,129	45,900,687	-	45,900,687
Term deposits	28,454,000	-	28,454,000	33,000	-	33,000
	<u>199,260,284</u>	<u>-</u>	<u>199,260,284</u>	<u>47,098,431</u>	<u>-</u>	<u>47,098,431</u>
5.1.1	<u>936,142,079</u>	<u>26,198,797</u>	<u>962,340,876</u>	<u>508,686,953</u>	<u>10,801,296</u>	<u>519,488,249</u>

5.1 Composition of deposits

- Individuals
- Government / Public Sector Entities
- Banking Companies
- Non-Banking Financial Institutions
- Private Sector

2025	2024
----- (Rupees in '000) -----	
600,281,973	399,261,887
30,242,481	17,276,568
287,316	154,641
198,972,968	46,943,790
<u>126,927,755</u>	<u>55,851,363</u>
<u>956,712,493</u>	<u>519,488,249</u>

5.1.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 656,226.553 million (Dec 2024: 409,558.614 million).

Annexure ‘II’ as referred to in notes 2.3 and 9.11 of the Bank’s
Unconsolidated and Consolidated Financial Statements

		2025	2024
		----- (Rupees in '000) -----	
6.	Charity Fund		
	Opening balance	17,237	21,399
	Additions during the period		
	Received from customers on account of delayed payment	5,930	12,456
	Profit on charity saving account	2,334	4,882
		8,264	17,338
	Payments / utilisation during the year		
	Health	(17,544)	(21,500)
	Others	-	-
		(17,544)	(21,500)
	Closing balance	7,957	17,237
7.	Islamic Banking Business Unappropriated Profit		
	Opening balance	62,049,181	31,398,864
	Impact of adoption of IFRS 9	-	(1,570,146)
	Add: Islamic Banking profit for the year	17,408,535	32,220,463
		79,457,716	62,049,181
	Less: Taxation	(9,226,524)	(17,399,050)
	Closing balance	70,231,192	44,650,131
8.	Contingencies and commitments		
	- Guarantees	8,883,150	321,847
	- Commitments	32,243,303	10,214,840
		41,126,453	10,536,687
9.	Profit / Return earned on financing, investments and placement		
	Profit earned on:		
	Financing	36,075,648	9,796,010
	Investments	23,517,642	57,866,298
	Placements	580,266	246,481
	Rental Income from Ijarah	741,715	131,145
		60,915,271	68,039,934
10.	Profit on Deposits and other dues expensed		
	Deposits and other accounts	15,234,659	24,963,329
	Due to Financial Institutions	751,796	4,531,023
	Return expense on leases	1,674,707	314,034
		17,661,162	29,808,386
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 2.3 and 9.11 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, 2025 is Rs.11,820.49 million (47.37% of distributable profit of Mudarabah Pool) of this, an amount of Rs.3,102.56 million (26.08% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 12.31% per annum and the rate of profit paid on average deposits was 8.19% 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 credit loss allowance 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 2.3 and 9.11 of the Bank’s Unconsolidated and Consolidated Financial Statements

The Bank managed following pools during the year.

2025								
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
OMO Pools	1	Mudarabah	Monthly	0.88%	3.00%	3,096	0.78%	1,844
Special Pools	61	Mudarbaha	Monthly	11.70%	40.26%	2,710,140	41.89%	1,135,326
IERS Pools	18	Musharkah	Monthly	6.51%	41.64%	122,488	0.00%	-
FCY Pools	15	Mudarbaha	Monthly	1.79%	81.01%	77,216	23.19%	17,906
General Pools	12	Mudarbaha	Monthly	12.30%	50.00%	9,110,352	21.38%	1,947,485
Treasury Pools	45	Musharkah	Monthly	1.86%	11.06%	37,815	0.00%	-

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	Mudarbaha	Monthly	12.79%	46.74%	627,358	8.16%	94,139
Special Pools	126	Mudarbaha	Monthly	18.73%	13.03%	2,285,933	41.26%	943,137
IERS Pools	24	Musharkah	Monthly	16.77%	56.16%	809,014	0.00%	-
FCY Pools	12	Mudarbaha	Monthly	2.13%	50.00%	4,594	0.00%	-
General Pools	12	Mudarbaha	Monthly	20.06%	50.00%	6,594,524	20.92%	1,379,787
Treasury Pools	273	Musharkah	Monthly	17.22%	13.61%	621,363	0.00%	-

11.1 Deployment of Mudarabah based deposits by class of business

	2025	2024
	(Rupees in '000)	(Rupees in '000)
Chemical and pharmaceuticals	6,621,850	11,119,892
Agriculture	152,188,676	64,330,828
Textile	99,378,265	6,937,944
Sugar	45,512,373	-
Automobile	3,288,671	-
Financial	15,255,202	800,000
Plastic	-	197,855
Individuals	30,232,299	26,446,650
Production and transmission of energy	130,712,330	18,216,021
Government of Pakistan Securities	492,764,491	110,166,197
Others	103,256,500	31,107,952
	1,079,210,657	269,323,339

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 2025

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
	(Rupees in '000)					
Vehicles						
Mercedes	25,386	15,993	9,393	2,539	As per Policy	Abdul Aleem Qureshi
Mercedes	19,484	15,782	3,702	3,994	As per Policy	Aqeel Ahmed Nasir
Mercedes	30,080	15,341	14,739	16,093	As per Policy	Aslam Sadruddin
Mercedes	25,384	15,611	9,773	2,538	As per Policy	Irfan Farooq Memon
Mercedes	38,187	21,194	16,993	3,819	As per Policy	Nadia Tabassum
Mercedes	25,384	15,992	9,392	2,538	As per Policy	Syed Manzoor Hussain Zaidi
Mercedes	25,384	15,992	9,392	2,538	As per Policy	Sohail Aziz
Toyota Corolla	6,735	1,414	5,321	5,915	Insurance	UBL Insurers Limited
	196,024	117,319	78,705	39,974		
Electrical and Office Appliances						
Air Conditioners	1,470	872	598	1,051	Insurance	UBL Insurers Limited
Electrical Equipment	4,710	2,978	1,732	2,782	Insurance	UBL Insurers Limited
	6,180	3,850	2,330	3,833		
Furniture and Fixture						
Table	140	103	37	74	Insurance	UBL Insurers Limited
Chair	143	132	11	50	Insurance	UBL Insurers Limited
Sofa Set	50	12	38	48	Insurance	UBL Insurers Limited
Cabinets and Almirah	41	41	-	12	Insurance	UBL Insurers Limited
Others	30	17	13	16	Insurance	UBL Insurers Limited
	404	305	99	200		
IT Equipments						
ATM	2,231	930	1,301	1,486	Insurance	UBL Insurers Limited
Desktop Computer	732	554	178	345	Insurance	UBL Insurers Limited
Laptop	318	286	32	32	As per Policy	Aslam Sadruddin
Laptop	2,154	1,473	681	1,216	Insurance	UBL Insurers Limited
Telecom Devices	386	386	-	39	As per Policy	Sharjeel Shahid
Telecom Devices	377	377	-	38	As per Policy	Aslam Sadruddin
Telecom Devices	302	302	-	30	As per Policy	Nadia Tabassum
Telecom Devices	542	542	-	54	As per Policy	Ovais Saeed
Telecom Devices	226	71	155	240	Insurance	UBL Insurers Limited
Telecom Devices	477	477	-	48	As per Policy	Zia Ijaz
Other IT Equipment	250	151	99	157	Insurance	UBL Insurers Limited
Other IT Equipment	209	209	-	167	Insurance	UBL Insurers Limited
Other IT Equipment	54	54	-	5	As per Policy	Sharjeel Shahid
	8,258	5,812	2,446	3,857		
Total	210,866	127,286	83,580	47,864		

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 2025**, 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 2025 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	
As disclosed in Note 9 to the consolidated financial statements, the Group’s advances represent 10.84% of its total assets as of 31 December 2025, which are subject to the Expected Credit Loss (ECL) requirements of IFRS 9 - “Financial Instruments” (as applicable in Pakistan). In view of the quantitative significance of this and the 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 9.4 respectively to the consolidated financial statements.	We obtained an understanding of the Group’s credit risk governance and management process with a particular focus on ECL framework, policies and methodologies applied to determine the ECL allowance against the portfolio of Advances. We applied a range of audit procedures including the following: • We assessed the appropriateness of the Groups’s accounting policies and methodologies for determining the ECL allowance against loans and receivables in accordance with the requirements of IFRS Accounting Standards as applicable in Pakistan and IFRS 9 application guidance issued by SBP. • We performed procedures to test various aspects of ECL provisions including the following : ○ 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 audit report is **Omer Chughtai**.

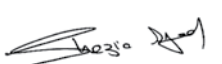

Chartered Accountants
Place: Karachi
Date: 4 March 2026
UDIN: AR202510120SOWjpgGAC

Consolidated Statement of Financial Position

As at December 31, 2025

	Note	2025	2024
		----- (Rupees in ‘000) -----	
ASSETS			
Cash and balances with treasury banks	5	548,709,327	310,836,376
Balances with other banks	6	57,279,049	59,968,246
Lendings to financial institutions	7	31,574,547	18,492,483
Investments	8	9,956,066,916	5,889,765,841
Advances	9	1,369,366,395	1,443,481,944
Property and equipment	10	120,927,227	85,591,999
Right-of-use of assets	11	36,813,438	10,231,121
Intangible assets	12	58,690,656	2,792,016
Deferred tax assets	13	-	-
Other assets	14	449,087,109	247,937,251
		12,628,514,664	8,069,097,277
LIABILITIES			
Bills payable	16	58,631,844	44,221,818
Borrowings	17	6,530,014,720	4,855,373,516
Deposits and other accounts	18	5,168,089,899	2,639,875,985
Lease liabilities	19	39,520,412	12,381,018
Subordinated debt	20	10,000,000	10,000,000
Deferred tax liabilities	13	136,299,736	39,311,263
Other liabilities	21	180,666,240	147,125,664
		12,123,222,851	7,748,289,264
NET ASSETS		<u>505,291,813</u>	<u>320,808,013</u>
REPRESENTED BY:			
Share capital	22	12,521,239	12,241,797
Reserves		138,517,698	114,734,831
Surplus on revaluation of assets - net	23	173,003,893	77,309,424
Unappropriated profit		<u>181,178,532</u>	<u>116,472,051</u>
Total equity attributable to the equity holders of the Bank		505,221,362	320,758,103
Non-controlling interest	24	<u>70,451</u>	<u>49,910</u>
		<u>505,291,813</u>	<u>320,808,013</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

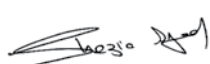
For the year ended December 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Mark-up / return / interest earned	27	1,184,861,499	1,084,641,497
Mark-up / return / interest expensed	28	823,309,408	911,093,616
Net mark-up / interest income		361,552,091	173,547,881
Non mark-up / interest income			
Fee and commission income	29	32,044,235	21,535,329
Dividend income		2,340,252	1,741,707
Foreign exchange income		17,978,624	12,559,992
(Loss) / gain on derivatives		(523,962)	1,230,801
Gain on securities - net	30	9,878,973	42,592,701
Capital gain on derecognition of financial assets measured at amortised cost		-	2,894,427
Other income	31	986,246	1,139,575
Total non mark-up / interest income		62,704,368	83,694,532
Total income		424,256,459	257,242,413
Non mark-up / interest expenses			
Operating expenses	32	132,959,781	97,104,258
Workers' Welfare Fund	33	5,703,814	3,145,755
Other charges	34	104,598	75,270
Total non mark-up / interest expenses		138,768,193	100,325,283
Share of profit of associates	8.5.1	965,823	895,183
Profit before credit loss allowance		286,454,089	157,812,313
Credit loss allowance and write-offs - net	35	(4,653,428)	12,775,474
Profit before taxation from continuing operations		291,107,517	145,036,839
Taxation	36	161,087,143	70,198,005
Profit after taxation from continuing operations		130,020,374	74,838,834
Discontinued operations			
Profit from discontinued operations - net of tax	37	-	938,610
		130,020,374	75,777,444
Attributable to:			
Equity holders of the Bank		129,999,883	74,823,735
from continuing operations		-	332,118
from discontinued operations		129,999,883	75,155,853
Non-controlling interest			
from continuing operations	24.1	20,491	15,099
from discontinued operation		-	606,492
		20,491	621,591
		130,020,374	75,777,444
		----- (Rupees) -----	
Earnings per share for profit from continuing operations attributable to the equity holders of the Bank - Restated			
Basic and diluted	38	52.13	30.56
Earnings per share for profit attributable to the equity holders of the Bank - Restated			
Basic and diluted		52.13	30.70

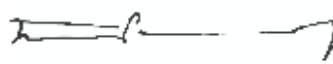
The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.


Syed Manzoor Hussain Zaidi
Chief Financial Officer


Muhammad Jawaid Iqbal
President &
Chief Executive Officer


Shazia Syed
Director


Daniel Michael Howlett
Director


Sir Mohammed Anwar Pervaz, OBE, HPk
Chairman

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
Profit after taxation for the year attributable to:		
Equity holders of the Bank	129,999,883	75,155,853
Non-controlling interest	20,491	621,591
	130,020,374	75,777,444
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branches and subsidiaries		
Equity holders of the Bank	508,221	(1,382,628)
Non-controlling interest	-	(217,940)
	508,221	(1,600,568)
Less: Reserve reclassified to profit and loss on disposal of subsidiary	-	(8,706,711)
	508,221	(10,307,279)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax		
Equity holders of the Bank	93,878,911	33,607,524
Non-controlling interest	-	405,717
	93,878,911	34,013,241
	94,387,132	23,705,962
Items that will not be reclassified to profit and loss account in subsequent periods		
Remeasurement gain on defined benefit obligations - net of tax		
Equity holders of the Bank	12,103,749	4,197,565
Non-controlling interest	50	370
	12,103,799	4,197,935
Movement in surplus on revaluation of investment in equity investments - net of tax		
Equity holders of the Bank	3,170,851	4,856,315
Non-controlling interest	-	-
	3,170,851	4,856,315
Movement in surplus on revaluation of property and equipment - net of tax		
Equity holders of the Bank	-	252,545
Non-controlling interest	-	(74,091)
	-	178,454
Movement in surplus on revaluation of non-banking assets - net of tax		
Equity holders of the Bank	-	1,146
	15,274,650	9,233,850
Total comprehensive income for the year	239,682,156	108,717,256
Attributable to:		
Equity holders of the Bank	239,661,615	107,981,609
Non-controlling interest	20,541	735,647
	239,682,156	108,717,256

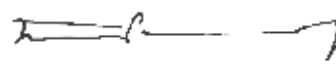
The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.


Syed Manzoor Hussain Zaidi
Chief Financial Officer


Muhammad Jawaid Iqbal
President &
Chief Executive Officer


Shazia Syed
Director


Daniel Michael Howlett
Director


Sir Mohammed Anwar Pervaz, OBE, HPk
Chairman

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to equity holders of the Bank									Non-controlling Interest	Total
	Share Capital	Share Premium	Statutory reserve	Capital reserve - Exchange translation	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total		
					Investments	Property and Equipment	Non Banking Assets				
Note	(Rupees in '000)										
Balance as at January 01, 2024 - as restated	12,241,797	-	46,878,123	69,893,293	(192,993)	41,795,310	-	96,024,872	266,640,402	14,904,379	281,544,781
Total comprehensive income for the year ended December 31, 2024											
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	75,155,853	75,155,853	621,591	75,777,444
Other comprehensive income - net of tax	-	-	-	(10,089,339)	38,463,839	252,545	1,146	4,197,565	32,825,756	114,056	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	108,717,256
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)	(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)
	-	-	-	-	-	-	-	(53,863,908)	(53,863,908)	-	(53,863,908)
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
Fair valuation of unlisted equity securities carried at FVOCI	4.1	-	-	-	1,355,745	-	-	-	1,355,745	-	1,355,745
Balance as at January 01, 2025 - as restated	12,241,797	-	54,930,877	59,803,954	40,210,574	38,453,449	1,146	116,472,051	322,113,848	49,910	322,163,758
Total comprehensive income for the year ended December 31, 2025											
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	-	-	129,999,883	129,999,883	20,491	130,020,374
Other comprehensive income - net of tax	-	-	-	508,221	97,049,762	-	-	12,103,749	109,661,732	50	109,661,782
Total comprehensive income for the year ended December 31, 2025	-	-	-	508,221	97,049,762	-	-	142,103,632	239,661,615	20,541	239,682,156
Transfer of incremental depreciation from revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	(71,714)	-	71,714	-	-	-
Transfer to statutory reserve	-	-	12,800,885	-	-	-	-	(12,800,885)	-	-	-
Transfer of net loss on disposal of FVOCI equity investments from surplus to unappropriated profit - net of tax	-	-	-	-	(2,639,324)	-	-	2,639,324	-	-	-
Shares issued under amalgamation	1.1	279,442	10,473,761	-	-	-	-	-	10,753,203	-	10,753,203
Transactions with owners, recorded directly in equity											
Final cash dividend - December 31, 2024 declared subsequent to the year end at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,465,977)	(13,465,977)	-	(13,465,977)
Interim cash dividend - March 31, 2025 declared at Rs. 11.0 per share	-	-	-	-	-	-	-	(13,773,363)	(13,773,363)	-	(13,773,363)
Interim cash dividend - June 30, 2025 declared at Rs. 8.0 per share	-	-	-	-	-	-	-	(20,033,982)	(20,033,982)	-	(20,033,982)
Interim cash dividend - September 30, 2025 declared at Rs. 8.0 per share	-	-	-	-	-	-	-	(20,033,982)	(20,033,982)	-	(20,033,982)
	-	-	-	-	-	-	-	(67,307,304)	(67,307,304)	-	(67,307,304)
Balance as at December 31, 2025	12,521,239	10,473,761	67,731,762	60,312,175	134,621,012	38,381,735	1,146	181,178,532	505,221,362	70,451	505,291,813

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, 2025

Note	2025	2024
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	291,107,517	145,036,839
Less: Dividend income	(2,340,252)	(1,741,707)
Less: Share of profit of associates	(965,823)	(895,183)
	287,801,442	142,399,949
Adjustments:		
Depreciation on property and equipment	9,694,788	5,849,218
Depreciation on right-of-use assets	4,465,536	2,520,644
Depreciation on non-banking assets acquired in satisfaction of claims	13,396	3,226
Depreciation on Islamic financing against leased assets (Ijarah)	172,811	79,527
Amortisation	5,934,281	1,022,553
Workers' Welfare Fund - charge	5,703,814	3,145,755
Provision for retirement benefits	21,083	91,706
Provision for compensated absences	334,824	-
Credit loss allowance against loans and advances - net	(4,201,672)	11,253,648
Credit loss allowance against off - balance sheet obligations - net	176,963	1,303,408
Credit loss allowance for diminution in value of investments - net	(366,406)	(15,723,998)
Interest expense on lease liability against right-of-use assets	3,680,910	1,504,645
Gain on sale of operating property and equipment - net	(156,801)	(234,287)
Transfer of exchange translation reserve to profit and loss on derecognition of subsidiary	-	(8,706,711)
Gain on sale of Ijarah assets - net	234	(1,016)
Bad debts written off directly	107,914	54,951
Unrealised gain on revaluation of investments classified as FVPL	(250,256)	(35,068)
Credit loss allowance against other assets	85,972	476,252
Other provisions / write-offs	12,107	160,014
	25,429,498	2,764,467
	313,230,940	145,164,416
(Increase) / decrease in operating assets		
Lendings to financial institutions	(13,082,064)	20,823,787
Securities classified as FVPL	(42,575,793)	55,025,621
Advances	78,025,851	(582,847,466)
Other assets (excluding advance taxation)	(164,125,439)	(79,237,101)
	(141,757,445)	(586,235,159)
Increase / (decrease) in operating liabilities		
Bills payable	14,410,026	22,487,287
Borrowings	1,674,641,204	2,031,485,602
Deposits and other accounts	2,528,213,914	5,159,883
Other liabilities	27,673,094	27,144,404
	4,244,938,238	2,086,277,176
	4,416,411,733	1,645,206,433
Payments on account of staff retirement benefits	(1,168,832)	(5,669,400)
Workers' Welfare Fund refund	33,291	667,943
Income taxes paid	(139,002,133)	(84,229,275)
Net cash flow generated from operating activities	4,276,274,059	1,555,975,701
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(3,465,426,978)	(1,453,132,892)
Net investments in amortized cost securities	(362,629,183)	40,239,285
Net investments in associates	(1,184,206)	(811,921)
Cash acquired through business combination	15,198,229	-
Investment in property and equipment and intangible assets	(153,631,779)	(16,615,615)
Investment in non banking assets	(76,222)	-
Dividend income received	2,313,495	1,741,707
Sale proceeds from disposal of property and equipment and intangible assets	363,935	358,842
Sale proceeds from sale of Ijarah assets	10,411	19,344
Effect of translation of net investment in overseas branches and subsidiaries	508,221	(10,307,279)
Net cash flow used in investing activities	(3,964,554,077)	(1,438,508,529)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(7,452,847)	(3,623,173)
Payment of subordinated debt	(1,998,400)	-
Dividends paid	(67,084,981)	(53,825,508)
Net cash flow used in financing activities	(76,536,228)	(57,448,681)
	235,183,754	60,018,491
Increase in cash and cash equivalents	369,404,910	312,451,157
Cash and cash equivalents at the beginning of the year	1,399,712	(1,665,026)
Effect of exchange rate changes on cash and cash equivalents	370,804,622	310,786,131
Cash and cash equivalents at the end of the year	605,988,376	370,804,622

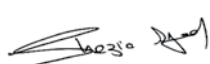
The annexed notes 1 to 53 and annexures I, II and III form an integral part of these consolidated financial statements.



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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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 2,009 (2024: 1,474) branches inside Pakistan including 752 (2024: 496) Islamic Banking branches and 2 (2024: 2) branches in Export Processing Zones. The Bank also operates 8 (2024: 8) branches outside Pakistan. The Bank is a subsidiary of Bestway International Holdings Limited (BIHL) and BIHL is a wholly owned subsidiary of Bestway Group Limited (BGL), 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 (2024: 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% (2024: 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% (2024: 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.

1.1 BUSINESS COMBINATION

State Bank of Pakistan ("SBP") vide its letter BPRD/ABLD/2025/1249 dated March 10, 2025, approved the scheme of amalgamation ("the scheme") of Silkbank Limited ("SBL") with and into United Bank Limited ("UBL") (the "Merger") under the section 48 of the Banking Companies Ordinance 1962.

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

Accordingly, at close of business on March 10, 2025 ("acquisition date"), the Bank completed the amalgamation of SBL under the scheme sanctioned by the SBP. The Scheme became effective at close of business on that date and, accordingly, SBL's undertaking (including all assets, liabilities, rights, and obligations) vested in the Bank.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

The amalgamation has been accounted for using the acquisition method. International Financial Reporting Standard (IFRS) 3, Business Combinations, requires that all identified assets (including intangible assets) and liabilities acquired in a business combination should be carried at their fair values in the acquirer's balance sheet. During the year, the fair valuation exercise was completed by the Bank, which resulted in recognition of certain intangibles and fair value changes to identifiable assets and liabilities. Adjustments arising as a result of this exercise have been incorporated with retrospective effect from the date of acquisition.

	Rupees in '000
Fair value of assets	341,837,775
Fair value of liabilities	(332,585,391)
Net Assets	9,252,384
Purchase consideration (fair value of shares issued by the Bank)	(10,753,203)
(Excess) / Short of the consideration over fair values	<u>(1,500,819)</u>

The fair value of the consideration transferred exceeds the fair value of the identifiable assets acquired, including intangible assets recognized on acquisition, and the liabilities assumed. Accordingly, the Bank has recognise goodwill of Rs 1,501 million on the amalgamation.

These represent the economic benefits expected to be derived from the merged banking operations and include, among others, the acquired branch and distribution network, operating platform and assembled workforce synergies.

The fair values and carrying amounts of identifiable assets and liabilities of SBL as at the acquisition date are given below:

	Carrying values as at March 10, 2025	Fair value adjustments	Fair values as at March 10, 2025
	Audited		
	-----Rupees in '000-----		
Assets			
Cash and balances with treasury banks	13,453,182	-	13,453,182
Balances with other banks	1,745,047	-	1,745,047
Lendings to financial institutions	2,963,289	-	2,963,289
Investments	173,658,438	(2,692,433)	170,966,005
Advances	24,747,933	(3,376,439)	21,371,494
Property and equipment	2,386,007	(162,565)	2,223,442
Right-of-use assets	1,609,885	533,786	2,143,671
Intangible assets	241,684	58,473,921	58,715,605
Deferred tax assets	51,215,986	2,240,818	53,456,804
Other assets	14,703,839	95,397	14,799,236
	286,725,290	55,112,485	341,837,775
Liabilities			
Bills payable	2,137,951	-	2,137,951
Borrowings	159,953,222	-	159,953,222
Deposits and other accounts	159,055,570	-	159,055,570
Lease liabilities	2,109,397	34,274	2,143,671
Subordinated debt	2,438,666	-	2,438,666
Other liabilities	6,856,311	-	6,856,311
	332,551,117	34,274	332,585,391
Net assets	(45,825,827)	55,078,211	9,252,384

As a consequence of the amalgamation, UBL has recognized identifiable intangible assets arising from the business combination. These intangible assets are amortised on a straight-line basis over their estimated useful lives, reflecting the period over which the related economic benefits are expected to be realised.

Additionally, the SBP had granted an exemption to the SBL from the requirements of IFRS 9 'Financial Instruments' which expired on the completion of the amalgamation process with the Bank. Accordingly, as part of fair valuation exercise the Bank has recognized various adjustments to the carrying amounts of financial assets of SBL mainly with respect to expected credit losses. The Bank also classified financial instruments in IFRS 9 categories based on the results of BMA and SPPI tests for the same.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

The Bank measured the acquired lease liabilities using the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. The right-of-use assets were measured at an amount equal to the lease liabilities.

The fair value of the gross contractual receivables representing advances as at the acquisition date amounts to Rs. 21,371 million. Gross contractual amounts for the receivables due is Rs. 77,567 million. The management believes that out of the total gross contractual receivables, a gross contractual amount of Rs. 52,819 million is expected to be uncollectable. The uncollectable amounts of receivables arising on account of fair valuation exercise have been disclosed as "Acquisitions through business combination" in the respective notes.

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. 02, dated February 09, 2023 and related directives and notifications issued by the SBP from time to time.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, 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 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:

- IFRS Accounting 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.

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

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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, 2025. 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

2.6.1.1 Scope of IFRS 9 application

IFRS 9, as adopted by the SBP, has been implemented on all overseas jurisdiction with effect from January 01, 2025, as per SBP IFRS 9 implementation guidelines.

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, 2026:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7 – Financial Instruments: Disclosures	January 01, 2026
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2027
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized
The above standards and amendments are not expected to have any significant impact on Bank's consolidated financial statements.	

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2004

IFRS 18 - Presentation and Disclosure in Financial Statements

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, 2025

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 4.14 and 36).
- iv) Defined benefit plans (notes 4.16 and 41).
- v) Fair value of derivatives (note 4.4 and 26).
- vi) Revaluation and depreciation of property and equipment (notes 4.10 and 10).
- vii) Amortisation of intangible assets (note 4.12 and 12).
- viii) Incremental borrowing rate for leases (notes 4.11).
- ix) Valuation of non-banking assets acquired in satisfaction of claims (note 4.13).

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Bank for the year ended December 31, 2024, except for the fair valuation of unquoted equity securities w.e.f January 01, 2025. These are disclosed in Note 2.8.1

2.8.1 Fair valuation of unquoted equity securities

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please see Note 44.1.

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.

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.

4.1 Fair Valuation of unquoted equity securities

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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

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

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

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

4.2 Financial Instruments

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, 2025

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 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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.

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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

4.2.6 Impairment of financial assets

4.2.6.1 Overview of the ECL principles

The Bank takes a forward-looking approach to recognize 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.

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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

"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 forborne. However, for certain portfolios, the Bank rebuts 30 days past due presumption based on behavioral 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, current account balance, volume of exports, Gross government debt and Unemployment rate.

4.3 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 including in 'Income from dealing in foreign currencies'.

4.4 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.

4.5 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.

4.6 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

4.7 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks 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.

4.8 Basis of consolidation

4.8.1 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.

4.9 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.

4.9.1 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:

4.9.2 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.

4.9.3 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

4.9.4 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.

4.10 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.

4.11 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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

4.16 Staff retirement and other benefits

4.16.1 The Bank

4.16.1.1 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.

4.16.1.2 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.

4.16.1.3 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

4.16.1.4 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

4.17 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.

4.18 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.

4.19 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.

4.20 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 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.

4.22 Dividend income

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

4.23 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.

4.24 Foreign currencies

4.24.1 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.

4.24.2 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

4.24.3 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.

4.24.4 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.

4.25 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.

4.26 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.

4.27 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, 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.

(f) Subsidiaries

Represents operations by Bank's subsidiaries.

(g) Others

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

4.28 Geographical segments

The Group operates in following geographical regions:

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

4.29 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.

4.30 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 on balance sheet financial assets and financial liabilities.

4.31 Business Combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Bank's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill recognized in the business combination tested for impairment at least annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, which is the higher of its fair value less costs of disposal and its value in use, an impairment loss is recognised. The Bank considers the recoverable amount to be the value in use of the CGU. Impairment losses (if any) relating to goodwill will be directly charged to profit and loss account.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cashflows are based on most recent budgets and forecast calculations, which are prepared separately for each of the Bank's CGUs to which the Goodwill is allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cashflows after the fifth year. The value in use is sensitive to the discount rate used for the DCF model as well as the expected future cashflows and the growth rate used for extrapolation purposes.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
5. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		69,911,293	53,476,586
Foreign currencies		27,886,326	8,928,893
		97,797,619	62,405,479
With State Bank of Pakistan in			
Local currency current accounts	5.1	154,773,588	108,175,484
Foreign currency current accounts	5.2	8,224,165	5,094,782
Foreign currency deposit account	5.3	12,157,685	8,205,041
		175,155,438	121,475,307
With other central banks in			
Foreign currency current accounts	5.4	175,790,193	88,215,425
Foreign currency deposit accounts	5.5	34,048,154	19,326,856
		209,838,347	107,542,281
With National Bank of Pakistan in			
Local currency current accounts		65,643,246	19,133,450
National Prize Bonds		328,048	479,356
		548,762,698	311,035,873
Less: Credit loss allowance held against cash and balances with treasury banks	5.6	(53,371)	(199,497)
Cash and balances with treasury banks - net of credit loss allowance		548,709,327	310,836,376
5.1	This represents current accounts maintained with the SBP as per the Cash Reserve Requirement of section 22 of the Banking Companies Ordinance, 1962 and related directives and notifications issued by the SBP from time to time.		
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, 2025, it carries mark-up rate at 2.86% (2024: 3.53%) 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 foreign branches and subsidiaries of the Group.		
5.5	These represent placements with overseas central banks and carry mark-up at rates ranging from 3.65% to 4.25% (2024: 4.60% to 5.00%) 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, 2025

		Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----				
6.	BALANCES WITH OTHER BANKS							
	In Pakistan							
	In current accounts		81,992	-				
	In deposit accounts		17,387	7				
			99,379	7				
	Outside Pakistan							
	In current accounts		54,393,530	47,801,939				
	In deposit accounts	6.1	2,786,237	12,173,491				
			57,179,767	59,975,430				
			57,279,146	59,975,437				
	Less: Credit loss allowance held against balances with other banks	6.2	(97)	(7,191)				
	Balances with Other Banks - net of credit loss allowance		57,279,049	59,968,246				
6.1	These carry mark-up at 3.60% (2024: 4.19% to 4.70%) per annum.							
6.2	Balances with other banks are classified as stage 1.							
7.	LENDINGS TO FINANCIAL INSTITUTIONS							
			2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----				
	Repurchase agreement lendings (Reverse Repo)	7.2 & 7.4	17,000,000	2,492,483				
	Bai Muajjal receivable with Scheduled bank / financial institution	7.3 & 7.4	14,574,547	16,000,000				
			31,574,547	18,492,483				
	Less: Credit loss allowance held against lending to financial institutions	7.5	-	-				
	Lending to financial institutions - net of credit loss allowance		31,574,547	18,492,483				
7.1	Particulars of lendings to financial institutions							
			2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----				
	In local currency		31,574,547	18,492,483				
	In foreign currencies		-	-				
			31,574,547	18,492,483				
7.2	These represent lendings to financial institutions against investment securities. These carry mark-up at 10.5% (2024:13.89%) per annum, and are due to mature in January 2026.							
7.3	These represent secured lendings against investment securities carrying mark-up at 10.80% (2024: 13.90%) per annum.							
7.4	Securities held as collateral against lendings to financial institutions							
			2025	2024				
			Held by Group	Further given as collateral	Total	Held by Group	Further given as collateral	Total
			----- (Rupees in '000) -----					
	Market Treasury Bills		-	-	-	2,492,483	-	2,492,483
	Pakistan Investment Bonds		17,000,000	(17,000,000)	-	-	-	-
	Government of Pakistan Sukuks		14,574,547	-	14,574,547	16,000,000	-	16,000,000
	Total		31,574,547	(17,000,000)	14,574,547	18,492,483	-	18,492,483
7.5	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, 2025

		2025				2024			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		----- (Rupees in '000) -----							
8.	INVESTMENTS								
8.1	Investments by type								
	Debt Instruments								
	FVTPL								
	Federal Government securities	64,677,109	-	250,256	64,927,365	22,066,195	-	35,068	22,101,263
	FVOCI								
	Federal Government securities	8,504,042,035	(1,407,799)	269,559,371	8,772,193,607	5,330,704,079	(1,556,324)	75,876,139	5,405,023,894
	Non-Government debt securities	5,786,339	(216,281)	107,432	5,677,490	462,335	(162,407)	-	299,928
	Foreign securities	395,186,313	(43,909)	(353,358)	394,789,046	112,833,367	(15,298)	(2,841,124)	109,976,945
		8,905,014,687	(1,667,989)	269,313,445	9,172,660,143	5,443,999,781	(1,734,029)	73,035,015	5,515,300,767
	Amortised cost								
	Federal Government Securities	651,708,282	(138,688)	-	651,569,594	277,953,188	-	-	277,953,188
	Non Government debt securities	13,598,680	(833,639)	-	12,765,041	20,604,187	(1,264,743)	-	19,339,444
	Foreign securities	20,908,768	(15,028)	-	20,893,740	25,321,895	(15,335)	-	25,306,560
		686,215,730	(987,355)	-	685,228,375	323,879,270	(1,280,078)	-	322,599,192
	Instruments mandatorily classified as FVTPL								
	Non-Government debt securities	1,864,880	-	-	1,864,880	1,864,933	-	-	1,864,933
	Total Debt Investment	9,657,772,406	(2,655,344)	269,563,701	9,924,680,763	5,791,810,179	(3,014,107)	73,070,083	5,861,866,155
	Equity instruments								
	FVOCI								
	Ordinary shares								
	- Listed companies	10,382,250	-	7,994,146	18,376,396	12,989,295	-	7,463,396	20,452,691
	- Unlisted companies	1,563,661	-	2,774,152	4,337,813	1,656,572	-	(50,317)	1,606,255
		11,945,911	-	10,768,298	22,714,209	14,645,867	-	7,413,079	22,058,946
	Real Estate Investment Trust units	480,913	-	1,152,132	1,633,045	495,545		456,325	951,870
	Associates								
	- UBL Liquidity Plus Fund	-	-	-	-	97,012	-	-	97,012
	- UBL Liquidity Fund	196,076	-	-	196,076	-	-	-	-
	- UBL Financial Sector Fund	805,950	-	-	805,950	-	-	-	-
	- UBL Stock Advantage Fund	349,026	-	-	349,026	237,216	-	-	237,216
	- UBL Exchange Traded Fund	79,092	-	-	79,092	46,280	-	-	46,280
	- Al-Ameen Islamic Energy Fund	248,987	-	-	248,987	121,967	-	-	121,967
	- Al-Ameen Islamic Cash Plan I	-	-	-	-	175,273	-	-	175,273
	- UBKPK - Money Market Sub Fund	40,853	-	-	40,853	36,372	-	-	36,372
	- UBKPK - Debt Sub-Fund	643	-	-	643	589	-	-	589
	- UBKPK - Equity Sub-Fund	643	-	-	643	589	-	-	589
	- UBKPK-Equity Index Sub Fund	643	-	-	643	589	-	-	589
	- AIKPK - Money Market Sub Fund	38,627	-	-	38,627	35,331	-	-	35,331
	- AIKPK - Debt Sub-Fund	635	-	-	635	573	-	-	573
	- AIKPK - Equity Sub-Fund	635	-	-	635	573	-	-	573
	- AIKPK-Equity Index Sub Fund	635	-	-	635	573	-	-	573
	- Al-Ameen Islamic Punjab Pension Fund - Money Market Sub Fund	501	-	-	501	-	-	-	-
	- Al-Ameen Islamic Punjab Pension Fund - Debt Sub Fund	501	-	-	501	-	-	-	-
	- Al-Ameen Islamic Punjab Pension Fund - Equity Sub Fund	501	-	-	501	-	-	-	-
	- Al-Ameen Islamic Punjab Pension Fund - Equity Index Sub Fund	501	-	-	501	-	-	-	-
	- UBL Punjab Pension Fund - Money Market Sub Fund	501	-	-	501	-	-	-	-
	- UBL Punjab Pension Fund - Debt Sub Fund	501	-	-	501	-	-	-	-
	- UBL Punjab Pension Fund - Equity Sub Fund	501	-	-	501	-	-	-	-
	- UBL Punjab Pension Fund - Equity Index Sub Fund	501	-	-	501	-	-	-	-
	- UBL Money Market Fund	272,929	-	-	272,929	2,899,023	-	-	2,899,023
	- UBL Fixed Return Plan - II F	-	-	-	-	40,909	-	-	40,909
	- UBL Fixed Return Plan - III Z	52,245	-	-	52,245	-	-	-	-
	- UBL Government Securities Fund	4,103,274	-	-	4,103,274	335,158	-	-	335,158
	- UBL Insurers Limited	843,998	-	-	843,998	860,843	-	-	860,843
	- Khushhali Bank Limited	1,057,485	(1,057,485)	-	-	1,057,485	(1,057,485)	-	-
		8,096,384	(1,057,485)	-	7,038,899	5,946,355	(1,057,485)	-	4,888,870
		9,678,295,614	(3,712,829)	281,484,131	9,956,066,916	5,812,897,946	(4,071,592)	80,939,487	5,889,765,841

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

8.2 Investments by segment

6.2 Investments by segment

		2025				2024			
	Note	Cost / Amortised cost	Expected Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Expected Credit loss allowance	Surplus / (Deficit)	Carrying Value
(Rupees in '000)									
Federal Government Securities									
Market Treasury Bills		23,015,524	-	104,891	23,120,415	399,958,123	-	9,702,416	409,660,539
Pakistan Investment Bonds	8.9 & 8.10	8,392,091,549	-	255,145,382	8,647,236,931	4,897,205,786	-	44,076,922	4,941,282,708
Government of Pakistan Sukuk		593,279,284	-	11,463,856	604,743,140	278,001,570	-	21,400,329	299,401,899
Government of Pakistan Eurobonds		97,211,624	(1,546,487)	3,095,498	98,760,635	5,261,130	(1,556,324)	731,540	4,436,346
Bai Muajjal with Government of Pakistan		113,953,748	-	-	113,953,748	47,618,148	-	-	47,618,148
Islamic Naya Pakistan Certificates	8.4	875,697	-	-	875,697	2,678,705	-	-	2,678,705
		9,220,427,426	(1,546,487)	269,809,627	9,488,690,566	5,630,723,462	(1,556,324)	75,911,207	5,705,078,345
Ordinary shares									
Listed companies	8.6.2	10,382,250	-	7,994,146	18,376,396	12,989,295	-	7,463,396	20,452,691
Unlisted companies		1,563,661	-	2,774,152	4,337,813	1,656,572	-	(50,317)	1,606,255
		11,945,911	-	10,768,298	22,714,209	14,645,867	-	7,413,079	22,058,946
Real Estate Investment Trust units	8.6.2	480,913	-	1,152,132	1,633,045	495,545	-	456,325	951,870
Non Government Debt Securities									
Listed companies		2,185,190	(315)	-	2,184,875	2,247,813	(315)	-	2,247,498
Unlisted companies		19,064,709	(1,049,605)	107,432	18,122,536	20,683,642	(1,426,835)	-	19,256,807
		21,249,899	(1,049,920)	107,432	20,307,411	22,931,455	(1,427,150)	-	21,504,305
Foreign Securities									
Market Treasury Bills		269,806,501	(1,405)	275,850	270,080,946	22,934,112	-	20,253	22,954,365
Foreign bonds - sovereign		119,658,942	(45,608)	(757,833)	118,855,501	112,397,524	(29,686)	(2,744,533)	109,623,305
Foreign bonds - others		26,629,030	(11,924)	128,625	26,745,731	2,823,021	(947)	(116,844)	2,705,230
CDC SAARC Fund		608	-	-	608	605	-	-	605
		416,095,081	(58,937)	(353,358)	415,682,786	138,155,262	(30,633)	(2,841,124)	135,283,505
Associates									
- UBL Liquidity Plus Fund	8.5.1.1	-	-	-	-	97,012	-	-	97,012
- UBL Liquidity Fund	8.5.1.1	196,076	-	-	196,076	-	-	-	-
- UBL Financial Sector Fund	8.5.1.1	805,950	-	-	805,950	-	-	-	-
- UBL Stock Advantage Fund	8.5.1.1	349,026	-	-	349,026	237,216	-	-	237,216
- UBL Exchange Traded Fund	8.5.1.1	79,092	-	-	79,092	46,280	-	-	46,280
- Al Ameen Islamic Energy Fund	8.5.1.2	248,987	-	-	248,987	121,967	-	-	121,967
- Al-Ameen Islamic Cash Plan I	8.5.1.2	-	-	-	-	175,273	-	-	175,273
- UBKPK - Money Market Sub Fund	8.5.1.1	40,853	-	-	40,853	36,372	-	-	36,372
- UBKPK - Debt Sub-Fund	8.5.1.1	643	-	-	643	589	-	-	589
- UBKPK - Equity Sub-Fund	8.5.1.1	643	-	-	643	589	-	-	589
- UBKPK-Equity Index Sub Fund	8.5.1.1	643	-	-	643	589	-	-	589
- AIKPK - Money Market Sub Fund	8.5.1.2	38,627	-	-	38,627	35,331	-	-	35,331
- AIKPK - Debt Sub-Fund	8.5.1.2	635	-	-	635	573	-	-	573
- AIKPK - Equity Sub-Fund	8.5.1.2	635	-	-	635	573	-	-	573
- AIKPK-Equity Index Sub Fund	8.5.1.2	635	-	-	635	573	-	-	573
- Al-Ameen Islamic Punjab Pension Fund - Money Market Sub Fund	8.5.1.2	501	-	-	501	-	-	-	-
- Al-Ameen Islamic Punjab Pension Fund - Debt Sub Fund	8.5.1.2	501	-	-	501	-	-	-	-
- Al-Ameen Islamic Punjab Pension Fund - Equity Sub Fund	8.5.1.2	501	-	-	501	-	-	-	-
- Al-Ameen Islamic Punjab Pension Fund - Equity Index Sub Fund	8.5.1.2	501	-	-	501	-	-	-	-
- UBL Punjab Pension Fund - Money Market Sub Fund	8.5.1.1	501	-	-	501	-	-	-	-
- UBL Punjab Pension Fund - Debt Sub Fund	8.5.1.1	501	-	-	501	-	-	-	-
- UBL Punjab Pension Fund - Equity Sub Fund	8.5.1.1	501	-	-	501	-	-	-	-
- UBL Punjab Pension Fund - Equity Index Sub Fund	8.5.1.1	501	-	-	501	-	-	-	-
- UBL Money Market Fund	8.5.1.1	272,929	-	-	272,929	2,899,023	-	-	2,899,023
- UBL Fixed Return Plan - II F	8.5.1.1	-	-	-	-	40,909	-	-	40,909
- UBL Fixed Return Plan - III Z	8.5.1.1	52,245	-	-	52,245	-	-	-	-
- UBL Government Securities Fund	8.5.1.1	4,103,274	-	-	4,103,274	335,158	-	-	335,158
- UBL Insurers Limited	8.5.1.3	843,998	-	-	843,998	860,843	-	-	860,843
- Khushhali Bank Limited		1,057,485	(1,057,485)	-	-	1,057,485	(1,057,485)	-	-
		8,096,384	(1,057,485)	-	7,038,899	5,946,355	(1,057,485)	-	4,888,870
Total Investments		9,678,295,614	(3,712,829)	281,484,131	9,956,066,916	5,812,897,946	(4,071,592)	80,939,487	5,889,765,841

8.2.1 Investments given as collateral

	2025	2024
	(Rupees in '000)	(Rupees in '000)
Federal Government securities		
Market Treasury Bills	2,746,493	285,281,664
Pakistan Investment Bonds	6,422,520,807	4,331,366,718
Foreign securities		
Foreign bonds - sovereign	11,342,262	29,926,938
	6,436,609,562	4,646,575,320

8.2.1.1 The market value of securities given as collateral is Rs. 6,629,601 million (2024: Rs.4,691,781 million).

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

8.3 Particulars of credit loss allowance against debt securities

Note	2025			
	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)				
8.3.1 Investments - exposure				
Opening balance	5,783,104,345	8,087,551	618,283	5,791,810,179
Exchange adjustments	(500,572)	27,275	-	(473,297)
Acquisitions through business combinations	170,966,005	-	-	170,966,005
New investments - net	4,149,256,905	5,787,976	-	4,155,044,881
Investments derecognised or repaid - net	(459,548,072)	(2,601)	(24,689)	(459,575,362)
Transfer to stage 1	13,781,040	(13,781,040)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
	3,874,455,878	(7,995,665)	(24,689)	3,866,435,524
Closing balance	9,657,059,651	119,161	593,594	9,657,772,406

	2024			
	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)				
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 - net	4,423,736,857	-	-	4,423,736,857
Investments derecognised or repaid - net	(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	5,783,104,345	8,087,551	618,283	5,791,810,179

	2025			
	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)				
8.3.2 Investments - credit loss allowance				
Opening balance	31,219	2,364,605	618,283	3,014,107
Exchange adjustments	7,643	-	-	7,643
New investments - net	67,966	-	-	67,966
Investments repaid - net	(409,683)	-	(24,689)	(434,372)
Transfer to stage 1	2,364,605	(2,364,605)	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
	2,022,888	(2,364,605)	(24,689)	(366,406)
Investments derecognised	-	-	-	-
Changes in risk parameters	-	-	-	-
Closing balance	2,061,750	-	593,594	2,655,344

	2024			
	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)				
Investments - credit loss allowance				
Opening balance	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 - net	(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	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, 2025

8.3.3 Credit loss allowance investments

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Opening balance		4,071,592	25,989,852
Exchange adjustments		7,643	(94,642)
Impact of reclassification on adoption of IFRS 9		-	(6,107,121)
Impact of ECL recognised on adoption of IFRS 9		-	7,501
Charge / (reversals)			
Charge for the year		660,392	131,869
Reversals for the year		(1,026,798)	(381,411)
	35	(366,406)	(249,542)
Derecognition of ECL on disposals			(15,474,456)
Closing balance		3,712,829	4,071,592

8.3.4 Category of classification

		2025		2024	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Domestic					
Performing	Stage 1	9,135,827,671	91	5,645,069,663	589
Underperforming	Stage 2	-	-	-	-
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		593,594	593,594	618,283	618,283
		9,136,421,265	593,685	5,645,687,946	618,872
Overseas					
Performing	Stage 1	521,231,980	2,061,659	138,034,682	30,630
Underperforming	Stage 2	119,161	-	8,087,551	2,364,605
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		521,351,141	2,061,659	146,122,233	2,395,235
		9,657,772,406	2,655,344	5,791,810,179	3,014,107

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, 2025

8.5 Investment in associates

8.5.1 Movement of Investment in associates

		2025						
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 (loss) / surplus on assets	Investment at the end of the year
(Rupees in '000)								
UBL Liquidity Plus Fund	8.5.1.1	Pakistan	0.00%	97,011	(93,229)	(3,574)	(208)	-
UBL Liquidity Fund	8.5.1.1	Pakistan	0.49%	-	190,000	6,076	-	196,076
UBL Financial Sector Fund	8.5.1.1	Pakistan	14.60%	-	639,910	177,725	(11,685)	805,950
UBL Pakistan Enterprise Exchange Traded Fund	8.5.1.1	Pakistan	27.65%	46,280	-	52,513	(1,724)	79,091
UBKPK - Money Market Sub Fund	8.5.1.1	Pakistan	54.20%	36,372	-	4,481	-	40,853
UBKPK - Debt Sub-Fund	8.5.1.1	Pakistan	100.00%	589	-	54	-	643
UBKPK - Equity Sub-Fund	8.5.1.1	Pakistan	100.00%	589	-	54	-	643
UBKPK-Equity Index Sub Fund	8.5.1.1	Pakistan	100.00%	589	-	54	-	643
UBL Fixed Return Plan - I S	8.5.1.1	Pakistan	0.00%	-	(66,501)	66,501	-	-
UBL Fixed Return Plan - II Z	8.5.1.1	Pakistan	0.00%	-	(5,122)	26,812	(21,690)	-
UBL Fixed Return Plan - III Z	8.5.1.1	Pakistan	3.02%	-	50,000	2,245	-	52,245
UBL Fixed Return Plan - IV F	8.5.1.1	Pakistan	0.00%	40,909	(40,840)	(69)	-	-
UBL Government Securities Fund	8.5.1.1	Pakistan	30.10%	335,158	3,437,109	331,007	-	4,103,274
UBLStock Advantage Fund	8.5.1.1	Pakistan	1.20%	237,215	(1,595)	124,040	(10,634)	349,026
UBL Money Market Fund	8.5.1.1	Pakistan	0.61%	2,899,023	(2,679,283)	53,189	-	272,929
AIKPK - Money Market Sub Fund	8.5.1.2	Pakistan	32.69%	35,331	-	3,297	-	38,628
AIKPK - Debt Sub-Fund	8.5.1.2	Pakistan	100.00%	573	-	62	-	635
AIKPK - Equity Sub-Fund	8.5.1.2	Pakistan	100.00%	573	-	62	-	635
AIKPK-Equity Index Sub Fund	8.5.1.2	Pakistan	100.00%	573	-	62	-	635
Al Ameen Islamic Energy Fund	8.5.1.2	Pakistan	4.24%	121,967	99,463	31,137	(3,580)	248,987
Al-Ameen Islamic Cash Plan I	8.5.1.2	Pakistan	0.00%	175,275	(169,502)	7,296	(13,069)	-
Al-Ameen Islamic Punjab Pension Fund - Money Market Sub	8.5.1.2	Pakistan	100.00%	-	500	1	-	501
UBL Punjab Pension Fund - Money Market Sub Fund	8.5.1.1	Pakistan	100.00%	-	500	1	-	501
Al-Ameen Islamic Punjab Pension Fund - Debt Sub Fund	8.5.1.2	Pakistan	100.00%	-	500	1	-	501
Al-Ameen Islamic Punjab Pension Fund - Equity Sub Fund	8.5.1.2	Pakistan	100.00%	-	500	1	-	501
Al-Ameen Islamic Punjab Pension Fund - Equity Index Sub F	8.5.1.2	Pakistan	100.00%	-	500	1	-	501
UBL Punjab Pension Fund - Debt Sub Fund	8.5.1.1	Pakistan	100.00%	-	500	1	-	501
UBL Punjab Pension Fund - Equity Sub Fund	8.5.1.1	Pakistan	100.00%	-	500	1	-	501
UBL Punjab Pension Fund - Equity Index Sub Fund	8.5.1.1	Pakistan	100.00%	-	500	1	-	501
UBL Cash Fund	8.5.1.1	Pakistan	0.00%	-	(6,103)	6,103	-	-
UBL Insurers Limited	8.5.1.3	Pakistan	30.00%	860,843	-	76,688	(69,130)	843,998
Khushhali Microfinance Bank Limited		Pakistan	27.82%	1,057,485	-	-	-	1,057,485
								-
				5,946,355	1,358,307	965,823	(131,720)	(42,381)
								8,096,384

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	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 surplus on assets	Investment at the end of the year
		(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
UBLStock 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		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

8.5.1.1 These represent open ended mutual funds managed by UBL Fund Managers Limited. These funds are listed on the Pakistan Stock Exchange and offer units for public subscription on a continuous basis.

8.5.1.2 These represent open ended shariah compliant mutual funds managed by Al Ameen Financial Services (Private) Limited, a wholly owned subsidiary of UBL Fund Managers Limited. These funds are listed on the Pakistan Stock Exchange and offer units for public subscription on a continuous basis.

8.5.1.3 UBL Insurers Limited is an unlisted public company, whose principal objective is to conduct general insurance business.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Net Assets	2,813,329	2,869,478
Percentage holding	30.00%	30.00%
Group's share of net assets	843,998	860,843
Carrying amount of interest in associates	843,998	860,843

8.5.2 Summary of financial position and performance of associates

2025					
Country of Incorporation	Percentage Holding	Assets	Liabilities	Revenue	Profit / (loss)
(Rupees in '000)					
UBL Liquidity Fund	Pakistan 0.49%	40,163,237	52,146	996,015	945,402
UBL Financial Sector Fund	Pakistan 14.60%	5,839,501	318,095	1,492,279	1,399,593
UBL Stock Advantage Fund	Pakistan 1.20%	29,448,147	462,632	8,122,388	7,595,006
UBL Exchange Traded Fund	Pakistan 27.65%	295,986	9,917	6,376	32,158
Al Ameen Islamic Energy Fund	Pakistan 4.24%	5,918,969	49,203	1,217,053	1,110,202
UBKPK - Money Market Sub Fund	Pakistan 54.20%	75,534	153	4,571	4,166
UBKPK - Debt Sub-Fund	Pakistan 100.00%	651	8	24	24
UBKPK - Equity Sub-Fund	Pakistan 100.00%	651	8	24	24
UBKPK-Equity Index Sub Fund	Pakistan 100.00%	651	8	24	24
AIKPK - Money Market Sub Fund	Pakistan 32.69%	120,184	2,009	5,179	5,085
AIKPK - Equity Sub-Fund	Pakistan 100.00%	643	8	16	16
AIKPK - Debt Sub-Fund	Pakistan 100.00%	643	8	16	16
AIKPK-Equity Index Sub Fund	Pakistan 100.00%	643	8	16	16
UBL Punjab Pension - Money Market Saving Fund	Pakistan 100.00%	518	17	1	1
UBL Punjab Pension - Debt Sub Fund	Pakistan 100.00%	511	10	1	1
UBL Punjab Pension - Equity Sub Fund	Pakistan 100.00%	511	10	1	1
UBL Punjab Pension - Equity Index Sub Fund	Pakistan 100.00%	511	10	1	1
Al Ameen Punjab Pension - Money Market Saving Fund	Pakistan 100.00%	517	17	1	1
Al Ameen Punjab Pension - Debt Sub Fund	Pakistan 100.00%	511	10	1	1
Al Ameen Punjab Pension - Equity Sub Fund	Pakistan 100.00%	511	10	1	1
Al Ameen Punjab Pension - Equity Index Sub Fund	Pakistan 100.00%	511	10	1	1
UBL Money Market Fund	Pakistan 0.61%	44,783,748	97,183	3,187,766	2,838,926
UBL Fixed Return Plan III - Z	Pakistan 3.02%	1,730,041	1,148	80,599	78,524
UBL Government Securities Fund	Pakistan 30.10%	13,701,324	71,357	883,991	794,862
UBL Insurers Limited	Pakistan 30.00%	13,211,920	10,398,592	2,339,948	188,621
Khushhali Microfinance Bank Limited	Pakistan 27.82%	125,684,372	141,838,606	12,237,115	2,205,563

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%	107,840,382	126,143,242	3,015,683	(2,915,422)

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

8.6 Quality of Securities

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

8.6.1 Federal Government Securities - Government guaranteed

Market Treasury Bills
Pakistan Investment Bonds
Government of Pakistan Sukuks
Islamic Naya Pakistan Certificates
Government of Pakistan Eurobonds

2025	2024
Cost ----- (Rupees in '000) -----	
16,132,491	395,024,093
8,003,433,707	4,661,754,267
414,850,111	265,985,884
875,697	2,678,705
68,750,029	5,261,130
8,504,042,035	5,330,704,079

8.6.2 Shares and units

Listed Companies

Cement
Chemical
Commercial Banks
Engineering
Fertilizer
Insurance
Oil and Gas Exploration Companies
Oil and Gas Marketing Companies
Paper & Board
Power Generation and Distribution
Technology & Communication
Textile Composite
Textile Spinning
Miscellaneous

992,332	1,158,240
57	-
-	139,865
311,831	311,831
1,747,216	3,915,270
362,818	-
2,294,042	1,940,334
152,546	569,150
707,429	-
2,382,851	2,382,851
75,353	74,930
812,848	1,953,897
395,927	395,927
147,000	147,000
10,382,250	12,989,295

Unlisted Companies

Cinepax Limited
First Women Bank Limited
National Institutional Facilitation Technologies (Pvt.) Limited (NIFT)
National Investment Trust Limited (NIT)
Pakistan Agricultural Storage & Services Corporation (PASSCO)
Pakistan Mortgage Refinance Company Limited
Pakistan Corporate Restructuring Company Limited
SWIFT (Belgium)
SME Bank Limited
Techlogix International Limited
The Benefit Company BSC
VIS Credit Information Services
1 Link (Private) Limited
United National Bank Limited
Mutual Funds Association of Pakistan (MUFAP)

2025		2024	
Cost	Breakup value	Cost	Breakup value
----- (Rupees in '000) -----			
60,122	-	60,122	116,237
21,100	21,100	21,100	51,903
1,527	51,454	1,527	62,042
100	429,377	100	1,082,220
5,500	5,500	5,500	3,584,912
500,000	733,623	500,000	1,356,807
-	-	63,633	40,339
2,091	2,091	2,091	33,424
26,950	-	26,950	-
-	-	29,314	193,098
5,944	5,944	5,908	183,496
325	325	325	253
54,287	2,202,684	54,287	1,182,173
885,450	885,450	885,450	1,428,747
265	265	265	265
1,563,661	4,337,548	1,656,572	9,315,916

Units

Real Estate Investment Trust units

2025	2024
Cost ----- (Rupees in '000) -----	
480,913	495,545

8.6.3 Non-Government Debt Securities

Listed

- A+, A, A-

300,000 300,000

Unlisted

- B+, B, B-
- Unrated

5,324,004	-
162,335	162,335
5,486,339	162,335

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

8.6.4 Foreign Securities

Government Securities

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

2025		2024	
Cost	Rating	Cost	Rating
----- (Rupees in '000) -----			
13,133,800	AAA	13,012,359	AA+
19,985,558	AA	10,137,061	AA
316,624,317	AA	69,818,075	AA-
4,606,377	B	4,658,424	B+
2,983,691	BBB	2,991,497	BB-
2,061,969	BB-	2,056,991	BB-
10,627,023	AA	8,803,303	A+
370,022,735		111,477,710	

Non-Government Debt Securities

Listed

- AA
- AA-
- BBB+, BBB, BBB-

2025	2024
Cost ----- (Rupees in '000) -----	
22,362,347	-
2,801,231	-
-	1,355,657
25,163,578	1,355,657

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

8.7.1 Federal Government Securities - Government guaranteed

Pakistan Investment Bonds
Government of Pakistan Sukuks
Government of Pakistan Eurobonds
Bai Muajjal

2025	2024
Cost ----- (Rupees in '000) -----	
341,888,290	220,333,931
167,404,649	10,001,109
28,461,595	-
113,953,748	47,618,148
651,708,282	277,953,188

8.7.2 Non-Government Debt Securities

Listed

- AA+,AA, AA-
- A+

174,685	174,755
615,625	678,125
790,310	852,880

Unlisted

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

8,802,274	10,689,565
249,252	249,350
604,545	650,000
3,081,041	360,000
-	2,706,445
71,258	5,095,947
12,808,370	19,751,307

8.7.3 Foreign Securities

Government Securities

- Qatar
- Jordan
- Bahrain
- South Africa
- Yemen

2025		2024	
Cost	Rating	Cost	Rating
----- (Rupees in '000) -----			
11,138,603	AA	15,553,091	AA
3,068,096	BBB	3,076,474	BB-
2,009,382	B	2,009,244	B+
2,061,978	BB-	2,056,991	BB-
1,164,649	Unrated	1,158,126	unrated
19,442,708		23,853,926	

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

Non Government Debt Securities		2025	2024
		Cost	
		----- (Rupees in '000) -----	
Listed			
- AA		1,465,452	1,467,364
Other			
CDC SAARC Fund		608	605

8.8 The market value of securities classified as amortised cost as at December 31, 2025, amounted to Rs. 696,455.990 million (2024: Rs. 322,113.848 million).

8.9 Investments include net securities amounting to Rs. 2,969,667 million (2024: Rs.992,975 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 and related directives and notifications issued by the SBP from time to time.

8.10 Investments include Rs. 67.30 million (2024: Rs. 67.28 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 (2024: Rs. 5 million) held by the Controller of Military Accounts (CMA) under Regimental Fund Arrangements.

9. ADVANCES		2025		
	Note	Performing	Non-performing	Total
		----- (Rupees in '000) -----		
Loans, cash credits, running finances, etc.	9.1	723,214,738	107,924,425	831,139,163
Islamic financings and related assets	9.11	567,667,664	1,014,103	568,681,767
Bills discounted and purchased		89,595,187	3,014,094	92,609,281
Advances - gross		1,380,477,589	111,952,622	1,492,430,211
Credit loss allowance against advances	9.6			
-Stage 1		(8,249,766)	-	(8,249,766)
-Stage 2		(8,259,382)	-	(8,259,382)
-Stage 3		-	(106,554,668)	(106,554,668)
		(16,509,148)	(106,554,668)	(123,063,816)
Advances - net of credit loss allowance		1,363,968,441	5,397,954	1,369,366,395
		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	9.11	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			
-Stage 1		(6,009,588)	-	(6,009,588)
-Stage 2		(7,736,178)	-	(7,736,178)
-Stage 3		-	(107,899,651)	(107,899,651)
		(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

9.1 Includes net investment in finance lease as disclosed below:

	2025				2024			
	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	16,392	537,925	-	554,317	13,261	168,205	-	181,466
Financial charges for future periods	(826)	(103,718)	-	(104,544)	(953)	(38,004)	-	(38,957)
Present value of minimum lease payments	15,566	434,207	-	449,773	12,308	130,201	-	142,509

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

9.2 Particulars of advances - Gross		2025	2024
		----- (Rupees in '000) -----	-----
In local currency		975,862,785	1,109,925,640
In foreign currencies		516,567,426	455,201,721
		1,492,430,211	1,565,127,361

9.3 Advances to Women, Women-owned and Managed Enterprises

Women	11,282,540	11,441,631
Women-owned and Managed Enterprises	38,640	11,364
	11,321,180	11,452,995

9.3.1 Gross loans disbursed to women, women-owned and managed enterprises amounting to Rs. 8,817.723 million (2024:Rs. 8,980.054 million).

9.4 Particulars of credit loss allowance against advances

Note	2025			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				
Opening balance	1,367,873,192	81,262,219	115,991,950	1,565,127,361
Acquisitions through business combinations	1.1	17,514,720	6,330,017	52,398,027
				76,242,764
New advances	523,748,377	55,865,992	824,930	580,439,299
Advances derecognised or repaid	(646,106,997)	(25,994,379)	(9,879,918)	(681,981,294)
Transfer to stage 1	19,650,625	(19,506,758)	(143,867)	-
Transfer to stage 2	(13,745,474)	13,814,134	(68,660)	-
Transfer to stage 3	(1,301,206)	(799,938)	2,101,144	-
	(117,754,675)	23,379,051	(7,166,371)	(101,541,995)
Amounts charged off - agriculture financing	9.7	-	(71,556)	(71,556)
Amounts written off	9.8	-	(49,289,636)	(49,289,636)
Amounts charge off	9.10	-	(434,359)	(434,359)
Other adjustments		-	-	-
Exchange adjustments		1,713,996	159,069	524,567
Closing balance		1,269,347,233	111,130,356	111,952,622
		1,269,347,233	111,130,356	1,492,430,211

	2024			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				
Opening balance	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)	-
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	9.7	-	(69,501)	(69,501)
Amounts written off	9.8	-	(577,830)	(577,830)
Amounts charge off	9.10	-	-	-
Disposal of subsidiary		(304,637,450)	(4,843,509)	(309,480,959)
Other adjustments		(5,627,359)	1,001,856	54,112
Closing balance		1,367,873,192	81,262,219	115,991,950
		1,367,873,192	81,262,219	1,565,127,361

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

9.4.2 Advances - Credit loss allowance

Note	2025			
	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)				
Opening balance	6,009,588	7,736,178	107,899,651	121,645,417
Acquisitions through business combinations	1,047,088	1,426,155	52,398,027	54,871,270
New Advances	4,480,622	2,527,067	824,930	7,832,619
Advances derecognised or repaid	(2,788,827)	(2,564,227)	(6,469,372)	(11,822,426)
Transfer to stage 1	1,743,795	(1,622,765)	(121,030)	-
Transfer to stage 2	(63,007)	105,393	(42,386)	-
Transfer to stage 3	(88,058)	(239,680)	327,738	-
	3,284,525	(1,794,212)	(5,480,120)	(3,989,807)
Amounts charged off - agriculture financing	-	-	(71,556)	(71,556)
Amounts written off	-	-	(49,289,636)	(49,289,636)
Amounts charged off	-	-	(434,359)	(434,359)
Changes in risk parameters	(2,099,530)	871,555	1,016,110	(211,865)
Exchange adjustments	8,095	19,706	516,551	544,352
Other adjustments	-	-	-	-
Closing balance	8,249,766	8,259,382	106,554,668	123,063,816

	2024			
	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)				
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
New Advances	2,067,736	1,758,867	-	3,826,603
Advances derecognised or repaid	(376,907)	(1,687,780)	(3,180,881)	(5,245,568)
Transfer to stage 1	412,794	(412,794)	-	-
Transfer to stage 2	53,836	173,493	(227,329)	-
Transfer to stage 3	(4,507)	(5,834,599)	5,839,106	-
	2,152,952	(6,002,813)	2,430,896	(1,418,965)
Amounts charged off - agriculture financing	-	-	(69,501)	(69,501)
Amounts written off	-	-	(577,830)	(577,830)
Changes in risk parameters	(945,706)	179,194	13,439,125	12,672,613
Disposal of subsidiary	(156,560)	-	-	(156,560)
Other adjustments	-	597,848	54,112	651,960
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, 2025

9.5 Advances include Rs. 111,952.622 million (2024: Rs. 115,991.950 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3		2025		2024	
		Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
Domestic		(Rupees in '000)		(Rupees in '000)	
Other Assets Especially Mentioned		106,608	35,805	80,088	47,504
Substandard		2,196,709	1,343,327	2,307,470	1,538,389
Doubtful		3,439,765	3,205,029	280,114	135,921
Loss		70,214,413	69,237,312	22,398,233	21,455,978
		75,957,495	73,821,473	25,065,905	23,177,792
Overseas		-	-	-	-
Other Assets Especially Mentioned		28,751	12,369	78,407	12,297
Substandard		17,331	-	4,305,685	1,568,890
Doubtful		35,949,045	32,720,826	86,541,953	83,140,672
Loss		35,995,127	32,733,195	90,926,045	84,721,859
		111,952,622	106,554,668	115,991,950	107,899,651

9.6

Particulars of credit loss allowance against advances

	Note	2025			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
Opening balance		6,009,588	7,736,178	107,899,651	121,645,417
Exchange adjustments		8,095	19,706	516,551	544,352
Acquisitions through business combinations	1.1	1,047,088	1,426,155	52,398,027	54,871,270
Charge for the year		4,480,622	3,398,622	824,930	8,704,174
Reversals for the year		(4,888,357)	(2,564,227)	(5,453,262)	(12,905,846)
	35	(407,735)	834,395	(4,628,332)	(4,201,672)
Amounts charged off - agriculture financing	9.7	-	-	(71,556)	(71,556)
Other adjustments		-	-	-	-
Amounts written off	9.8	-	-	(49,289,636)	(49,289,636)
Amounts charge off		-	-	(434,359)	(434,359)
Transfers (out) / in - net		1,592,730	(1,757,052)	164,322	-
Closing balance		8,249,766	8,259,382	106,554,668	123,063,816

Particulars of credit loss allowance against advances

	Note	2024			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
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 for the year		1,384,897	3,362,228	13,911,386	18,658,511
Reversals for the year		(639,774)	(3,111,947)	(3,653,142)	(7,404,863)
	35	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	651,960
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

9.6.1 Particulars of credit loss allowance

	2025			2024		
	Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
(Rupees in '000)						
In local currency	10,685,810	72,879,717	83,565,527	7,940,414	22,254,174	30,194,588
In foreign currencies	5,823,338	33,674,951	39,498,289	5,805,352	85,645,477	91,450,829
	16,509,148	106,554,668	123,063,816	13,745,766	107,899,651	121,645,417

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

9.6.2 The Bank has also availed FSV benefit of certain mortgaged properties held as collateral against non-performing advances of overseas branches in accordance with the applicable regulations in the respective countries where the branches operate. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would had been higher by Rs. 511.27 million (2024: Rs.1,254.08 million) for the overseas branches.

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

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 credit loss allowance 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.

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
9.8 Particulars of write-offs			
9.8.1 Against credit loss allowance	9.6	49,289,636	577,830
Directly charged to profit and loss account	35	107,914	54,951
		<u>49,397,550</u>	<u>632,781</u>
9.8.2 Bank			
- Write-offs of Rs. 500,000 and above			
Domestic	9.9	18,556	562,619
Overseas		<u>49,289,636</u>	<u>22,871</u>
		<u>49,308,192</u>	<u>585,490</u>
- Write-offs of below Rs. 500,000		<u>89,358</u>	<u>47,291</u>
		<u>49,397,550</u>	<u>632,781</u>
Subsidiaries			
Write-offs		-	-
		<u>49,397,550</u>	<u>632,781</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, 2025, 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 Charge off during the year - corporate, commercial and SME advances

In compliance with the SBP's BPRD Circular No. 02 of 2024, the Bank has charged-off corporate, commercial and SME non-performing loans which are fully provisioned and have been classified as loss for at least five consecutive years.

	2025 ---- No. of Borrowers ----	2024 ---- No. of Borrowers ----	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Opening balance	-	-	-	-
Charged off during the year	<u>22</u>	<u>-</u>	<u>434,359</u>	<u>-</u>
	22	-	434,359	-
Recoveries made during the year	-	-	-	-
Written off during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>22</u>	<u>-</u>	<u>434,359</u>	<u>-</u>

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

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
10. PROPERTY AND EQUIPMENT			
Capital work-in-progress	10.1	9,548,492	3,357,691
Property and equipment	10.2	<u>111,378,735</u>	<u>82,234,308</u>
		<u>120,927,227</u>	<u>85,591,999</u>
10.1 Capital work-in-progress			
Civil works		6,963,056	2,205,305
Equipment		1,681,923	897,707
Advances to suppliers		<u>903,513</u>	<u>254,679</u>
		<u>9,548,492</u>	<u>3,357,691</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

10.2 Property and equipment

		2025								
		Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold Improve-ments	Furniture and fixtures	Electrical, office and computer equipment	Vehicles	Total
Note		----- Rupees '000 -----								
At January 01, 2025										
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		<u>13,558,343</u>	<u>36,883,483</u>	<u>3,242,542</u>	<u>7,237,673</u>	<u>5,115,967</u>	<u>2,193,730</u>	<u>12,107,604</u>	<u>1,894,966</u>	<u>82,234,308</u>
Year ended December 2025										
Opening 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
Acquisitions through business combinations	1.1	-	1,305,250	-	593,786	119,450	14,837	120,292	69,827	2,223,442
Additions		6,822,010	279,516	993,895	1,291,248	9,585,796	2,339,627	14,301,126	3,166,930	38,780,148
Movement in surplus on assets revalued during the year		-	-	-	-	-	-	-	-	-
Disposals		-	-	-	-	(71,513)	(8,045)	(46,974)	(85,055)	(211,587)
Depreciation charge	32	-	-	(204,708)	(393,599)	(1,684,387)	(580,575)	(6,153,665)	(677,854)	(9,694,788)
Exchange rate adjustments		-	-	44,654	(26,521)	(13,617)	6,853	38,257	22,964	72,590
Other adjustments / transfers		138,571	(25,283)	(22,267)	(114,083)	(755,419)	(26,987)	(1,085,768)	(134,142)	(2,025,378)
Closing net book value		<u>20,518,924</u>	<u>38,442,966</u>	<u>4,054,116</u>	<u>8,588,504</u>	<u>12,296,277</u>	<u>3,939,440</u>	<u>19,280,872</u>	<u>4,257,636</u>	<u>111,378,735</u>
At December 31, 2025										
Cost / Revalued amount		20,518,924	38,442,966	4,624,606	9,949,693	21,000,817	6,635,032	44,845,916	5,453,782	151,471,736
Accumulated depreciation		-	-	(570,490)	(1,361,189)	(8,704,540)	(2,695,592)	(25,565,044)	(1,196,146)	(40,093,001)
Net book value		<u>20,518,924</u>	<u>38,442,966</u>	<u>4,054,116</u>	<u>8,588,504</u>	<u>12,296,277</u>	<u>3,939,440</u>	<u>19,280,872</u>	<u>4,257,636</u>	<u>111,378,735</u>
Rate of depreciation (%)		-	-	2-5	2.5-5	5-20	10-25	5 - 33.33	20	
		2024								
		Freehold land	Leasehold land	Buildings on Freehold land	Buildings on Leasehold land	Leasehold Improve-ments	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		<u>9,543,663</u>	<u>30,613,443</u>	<u>14,260,330</u>	<u>7,305,278</u>	<u>3,340,312</u>	<u>974,508</u>	<u>8,498,678</u>	<u>570,747</u>	<u>75,106,959</u>
Year ended December 2025										
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	32	-	-	(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		<u>13,558,343</u>	<u>36,883,483</u>	<u>3,242,542</u>	<u>7,237,673</u>	<u>5,115,967</u>	<u>2,193,730</u>	<u>12,107,604</u>	<u>1,894,966</u>	<u>82,234,308</u>
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		<u>13,558,343</u>	<u>36,883,483</u>	<u>3,242,542</u>	<u>7,237,673</u>	<u>5,115,967</u>	<u>2,193,730</u>	<u>12,107,604</u>	<u>1,894,966</u>	<u>82,234,308</u>
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, 2025, amounts to Rs. 39,506.784 million.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

Had there been no revaluation, the carrying amount of revalued assets of the Group at December 31, would have been as follows:			
		2025	2024
		----- (Rupees in '000) -----	
Freehold land		11,757,842	4,797,261
Leasehold land		11,285,292	9,725,242
Buildings on freehold land		2,889,193	2,012,509
Buildings on leasehold land		6,165,399	4,714,851
		<u>32,097,726</u>	<u>21,249,863</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		1,004,893	960,138
Electrical, office and computer equipment		11,331,604	9,238,506
Vehicles		56,861	31,433
Leasehold improvements		3,664,510	2,571,650
		<u>16,057,868</u>	<u>12,801,727</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	Note	2025			2024		
			Buildings	Others	Total	Buildings	Others	Total
			----- (Rupees in '000) -----					
	At January 1,		16,466,478	140,673	16,607,151	14,136,595	209,786	14,346,381
	Cost		(6,297,505)	(78,525)	(6,376,030)	(5,656,792)	(78,116)	(5,734,908)
	Accumulated Depreciation		10,168,973	62,148	10,231,121	8,479,803	131,670	8,611,473
	Net Carrying amount at January 1,							
	Acquisitions through business combinations	1.1	2,143,671	-	2,143,671	-	-	-
	Additions during the year		30,475,742	96,583	30,572,325	5,007,548	19,761	5,027,309
	Deletions during the year		(1,644,486)	-	(1,644,486)	(852,122)	(11,130)	(863,252)
	Depreciation charge for the year	32	(4,420,581)	(44,955)	(4,465,536)	(2,458,378)	(66,719)	(2,525,097)
	Termination of lease		(24,715)	-	(24,715)	(7,867)	-	(7,867)
	Exchange rate adjustments		1,058	-	1,058	(11)	(283)	(294)
	Disposal of subsidiary		-	-	-	(11,151)	-	(11,151)
	Net Carrying amount		<u>36,699,662</u>	<u>113,776</u>	<u>36,813,438</u>	<u>10,168,973</u>	<u>62,148</u>	<u>10,231,121</u>

12	INTANGIBLE ASSETS	Note	2025	2024
			----- (Rupees in '000) -----	
	Capital work-in-progress - Computer software		903,864	181,419
	Intangible assets - Computer software	12.1	2,269,190	2,359,071
	Goodwill	12.1	1,752,345	251,526
	Intangible assets - through business combination	12.1	53,765,257	-
			<u>58,690,656</u>	<u>2,792,016</u>

12.1	Intangible assets		2025			
		Note	Computer Software	Goodwill	Business combination benefits	Total
			----- (Rupees in '000) -----			
	At January 1,					
	Cost		11,213,400	251,526	-	11,464,926
	Accumulated amortisation		(8,854,329)	-	-	(8,854,329)
	Net book value		<u>2,359,071</u>	<u>251,526</u>	<u>-</u>	<u>2,610,597</u>
	Year ended December 31,					
	Opening net book value		2,359,071	251,526	-	2,610,597
	Additions					
	- directly purchased		1,984,292	-	-	1,984,292
	- through business combinations	1.1	205,412	1,500,819	58,510,193	60,216,424
	Disposals		-	-	-	-
	Amortisation charge	32	(1,189,345)	-	(4,744,936)	(5,934,281)
	Exchange rate adjustments		68,685	-	-	68,685
	Other adjustments		(1,158,925)	-	-	(1,158,925)
	Closing net book value		<u>2,269,190</u>	<u>1,752,345</u>	<u>53,765,257</u>	<u>57,786,792</u>
	At December 31,					
	Cost		12,598,232	1,752,345	58,510,193	72,860,770
	Accumulated amortisation		(10,329,042)	-	(4,744,936)	(15,073,978)
	Net book value		<u>2,269,190</u>	<u>1,752,345</u>	<u>53,765,257</u>	<u>57,786,792</u>
	Rate of amortisation (%)		<u>10-33.33</u>	<u>-</u>	<u>10</u>	<u>10-33.33</u>
	Useful life (in years)		<u>3-10</u>	<u>-</u>	<u>10</u>	<u>3-10</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2024			
	Computer Software	Goodwill	Business combination benefits	Total
	----- (Rupees in '000) -----			
At January 1,				
Cost	12,032,042	-	-	12,032,042
Accumulated amortisation	(9,654,497)	-	-	(9,654,497)
Net book value	<u>2,377,545</u>	<u>-</u>	<u>-</u>	<u>2,377,545</u>
Year ended December 31,				
Opening net book value	2,377,545	-	-	2,377,545
Additions				
- directly purchased	1,080,568	-	-	1,080,568
- through business combinations	-	251,526	-	251,526
Disposals	(3,451)	-	-	(3,451)
Amortisation charge	(1,041,738)	-	-	(1,041,738)
Exchange rate adjustments	(17,682)	-	-	(17,682)
Disposal of subsidiary	(36,171)	-	-	(36,171)
Closing net book value	<u>2,359,071</u>	<u>251,526</u>	<u>-</u>	<u>2,610,597</u>
At December 31,				
Cost	11,213,400	251,526	-	11,464,926
Accumulated amortisation	(8,854,329)	-	-	(8,854,329)
Net book value	<u>2,359,071</u>	<u>251,526</u>	<u>-</u>	<u>2,610,597</u>
Rate of amortisation (%)	<u>10-33.33</u>	<u>-</u>	<u>-</u>	<u>10-33.33</u>
Useful life (in years)	<u>3-10</u>	<u>-</u>	<u>-</u>	<u>3-10</u>

12.2 The cost of fully amortised intangible assets that are still in the Bank's use amounted to Rs. 6,673.299 million (2024: Rs. 5,050.919 million).

13.	DEFERRED TAX (LIABILITIES) / ASSETS	2025				
		At January 01, 2025 - as restated	Acquisitions through business combinations (Note 1.1)	Recognised in profit and loss account	Recognised in OCI	Disposal of Subsidiary
		2025 - as restated	(Note 1.1)	OCI	Subsidiary	2025
		----- (Rupees in '000) -----				
	Deductible temporary differences on					
	- Credit loss allowance against advances	7,252,539	28,074,280	(6,779,894)	-	28,546,925
	and off balance sheet obligations	(45,227,466)	1,173,731	(190,091)	(104,520,893)	(148,764,719)
	- Surplus on revaluation on investments	4,609	24,307,476	(24,295,162)	-	16,923
	- Business losses	8,653	-	1,232,840	-	1,241,493
	- Lease liabilities and related right of use assets	(5,396,192)	-	-	(13,110,294)	(18,506,486)
	- Post-retirement employee benefits	6,638,445	69,969	2,958,139	(50,663)	9,615,890
	- Workers Welfare Fund	(53,751)	(141,085)	(50,585)	198,568	(46,853)
	- Others	(36,773,163)	53,484,371	(27,124,753)	(117,483,282)	(127,896,827)
	Taxable temporary differences on					
	- Surplus on revaluation of	(1,219,970)	-	77,787	-	(1,142,183)
	property and equipment / non-banking assets	(322,838)	-	8,759	-	(314,079)
	- Share of profit from associates	(995,292)	(27,567)	(5,923,788)	-	(6,946,647)
	- Accelerated tax depreciation	-				-
	- Others	(2,538,100)	(27,567)	(5,837,242)	-	(8,402,909)
		<u>(39,311,263)</u>	<u>53,456,804</u>	<u>(32,961,995)</u>	<u>(117,483,282)</u>	<u>(136,299,736)</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

2024					
At January 01, 2024	Acquisitions through business combinations (Note 1.1)	Recognised in profit and loss account	Recognised in OCI	Disposal of Subsidiary	At December 31, 2024
----- (Rupees in '000) -----					
Deductible temporary differences on					
- Credit loss allowance against advances and off balance sheet obligations	5,367,816	-	1,884,723	-	7,252,539
- Surplus on revaluation on investments	(3,021,438)	-	-	(41,813,574)	(45,227,466)
- Business losses	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
- Share of profit from associates	(218,473)	-	(104,365)	-	-
- Accelerated tax depreciation	(817,819)	-	(63,842)	-	(113,631)
- 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)

		Note	2025 ----- (Rupees in '000) -----	2024
14. OTHER ASSETS				
Income / mark-up accrued in local currency			281,504,950	161,331,956
Income / mark-up accrued in foreign currencies	14.2		6,088,868	3,617,197
Advance taxation - net of provision for taxation	14.1		12,745,688	1,852,379
Receivable from staff retirement fund	14.5		39,259,049	13,055,061
Receivable from other banks against telegraphic transfers and demand drafts			126,192	2,097,214
Unrealised gain on forward foreign exchange contracts			1,845,323	1,102,125
Rebate receivable - net			23,968,033	9,500,919
Unrealised gain on derivative financial instruments	26.2		93,247	1,262,202
Suspense accounts			452,131	51,321
Stationery and stamps on hand			521,352	599,150
Non-banking assets acquired in satisfaction of claims	14.3		352,513	39,688
Advances, deposits, advance rent and other prepayments			25,133,850	14,164,144
Acceptances	21		52,658,946	38,205,805
Dividend Receivable			26,757	-
Commission receivable - Bancassurance & Branchless Banking			614,634	719,773
Receivable against fraud & forgery and looted notes			501,980	463,765
Others			5,365,972	1,430,573
			451,259,485	249,493,272
Less: Credit loss allowance against other assets	14.4		(2,174,763)	(1,558,408)
Other assets - net of Credit loss allowance			449,084,722	247,934,864
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23.2		2,387	2,387
Other assets - total			449,087,109	247,937,251

14.1 The Income Tax returns of the Bank have been filed up to the tax year 2025 (accounting year ended December 31, 2024) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2025, and created additional tax demands (including disallowances of provisions made prior to Seventh Schedule) of Rs.16,646 million (2024: Rs.16,123 million) . The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

The tax returns for Azad Kashmir (AK) and Gilgit Baltistan (GB) branches have been filed upto the tax year 2025 (accounting year ended December 31, 2024) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.

The tax authorities have also carried out monitoring for Federal Excise Duty, Sales tax and withholding taxes covering period from year ended 2005 to 2019. Consequently various addbacks and demands were raised creating a total demand of Rs. 2,632 million (2024: Rs. 2,632 million). The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

The tax returns for UAE and Qatar branches have been filed upto the year ended December 31, 2024 and Yemen branches have been filed upto the year ended December 31, 2019 under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

The tax returns of UBL Fund Managers and UBL Currency Exchange have been filed upto the accounting year ended December 31, 2024, under the provisions of the prevailing tax laws and are deemed as assessed unless opened for reassessment by the tax authorities.

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

Ex - Silk Bank Limited status

The Income Tax returns of the Bank have been filed up to the tax year 2025 (accounting year ended December 31, 2024) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance).

The income tax authorities have issued amended assessment orders up to tax year 2025. The Bank has filed appeals against these assessments. The appeals from assessment / tax year(s) 2000-2001 to 2002-2003, 2004 and 2015 to 2021 are pending before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 3,026 million (2024: Rs. 3,026 million). The appeals for tax years 2003, 2006 & 2022 to 2025 are pending before Commissioner-Appeals (CIR-A) against the disallowances amounting to Rs. 682 million (2024: Rs.682 million). The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals will be decided in favor of the Bank.

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

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

The income tax returns of the Bank's for Azad Kashmir operations have been filed up to the tax year 2026. The tax authorities have issued amended assessment orders from the tax years 2016 to 2020. The Banks has filed appeals against these orders. The management of the Bank, in consultation with its tax advisor, is confident that the decisions in respect of these appeals would be in the Bank's favor.

14.2 Unrealised mark-up held in suspense amounting to Rs. 23,625.546 million (2024: Rs. 46,732.081 million) against non-performing overseas advances has been netted off.

		2025 ----- (Rupees in '000) -----	2024
14.3 Market value of non-banking assets acquired in satisfaction of claims		354,900	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. However, valuation of non-banking assets acquired through business combinations are carried out at fair value by independent valuers.

		Note	2025 ----- (Rupees in '000) -----	2024
14.3.2 Non-banking assets acquired in satisfaction of claims				
Opening Balance			42,075	42,075
Acquisitions through business combinations	1.1		249,999	-
Additions			76,222	-
Revaluation during the year			-	2,387
Impairment reversal			-	839
Disposals			-	-
Depreciation	32		(13,396)	(3,226)
Closing Balance			354,900	42,075

14.4 Credit loss allowance held against other assets

Advances and other receivables	1,672,783	1,094,643
Receivable against fraud & forgery and looted notes	501,980	463,765
	2,174,763	1,558,408

		2025 ----- (Rupees in '000) -----	2024
--	--	--------------------------------------	------

14.4.1 Movement in credit loss allowance held against other assets

Opening balance	1,558,408	1,150,885
Exchange adjustments	1,556	(5,319)
Acquisitions through business combinations	1.1	529,827
Charge / (reversal)		
Charge for the year	135,462	595,026
Reversals for the year	(49,490)	(118,774)
	85,972	476,252
Transfers out - net	-	(62,852)
Amounts written off	(1,000)	(558)
Closing balance	2,174,763	1,558,408

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

		2025	2024
		----- (Rupees in '000) -----	
14.5	Receivable from staff retirement fund		
	Defined benefit plan	27,215,043	13,055,061
	Other receivable from funds	12,044,006	-
		<u>39,259,049</u>	<u>13,055,061</u>
15.	CONTINGENT ASSETS		
	There were no contingent assets as at December 31, 2025 (2024: Nil).		
16.	BILLS PAYABLE		
	In Pakistan	39,927,711	42,994,426
	Outside Pakistan	18,704,133	1,227,392
		<u>58,631,844</u>	<u>44,221,818</u>
		Note	
		2025	2024
		----- (Rupees in '000) -----	
17.	BORROWINGS		
	Secured		
	Borrowings from the State Bank of Pakistan under:		
	Export refinance scheme	17.2	19,390,877
	Refinance facility for modernisation of SMEs	17.3	1,321,161
	Long term financing facility	17.4	7,265,940
	Renewable energy scheme	17.5	1,125,564
	Temporary economic refinance facility	17.6	12,818,459
	Refinance facility for combating COVID-19	17.7	30,797
	Refinance for Women Entrepreneurs	17.8	28,688
	Financing facility for storage of agriculture products	17.9	40,329
	Repurchase agreement borrowings	17.10	6,326,782,743
			4,532,326,857
			6,368,804,558
			4,592,714,079
	Repurchase agreement borrowings from other banks	17.11	76,097,576
	Borrowing from commercial bank by subsidiary		-
			6,444,902,134
			4,750,679,788
	Unsecured		
	Call borrowings	17.12	83,249,214
	Overdrawn nostro accounts		1,863,372
			85,112,586
			104,693,728
			6,530,014,720
			4,855,373,516
		2025	2024
		----- (Rupees in '000) -----	
17.1	Particulars of borrowings with respect to Currencies		
	In local currency	6,503,762,366	4,826,733,738
	In foreign currencies	26,252,354	28,639,778
		<u>6,530,014,720</u>	<u>4,855,373,516</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 2026. These carry mark-up at rates ranging from 1.00% to 8% (2024: 1.00% to 15.50%) 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 December 2033 and carry mark-up at rates ranging from 1.00% to 6.00% (2024: 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 1.00% to 11.00% (2024: 2.00% to 12.30%) 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 1.00% to 3.00% (2024: 2.00% to 4.80%) 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 rate of 1.00% (2024: 1.00% to 2.80%) per annum and are due to mature latest by December 2032.		

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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 rate of 0.00% (2024: 0.00% to 1.00%) 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% (2024: 0.00%) per annum and are due to mature latest by March 2030.
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% (2024: 2.00%) per annum and are due to mature latest by April 2028.
17.10	This represents repurchase agreement borrowing from SBP at rates ranging from 10.51% to 11.49% (2024: 13.04% to 13.07%) per annum having maturity upto January 2026. 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 4.45% to 10.51% (2024: 5.23% to 13.05%) per annum. These borrowings are repayable latest by April 2026. 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 10.25% to 10.90% (2024: 12.05% to 15.90%) per annum, and are repayable latest by March 2026.

18. DEPOSITS AND OTHER ACCOUNTS

		2025			2024		
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
		----- (Rupees in '000) -----					
Customers	Current accounts	1,595,112,858	981,580,507	2,576,693,365	1,061,667,711	438,673,584	1,500,341,295
	Savings deposits	1,215,125,737	70,817,651	1,285,943,388	745,150,912	48,987,572	794,138,484
	Term deposits	458,853,253	155,159,290	614,012,543	74,795,514	90,103,254	164,898,768
	Others	73,777,259	13,822,006	87,599,265	50,177,905	6,621,539	56,799,444
		3,342,869,107	1,221,379,454	4,564,248,561	1,931,792,042	584,385,949	2,516,177,991
Financial Institutions	Current deposits	37,183,998	7,761,532	44,945,530	18,028,756	6,784,813	24,813,569
	Savings deposits	446,936,703	160,550	447,097,253	95,531,207	93,460	95,624,667
	Term deposits	103,908,600	7,889,955	111,798,555	131,850	3,127,908	3,259,758
		588,029,301	15,812,037	603,841,338	113,691,813	10,006,181	123,697,994
18.2		3,930,898,408	1,237,191,491	5,168,089,899	2,045,483,855	594,392,130	2,639,875,985
18.1	Composition of deposits				2025	2024	
					----- (Rupees in '000) -----		
	- Individuals				2,482,400,673	1,751,566,545	
	- Government (Federal and Provincial)				516,871,175	116,543,627	
	- Public Sector Entities				237,811,454	62,786,663	
	- Banking Companies				10,179,317	6,112,347	
	- Non-Banking Financial Institutions				593,662,021	117,921,151	
	- Private Sector				1,327,165,259	584,945,652	
					<u>5,168,089,899</u>	<u>2,639,875,985</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. 2,370,046.609 million (2024: Rs. 1,637,394.911 million).
------	--

		2025	2024
		----- (Rupees in '000) -----	
19.	LEASE LIABILITIES		
	Opening balance	12,381,018	10,474,561
	Acquisitions through business combinations	2,143,671	-
	Additions during the year	30,538,047	5,012,628
	Lease payments including interest	(7,452,847)	(3,625,093)
	Interest expense	3,680,910	1,506,565
	Termination / modification	(1,771,019)	(970,038)
	Disposal of subsidiary	-	(14,965)
	Exchange difference	632	(2,640)
	Closing balance	<u>39,520,412</u>	<u>12,381,018</u>
19.1	Contractual maturity of lease liabilities		
	Short-term lease liabilities - within one year	758,559	449,413
	Long-term lease liabilities		
	- 1 to 5 years	7,108,677	4,287,828
	- 5 to 10 years	17,329,595	7,140,514
	- More than 10 years	14,323,581	503,263
		<u>38,761,853</u>	<u>11,931,605</u>
	Total lease liabilities	<u>39,520,412</u>	<u>12,381,018</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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.

21. OTHER LIABILITIES

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency		46,049,441	55,728,483
Mark-up / return / interest payable in foreign currencies		1,727,168	1,192,511
Accrued expenses		14,505,153	18,080,836
Branch adjustment account		129,844	153,603
Deferred income	21.3	3,479,802	2,532,247
Unearned commission and income on bills discounted		2,124,842	3,100,180
Credit loss allowance against off-balance sheet obligations	21.1	3,955,230	3,385,916
Unrealised loss on forward foreign exchange contracts		1,223,848	1,324,301
Unrealised loss on derivative financial instruments	26.2	145,581	5,708
Liability against trading of securities		17,117,164	-
Deferred liabilities	21.2	4,693,384	4,652,052
Workers' Welfare Fund payable		18,647,983	12,910,878
Liabilities against Card settlement		245,758	74,372
Dividend payable		515,541	372,343
Unclaimed dividend		472,497	393,372
Acceptances	14	52,658,946	38,205,805
Charity fund balance		7,957	17,237
Levies and taxes payable		6,305,870	964,574
Others		6,660,231	4,031,246
		<u>180,666,240</u>	<u>147,125,664</u>

21.1 Credit loss allowance / Provision against off-balance sheet obligations

Opening balance		3,385,916	1,056,385
Exchange adjustments		10,196	(11,779)
Acquisitions through business combinations	1.1	382,155	-
Impact of adoption of IFRS 9		-	1,037,902
Charge / (Reversal)			
Charge for the year		224,511	1,308,168
Reversals for the year		(47,548)	(4,760)
	35	176,963	1,303,408
Transfers out - net		-	-
Closing balance		<u>3,955,230</u>	<u>3,385,916</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
21.2 Deferred liabilities			
Provision for post-retirement medical benefits	41.7	2,823,836	2,921,465
Provision for compensated absences		535,652	554,514
End of service benefits			
- Overseas branches		887,672	675,476
- Outsourced services		446,224	500,597
		<u>4,693,384</u>	<u>4,652,052</u>

21.3 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

2025	2024	2025	2024
----- Number of shares -----	----- Number of shares -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
4,000,000,000	2,000,000,000	20,000,000	20,000,000
Ordinary shares of Rs.5 each			
22.2 Issued, subscribed and paid-up capital			
2025	2024	2025	2024
----- Number of shares -----	----- Number of shares -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Fully paid-up ordinary shares of Rs.10 each			
1,036,000,000	518,000,000	5,180,000	5,180,000
Issued for cash			
1,412,359,374	706,179,687	7,061,797	7,061,797
Issued as bonus shares			
55,888,376	-	279,442	-
Issued as share exchange for amalgamation (Note 1.1)			
<u>2,504,247,750</u>	<u>1,224,179,687</u>	<u>12,521,239</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, 2025, 192,211 (2024: 242,278) GDRs, representing 1,537,688 (2024: 969,112) shares are in issue.

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

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

	2025		2024	
Name of shareholders	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Bestway International Holdings Limited	1,263,457,790	50.45%	631,728,895	51.60%
Bestway Cement Limited	240,765,870	9.61%	118,693,799	9.70%

22.5 Shares of the Bank held by its associates

	2025 ----- (Number of shares) -----	2024 ----- (Number of shares) -----
UBL Stock Advantage Fund	4,458,714	930,332
UBL Financial Sector Fund	2,383,786	495,643
UBL Retirement Savings Fund	820,938	150,269
UBL Asset Allocation Fund	399,466	20,233
UBL Pakistan Enterprise Exchange Traded Fund	106,802	28,518

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

23. SURPLUS ON REVALUATION OF ASSETS - NET

Note	2025		
	Attributable to		
	Equity Holders	Non-controlling interest	Total
	----- (Rupees in '000) -----		
8.1	269,313,445	-	269,313,445
8.1	11,920,430	-	11,920,430
23.1	39,522,677	-	39,522,677
23.2	2,387	-	2,387
	(20,497)	-	(20,497)
	320,738,442	-	320,738,442
	140,378,905	-	140,378,905
	6,213,461	-	6,213,461
23.1	1,140,942	-	1,140,942
23.2	1,241	-	1,241
	147,734,549	-	147,734,549
	173,003,893	-	173,003,893
2024			
Attributable to			
Equity Holders	Non-controlling interest	Total	
----- (Rupees in '000) -----			
8.1	73,035,015	-	73,035,015
8.1	7,869,404	-	7,869,404
23.1	39,672,178	-	39,672,178
23.2	2,387	-	2,387
	21,884	-	21,884
	120,600,868	-	120,600,868
	37,979,386	-	37,979,386
	4,092,088	-	4,092,088
23.1	1,218,729	-	1,218,729
23.2	1,241	-	1,241
	43,291,444	-	43,291,444
	77,309,424	-	77,309,424

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

23.1 Surplus on revaluation of property and equipment

Surplus on revaluation of property and equipment as at January 01,
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
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 during the year
- Transferred to unappropriated profit on derecognition of subsidiary
- Other adjustments
- Revaluation as at December 31,

2025	2024
----- (Rupees in '000) -----	----- (Rupees in '000) -----
39,672,178	48,068,016
-	(41,691)
-	(153,672)
-	5,779
(71,714)	(79,272)
(77,787)	(77,788)
-	(8,049,194)
39,522,677	39,672,178
1,218,729	3,340,736
-	-
-	-
-	(32,220)
(77,787)	(77,788)
-	(1,698,352)
-	(313,647)
1,140,942	1,218,729
38,381,735	38,453,449

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

2,387	-
-	2,387
-	-
-	-
-	-
2,387	2,387

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,

1,241	-
-	1,241
-	-
-	-
1,241	1,241
1,146	1,146

24. NON-CONTROLLING INTEREST

Share of NCI

Assets

Liabilities

Net assets

Net assets attributable to NCI

2025	2024
UBL FM	UBL FM
1.13%	1.13%
----- (Rupees in '000) -----	
7,530,133	5,222,132
1,288,672	798,416
6,241,461	4,423,716
70,451	49,910

24.1 Key financial information

Income (Markup & Non-Markup)

Expenses (including provisions)

Profit for the year

Other comprehensive income for the year

Total Comprehensive Income

Profit allocated to NCI

OCI allocated to NCI

Cash flow generated from operating activities

Cash flow usde in investing activities

Cash flow used in financing activities

2025
UBL FM
(Rupees in '000)
4,803,320
(2,989,973)
1,813,347
4,398
1,817,745
20,491
50
1,569,409
(1,406,116)
(83,405)
79,888

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	475,331,969	352,581,311
Commitments	25.2	2,074,766,517	1,433,032,657
Other contingent liabilities	25.3	27,522,680	15,960,716
		<u>2,577,621,166</u>	<u>1,801,574,684</u>
25.1 Guarantees:			
Financial guarantees		231,431,144	124,354,428
Performance guarantees		227,204,106	221,439,705
Others guarantees		16,696,719	6,787,178
		<u>475,331,969</u>	<u>352,581,311</u>
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		460,745,442	354,707,969
Commitments in respect of:			
- forward foreign exchange contracts	25.2.2	1,113,242,884	582,473,911
- forward government securities transactions	25.2.3	36,537,900	319,286,690
- derivatives	25.2.4	-	-
- forward lending	25.2.5	441,246,156	168,187,869
- operating leases	25.2.6	230,903	172,438
		<u>1,591,257,843</u>	<u>1,070,120,908</u>
Commitments for acquisition of:			
- property and equipment		19,357,008	6,691,082
- intangible assets		3,406,224	1,512,698
		<u>22,763,232</u>	<u>8,203,780</u>
		<u>2,074,766,517</u>	<u>1,433,032,657</u>

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	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
25.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		605,071,398	302,218,129
Sale		508,171,486	280,255,782
		<u>1,113,242,884</u>	<u>582,473,911</u>
25.2.3 Commitments in respect of forward government securities transactions			
Purchase	26.1	23,037,900	296,701,690
Sale	26.1	13,500,000	22,585,000
		<u>36,537,900</u>	<u>319,286,690</u>
25.2.4 Commitments in respect of derivatives			
FX options			
Purchase	26.1	-	-
Sale	26.1	-	-
		<u>-</u>	<u>-</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (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	191,627,944	73,281,452
Others		249,618,212	94,906,417
		<u>441,246,156</u>	<u>168,187,869</u>

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	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
25.2.6 Commitments in respect of operating leases			
Not later than one year		230,903	167,593
Later than one year and not later than five years		-	4,845
Later than five years		-	-
		<u>230,903</u>	<u>172,438</u>

25.3 Other contingencies

25.3.1 Claims against the Group not acknowledged as debts	25.3.2	<u>27,522,680</u>	<u>15,960,716</u>
--	--------	-------------------	-------------------

These mainly represent counter claims filed by the borrowers for restricting the Group from disposal of assets (such as mortgaged / pledged assets kept as security).

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in 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 billion which were levied during 2016, by the FE Adjudication Court of the State Bank of Pakistan relating to alleged contraventions of the requirements of foreign exchange regulations with respect to issuance and certification of E-Forms by the Bank to certain customers (exporters) who failed to submit the export documents there against. Consequently, foreign exchange on account of export proceeds have not been repatriated. The Bank maintains that it fully discharged its liability, in accordance with the law and filed a Constitutional Petition in 2018 in the High Court of Sindh challenging the levy of the penalty. The High Court granted a stay on action being taken against the Bank, which stay order was in the field till February 2025, when the High Court of Sindh dismissed the Petition filed by the Bank and other Banks as well. The Bank has decided to challenge the said decision of the High Court before the Supreme Court of Pakistan by filing an Appeal, through the appropriate legal counsel. The management, based on the advice from legal counsel, is confident that the view of the Bank will prevail and the Bank will not be exposed to any loss on this account.

25.4 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, 2025

26.1 Product analysis

Counterparties	2025									
	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	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)									
With banks for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-	-	-
With FIs other than Banks										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	1,794,200	2,843	13,500,000	(145,581)	15,294,200	(142,738)
	-	-	-	-	1,794,200	2,843	13,500,000	(145,581)	15,294,200	(142,738)
With other entities										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	21,243,700	90,404	-	-	21,243,700	90,404
	-	-	-	-	21,243,700	90,404	-	-	21,243,700	90,404
Total										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	23,037,900	93,247	13,500,000	(145,581)	36,537,900	(52,334)
	-	-	-	-	23,037,900	93,247	13,500,000	(145,581)	36,537,900	(52,334)
2024										
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 (loss) / gain	Notional principal	Mark to market (loss) / gain
	(Rupees in '000)									
	(Rupees in '000)									
With banks for										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	-	-	-	-
With FIs other than Banks										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)
	-	-	-	-	-	-	2,585,000	(3,085)	2,585,000	(3,085)
With other entities										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579
	-	-	-	-	296,701,690	1,258,709	20,000,000	870	316,701,690	1,259,579
Total										
Hedging	-	-	-	-	-	-	-	-	-	-
Market making	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494
	-	-	-	-	296,701,690	1,258,709	22,585,000	(2,215)	319,286,690	1,256,494

26.2 Maturity analysis of derivatives

Remaining maturity	2025					2024				
	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	9	36,537,900	(145,581)	93,247	(52,334)	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	-	-	-	-	-	-	-	-	-	-
Over 3 years	-	-	-	-	-	-	-	-	-	-
	9	36,537,900	(145,581)	93,247	(52,334)	22	319,286,690	(5,708)	1,262,202	1,256,494

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

27. MARKUP / RETURN / INTEREST EARNED	Note	2025	2024
		(Rupees in '000)	
On:			
Loans and advances		121,774,719	113,169,381
Investments		1,048,860,334	961,335,176
Lendings to financial institutions		4,120,534	3,271,180
Balances with banks		10,105,912	6,865,760
		<u>1,184,861,499</u>	<u>1,084,641,497</u>
28. MARKUP / RETURN / INTEREST EXPENSED			
On:			
Deposits		176,704,329	202,299,931
Borrowings		639,192,646	701,165,478
Subordinated debt		1,389,170	2,130,979
Cost of foreign currency swaps against foreign currency deposits / borrowings		2,342,353	3,992,583
Lease liability against right-of-use assets		3,680,910	1,504,645
		<u>823,309,408</u>	<u>911,093,616</u>
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		2,004,737	1,956,273
Consumer finance related fees		2,925,753	1,303,431
Card related fees (debit and credit cards)		6,309,370	3,815,903
Investment banking fees		1,013,998	277,908
Financial Institution rebate / commission		1,242,849	762,725
Corporate service charges / facility fee		2,562,498	1,394,957
Commission on trade		3,571,725	3,084,229
Commission on guarantees		1,998,212	1,402,824
Commission on cash management		1,071,234	1,138,065
Commission on remittances including home remittances - net		3,521,706	2,123,851
Commission on bancassurance		969,770	1,156,957
Management fee		3,757,535	2,439,655
Rent on lockers		313,593	225,953
Others		781,255	452,598
		<u>32,044,235</u>	<u>21,535,329</u>
30. GAIN ON SECURITIES - NET			
Realised	30.1	9,628,717	42,557,633
Unrealised - Measured at FVTPL	8.1	250,256	35,068
		<u>9,878,973</u>	<u>42,592,701</u>
30.1 Realised gain / (loss) on:			
Federal Government securities		9,571,952	37,624,519
Shares		33,074	244,402
Foreign securities		23,280	4,642,824
Other securities		411	45,888
		<u>9,628,717</u>	<u>42,557,633</u>
31. OTHER INCOME			
Charges recovered		699,326	816,979
Rent on properties		131,093	103,842
Gain on sale of property and equipment - net		156,801	234,287
(Loss) / gain on sale of Ijarah assets - net		(234)	1,016
Loss on trading liabilities - net		(740)	(16,549)
		<u>986,246</u>	<u>1,139,575</u>

For the year ended December 31, 2025

248 United Bank Limited

For the year ended December 31, 2025

Annual Report 2025 249

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

32.3 Details of donations

	2025	2024
	----- (Rupees in '000) -----	
Lahore University of Management Sciences	275,000	-
Namal Education Foundation	119,250	10,000
Shaukat Khanum Memorial Cancer Hospital	75,000	50,000
Kiran Foundation	20,000	10,000
Dow University of Health Sciences	20,000	-
SOS Children's Village	17,464	3,000
Saylani Welfare International Trust	15,000	10,960
Aga Khan University Hospital	10,500	-
Dr. Ruth K.M. Pfau Civil Hospital	10,000	10,000
Layton Rahmatullah Benevolent Trust	10,000	10,000
Alkhidmat Foundation	10,000	10,000
Patients Behbud Society for AKUH	10,000	-
Akhuwat College Chakwal	9,900	-
NJV Government Higher Secondary School	9,000	-
The Health Foundation	9,000	-
Memon Medical Hospital	7,500	-
The Citizens Foundation	6,700	-
The Hunar Foundation	5,000	5,000
Anjuman Kashana-E-Atfal-O-Naunihal	3,300	-
Education Trust Nasra Schools	2,640	2,500
National Institute of Child Health through OAKS	2,400	3,000
Indus Hospital	-	50,000
Cancer Foundation Hospital / Roche Pakistan	-	10,000
Patients Aid Foundation	-	8,900
Afzaal Memorial Thalassemia Foundation	-	5,000
Family Educational Services Foundation	-	3,600
Marie Adelaide Leprosy Center	-	2,000
Developments in Literacy (DIL)	-	1,000
Network of Organizations Working For People With Disabilities Pakistan	1,000	-
Hisaar Foundation	900	-
Karwan e Hayat	1,100	-
Karachi Down Syndrome Program	-	1,000
Donations individually not exceeding Rs. 0.5 million	422	104
	<u>651,076</u>	<u>206,064</u>

32.4 Auditors' remuneration

Bank		
Audit fee	47,520	19,440
Fee for other statutory certifications	33,588	20,520
Fee for audit of foreign branches	111,597	84,875
Special certifications and sundry advisory services	15,833	17,280
Out of pocket expenses	7,695	9,215
	<u>216,233</u>	<u>151,330</u>
Subsidiaries		
Audit fee	3,464	2,823
Fee for other statutory certifications	514	507
Out of pocket expenses	578	86
	<u>4,556</u>	<u>3,416</u>
	<u>220,789</u>	<u>154,746</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

32.5 This includes expense in respect of short term leases and low value assets not included in lease liabilities amounting to Rs. 175.464 million (2024: Rs. 24.769 million) and Rs. 0.001 million (2024: 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	2025	2024
		----- (Rupees in '000) -----	
34. OTHER CHARGES			
Penalties imposed by the SBP		102,683	43,527
Penalties imposed by other regulatory bodies of overseas branches		1,915	31,743
		<u>104,598</u>	<u>75,270</u>

35. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

Credit loss allowance / (reversal) against loans and advances	9.6	(4,201,672)	11,253,648
Credit loss allowance / (reversal) for diminution in value of investments	8.3.3	(366,406)	(249,542)
Bad debts written off directly	9.8.1	107,914	54,951
Credit loss allowance against other assets - net	14.4.1	85,972	476,252
Credit loss allowance against off-balance sheet obligations - net	21.1	176,963	1,303,408
Recoveries against written off / charged off bad debts		(614,433)	(422,754)
Credit loss allowance against cash and balances with treasury bank		146,127	199,497
Other credit loss allowance / write-offs		12,107	160,014
		<u>(4,653,428)</u>	<u>12,775,474</u>

36. TAXATION

Current	121,383,955	86,082,545
Prior years	6,741,193	(11,632,554)
Deferred	32,961,995	(4,251,986)
	<u>161,087,143</u>	<u>70,198,005</u>

36.1 Relationship between tax expense and accounting profit

Accounting profit for the year	291,107,517	145,036,839
Tax on income @ 43% (2024: 44%)	125,176,232	63,816,209
Super tax @ 10% (2024 : 10%)	28,827,007	15,019,165
Prior year charge	6,741,193	(11,632,554)
Tax effect of permanent differences	54,391	39,893
Impact of different tax rates of subsidiaries (permanent differences)	(354,779)	(416,407)
Others	643,099	3,371,699
Tax charge	<u>161,087,143</u>	<u>70,198,005</u>

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 remain 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, 2025

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)
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	786,086
	<u>367,627,443</u>
LIABILITIES:	
Bills payable	11,588
Deposits and other accounts	329,796,948
Deferred tax liability	209,622
Lease liabilities	14,965
Other liabilities	2,949,618
	<u>332,982,741</u>
Net assets attributable to discontinued operations	<u><u>34,644,702</u></u>
Attributable to:	
- equity holders of the Bank	<u>19,054,586</u>
- non-controlling interest	<u>15,590,116</u>
	<u><u>34,644,702</u></u>
	As of July 01, 2024 (Rupees in '000)
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
	<u>9,938,724</u>
	(9,115,862)
Transfer of exchange translation reserve to profit and loss on derecognition	8,706,711
Net loss	<u><u>(409,151)</u></u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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

	For the period January 01 to July 01, 2024 (Rupees in '000)
Mark-up / return / interest earned	9,400,835
Mark-up / return / interest expensed	<u>5,873,124</u>
Net mark-up / interest income	<u>3,527,711</u>
Non mark-up / interest income	
Fee and commission income	410,167
Foreign exchange income	54,377
Gain on securities - net	45,657
Other income	<u>28,402</u>
Total non mark-up / interest income	<u>538,603</u>
Total income	<u>4,066,314</u>
Non mark-up / interest expenses	<u>2,388,936</u>
Profit before credit loss allowance	<u>1,677,378</u>
Credit loss allowance and write-offs - net	<u>4,854</u>
Profit before taxation	<u>1,672,524</u>
Taxation	<u>324,763</u>
Profit after taxation	<u>1,347,761</u>
<i>Loss on disposal attributable to equity holders due to adjustment to carrying value</i>	(409,151)
<i>Profit after taxation before carrying value adjustment</i>	
Attributable to equity holders	741,269
Attributable to NCI	<u>606,492</u>
	<u>1,347,761</u>
<i>Profit after taxation after carrying value adjustment</i>	
Equity holder	332,118
NCI	<u>606,492</u>
	<u><u>938,610</u></u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

38. EARNINGS PER SHARE	2025		2024	
	----- (Rupees in '000) -----			
Profit after tax attributable to equity shareholders of the Bank	129,999,883		75,155,853	
	----- (Number of shares) -----			
Weighted average number of ordinary shares	2,493,682,550		2,448,359,374	
	----- (Rupees) -----			
Basic and diluted earnings per share	52.13		30.70	
There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2025 and 2024.				

39. CASH AND CASH EQUIVALENTS	Note	2025		2024	
		----- (Rupees in '000) -----			
Cash and balances with treasury banks	5	548,709,327		310,836,376	
Balances with other banks	6	57,279,049		59,968,246	
		605,988,376		370,804,622	

39.1 Reconciliation of movement of liabilities to cash flows arising from financing activities		2025			2024		
		Lease liability against right-of-use assets	Dividends payable	Unappro-priated profit	Lease liability against right-of-use assets	Dividends payable	Unappro-priated profit
		----- (Rupees in '000) -----					
		-					
Balance as at January 01,		12,381,018	765,715	116,472,051	10,474,561	727,315	97,379,056
Changes from financing cash flows							
Payment of lease liability against right-of-use assets		(7,452,847)	-	-	(3,623,173)	-	-
Dividend paid		-	(67,084,981)	-	-	(53,825,508)	-
Total changes from financing cash flows		(7,452,847)	(67,084,981)	-	(3,623,173)	(53,825,508)	-
Other Changes							
- Liability related							
Cash dividend		-	67,307,304	(67,307,304)	-	53,863,908	(53,863,908)
Interest expense on lease liability against right-of-use assets		3,680,910	-	-	1,504,645	-	-
Non-cash based		30,911,331	-	-	4,024,985	-	-
Total other changes		34,592,241	67,307,304	(67,307,304)	5,529,630	53,863,908	(53,863,908)
- Equity related		-	-	132,013,785	-	-	72,956,903
Balance as at December 31,		39,520,412	988,038	181,178,532	12,381,018	765,715	116,472,051

40. STAFF STRENGTH	Note	2025			2024		
		Domestic	Overseas	Total	Domestic	Overseas	Total
		----- (Number of employees) -----					
Permanent		23,527	389	23,916	18,135	337	18,472
On contract		3,449	5	3,454	1,677	6	1,683
Group's own staff strength		26,976	394	27,370	19,812	343	20,155
Outsourced	40.1	335	29	364	226	20	246
Total		27,311	423	27,734	20,038	363	20,401

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, 2025

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:

	2025	2024
	----- (Number) -----	-----
- Pension fund	290	371
- Gratuity fund	22,461	17,128
- Post-retirement medical benefit scheme	381	490
- Benevolent fund	425	552
- Employee compensated absences	425	567

In addition to above active employees, pension fund, benevolent fund and post-retirement medical benefit schemes include 5,709 (2024: 5,961), 1,163 (2024: 1,163) and 7,896 (2024: 7,787) 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, 2025 using Projected Unit Credit Method. The following significant assumptions were used for the valuation:

	2025	2024
	----- Per annum -----	-----
Discount rate	11.00%	12.25%
Expected rate of salary increase	11.00%	10.25%
Expected rate of increase in pension	5.00%	5.00%
Expected rate of increase in medical benefit	5.00%	6.25%
Expected rate of return on plan assets	11.00%	12.25%

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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, 2025 are as follows:

	Note	2025			
		Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
		(Rupees in '000)			
Present value of defined benefit obligations		(9,338,076)	(2,884,803)	(148,847)	(2,823,836)
Fair value of plan assets		34,558,405	4,517,316	473,613	-
Receivable / (payable)	14.5 & 21.2	25,220,329	1,632,513	324,766	(2,823,836)

		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)

41.5 Movement in present value of defined benefit obligations

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
		(Rupees in '000)			
Obligations at the beginning of the year		8,553,357	1,982,123	159,458	2,921,465
Current service cost		4,845	342,300	1,645	248
Interest cost		937,189	248,443	18,672	346,897
Benefits paid by the Bank		(936,612)	(260,708)	(25,813)	(130,847)
Return allocated to other funds	41.8.1	72,803	-	-	-
Remeasurement (gains) / losses		706,494	572,645	(5,115)	(313,927)
Obligations at the end of the year		9,338,076	2,884,803	148,847	2,823,836

		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	41.8.1	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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

41.6 Movement in fair value of plan assets

	2025			2024		
	Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
	(Rupees in '000)					
Fair value at the beginning of the year	20,860,138	2,409,681	431,968	11,929,445	1,652,156	306,766
Interest income on plan assets	2,503,621	297,879	50,180	1,780,969	261,838	43,154
Contribution by the Bank	(12,838,724)	295,870	951	(1,169,284)	147,337	736
Contribution by the employees	-	-	951	-	-	736
Amount paid by the fund to the Bank	(311,662)	(1,019,254)	(299,928)	(841,332)	(266,092)	(31,091)
Remeasurement gains / (losses)	24,345,032	2,533,140	289,491	9,160,340	614,442	111,667
Fair value at the end of the year	34,558,405	4,517,316	473,613	20,860,138	2,409,681	431,968

41.7 Movement in receivable / (payable) under defined benefit schemes

	Note	2025			
		Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
		(Rupees in '000)			
Opening balance		12,306,781	427,558	272,510	(2,921,465)
Adjustment for mark-up		442,408	426,176	1,683	-
(Charge) / reversal for the year		1,488,784	(292,864)	30,814	(347,145)
Contribution by the Bank		(12,838,724)	295,870	951	-
Amount paid by the Fund to the Bank		(311,662)	(1,019,254)	(299,928)	-
Benefits paid by the Bank		936,612	260,708	25,813	130,847
Remeasurement gains		23,196,130	1,534,319	292,923	313,927
Closing balance		25,220,329	1,632,513	324,766	(2,823,836)

		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
Remeasurement (losses) / 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

		2025			
		Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
		(Rupees in '000)			
Current service cost	41.5	4,845	342,300	1,645	248
Past service cost		-	-	-	-
Net interest on defined benefit asset / (liability)		(1,566,432)	(49,436)	(31,508)	346,897
Return allocated to other funds	41.8.1.1	72,803	-	-	-
Employees' contribution		-	-	(951)	-
		(1,488,784)	292,864	(30,814)	347,145

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2024			
		Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
		(Rupees in '000)			
Current service cost	41.5	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	41.8.1.1	73,510	-	-	-
Employees' contribution		-	-	(736)	-
		<u>(683,934)</u>	<u>250,595</u>	<u>(15,276)</u>	<u>389,920</u>

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 4.21.

41.8.2 Re-measurements recognised in OCI during the year

	2025			
	Pension fund	Gratuity fund	Benevolent fund	Post-retirement medical benefit
	(Rupees in '000)			
Losses / (gains) on obligation				
- Financial assumptions	807,910	410,210	3,327	5,060
- Experience adjustments	(101,416)	162,435	(8,442)	(318,987)
Return on plan assets over interest income	(24,345,032)	(2,533,140)	(289,491)	-
Adjustment for mark-up	442,408	426,176	1,683	-
Total re-measurements recognised in OCI	<u>(23,196,130)</u>	<u>(1,534,319)</u>	<u>(292,923)</u>	<u>(313,927)</u>

	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	<u>(8,189,205)</u>	<u>(519,963)</u>	<u>(143,044)</u>	<u>97,800</u>

Re-measurements (loss) / gain recognized in OCI during the year pertaining to other schemes as disclosed in note 41.1.7 is Rs. 130.214 million (2024: Rs. 51.289 million).

41.9 Components of fair value of plan assets

	2025			2024		
	Pension fund	Gratuity fund	Benevolent fund	Pension fund	Gratuity fund	Benevolent fund
	(Rupees in '000)					
Cash and cash equivalents - net	76,375	(692,410)	51,496	67,218	46,578	3,880
Ordinary shares	48,162,648	4,112,438	508,849	19,980,648	1,086,895	229,043
Non-Government debt securities	781,259	1,097,288	35,663	812,272	1,077,785	12,239
Pakistan Investment Bonds	-	-	150,192	-	54,123	154,606
National Saving Certificates / Bonds	-	-	-	-	-	32,200
Repurchase Agreements	-	-	-	-	144,300	-
Payable to the Bank / Gratuity Fund	<u>(14,461,877)</u>	<u>-</u>	<u>(272,587)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>34,558,405</u>	<u>4,517,316</u>	<u>473,613</u>	<u>20,860,138</u>	<u>2,409,681</u>	<u>431,968</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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 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.

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:

	2025			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
	(Rupees in '000)			
Increase in discount rate by 1 %	(657,239)	(213,051)	(2,688)	(262,829)
Decrease in discount rate by 1 %	757,800	244,873	2,773	315,940
Increase in expected future increment in salary by 1%	-	256,584	686	-
Decrease in expected future increment in salary by 1%	-	(226,912)	(742)	-
Increase in expected future increment in pension by 1%	782,048	-	-	-
Decrease in expected future increment in pension by 1%	(686,960)	-	-	-
Increase in expected future increment in medical benefit by 1%	-	-	-	307,840
Decrease in expected future increment in medical benefit by 1%	-	-	-	(261,476)

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:

	2026			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
	(Rupees in '000)			
Expected contribution	-	-	510	-
Expected charge / (reversals) for the year	<u>(2,772,850)</u>	<u>392,084</u>	<u>(33,051)</u>	<u>300,764</u>

	2025			
	Pension fund	Gratuity fund	Benevolent fund	Post retirement medical benefit
	(Rupees in '000)			
The weighted average duration of the obligation (in years)	<u>7.90</u>	<u>7.90</u>	<u>2.87</u>	<u>9.31</u>

41.12 Maturity profile

41.13 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date, based on various actuarial assumptions.

41.14 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 hospitalisation benefit is susceptible to medical inflation risk.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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, 2025. The main assumptions used in the actuarial valuation are as follows:

	2025	2024
	----- Per annum -----	
Discount rate	11.00%	12.25%
Expected rate of salary increase	17.00%	20.00%

41.15.2 The fair value of plan assets and the present value of defined benefit obligations of these scheme as at December 31, 2025 is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Present value of obligations	(159,891)	(133,424)
Fair value of plan assets	211,243	181,636
Receivable / (payable)	51,352	48,212

41.15.3 Movement in (payable) / receivable during the year

Payable at the beginning of the year	48,212	14,519
Current service cost	(24,282)	(20,783)
Net interest expense	5,165	1,720
Employer contribution	15,017	32,321
Remeasurement gain / (loss)	7,240	20,435
Payable at the end of the year	51,352	48,212

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
41.15.4 Movement in present value of defined benefit obligation		
Obligation at the beginning of the year	133,424	123,804
Current service cost	24,282	20,783
Interest cost	17,191	19,989
Benefits paid	(29,846)	(32,038)
Remeasurement loss	14,840	886
Obligation at the end of the year	159,891	133,424

41.15.5 Movement in the fair value of plan assets

Fair value of plan assets at the beginning of the year	181,636	138,323
Interest income on plan assets	22,356	21,709
Contributions to the plan	15,017	32,321
Benefits paid	(29,846)	(32,038)
Remeasurement loss	22,080	21,321
Fair value of plan assets at the end of the year	211,243	181,636

41.15.6 Composition of plan assets

Cash and cash equivalents - net	18,561	26,499
Debt securities	124,932	100,184
Ordinary shares	67,750	51,415
	211,243	178,098

41.15.7 Charge for defined benefit plan

Current service cost	24,282	20,783
Interest cost	17,191	19,989
Interest income on plan assets	(22,356)	(21,709)
	19,117	19,063
Actual return on plan assets	22,356	21,709

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, 2026, would be Rs.27.277 million respectively. The weighted average duration of the obligation as of December 31, 2025, is 8.48 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:

	2025
	Rupees in '000
Increase in discount rate by 1 %	156,294
Decrease in discount rate by 1 %	173,991
Increase in salary increment rate by 1%	184,298
Decrease in salary increment rate by 1%	147,425

42 OTHER EMPLOYEE BENEFITS

42.1 Defined contribution plan

The Bank operates a contributory provident fund scheme for 18,099 (2024: 17,128) 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

For the year ended December 31, 2025

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

2025							
Items	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.	9,320	-	109,651	13,791	-	4,125	-
Managerial Remuneration							
i) Fixed	-	-	-	-	160,971	426,160	1,192,536
ii) Variable - Cash Bonus	-	-	-	-	80,000	494,129	563,282
Contribution to defined contribution plan	-	-	-	-	13,100	25,061	88,050
Charge for defined benefit plan	-	-	-	-	4,108	8,335	37,740
Rent & house maintenance	-	-	-	-	4,400	155,705	363,042
Utilities	-	-	-	-	-	65,978	161,291
Medical	-	-	-	-	-	36,828	111,285
Conveyance	-	-	-	-	6,842	146,803	289,476
Others	-	-	-	-	-	199,867	488,220
Sub-Total	9,320	-	109,651	13,791	269,421	1,562,991	3,294,922
Sign-on bonus	-	-	-	-	-	42,400	35,600
Total	9,320	-	109,651	13,791	269,421	1,605,391	3,330,522
Number of Persons	1	-	7	4	1	35	370

2024							
Items	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	-	-	-	-	-	53,095	210,640
Sub-Total	10,860	-	107,010	12,973	213,594	1,188,792	2,127,591
Sign-on bonus	-	-	-	-	-	2,800	-
Total	10,860	-	107,010	12,973	213,594	1,191,592	2,127,591
Number of Persons	1	-	7	3	1	24	270

The total amount of deferred bonus as at December 31, 2025 for the President / CEO, Key Management Personnel and other Material Risk Takers (MRT) / Material Risk Controllers (MRC) is Rs. 388.461 million (2024: Rs. 363.459 million). The deferred bonus is held in a trust fund.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

43.2 Remuneration paid to Directors for participation in Board and Committee Meetings

		2025								
		Meeting Fees and Allowances Paid								
Sr. No.	Name of Director	For Board Committees								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)	Allowance	
(Rupees in '000)										
1	Sir Mohammed Anwar Pervez, OBE, HPk	4,320	-	2,400	-	-	-	2,400	200	9,320
2	Lord Zameer M. Choudrey, CBE, SI Pk	4,400	-	3,200	3,200	-	800	4,160	300	16,060
3	The Honorable Haider Zameer Choudrey	4,400	4,400	-	-	3,840	800	3,200	300	16,940
4	Mr. Rizwan Pervez	4,400	4,400	-	-	3,200	-	3,200	250	15,450
5	Mr. Daniel Michael Howlett	4,400	-	-	3,840	3,200	-	3,200	214	14,854
6	Ms. Shazia Syed	4,400	5,280	3,200	-	-	-	3,200	214	16,294
7	Mr. Tariq Rashid	4,400	4,400	3,840	-	-	-	3,200	-	15,840
8	Mr. Muhammad Irfan A.Sheikh	4,400	-	-	3,200	3,200	-	3,200	214	14,214
Total Amount Paid		35,120	18,480	12,640	10,240	13,440	1,600	25,760	1,691	118,971

		2024								
		Meeting Fees and Allowances Paid								
Sr. No.	Name of Director	For Board Committees							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	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

43.3 Remuneration paid to Shariah Board Members

Items	2025				2024			
	Chairman	Resident Member	Non- Resident Member(s)	Total	Chairman	Resident Member	Non- Resident Member(s)	Total
	(Rupees in '000)							
	5,832	4,363	3,596	13,791	5,616	3,737	3,620	12,973
Meeting Fees and Allowances								
Total	1	1	2		1	1	2	

44. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to collect model, is based on quoted market price. Quoted securities classified as "held to collect" are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates, is carried at fair value. This valuation is carried out using appropriate methodologies.

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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 non government securities is determined using the prices / rates from MUFAP.
Unquoted equity securities	The fair value of unlisted equity investments is determined using cash flow projections of the investee company. If cashflow projections of investees are unavailable, the Bank uses the break-up value as an estimate of fair value.
Foreign debt securities	The fair value of foreign corporate and foreign government securities is determined using the rates from Bloomberg.
Mutual Funds 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.
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.

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

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

Non-listed equity investments financial sector

Ordinary shares unlisted (income DCF Method approach)	WACC, CAGR, DLOM, DLOC	17% - 20.13%,5- 53.72%, 28% & 10%	Increase/decrease in WACC by 1% with all other variables held constant, would (decrease)/increase the fair value by Rs. 2,277 million as at December 31, 2025.
Ordinary shares Price to Book Value unlisted (market approach)	Market multiple/ transaction price	Not applicable	Not applicable

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:

	2025				
	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	8,837,120,972	-	8,837,120,972	-	8,837,120,972
- Foreign Bonds - Market Treasury Bills	266,392,159	-	266,392,159	-	266,392,159
- Foreign Bonds - sovereign	103,115,862	-	103,115,862	-	103,115,862
- Foreign Bonds - others	25,281,025	-	25,281,025	-	25,281,025
- Ordinary shares of listed companies	18,376,396	18,376,396	-	-	18,376,396
- Ordinary shares of unlisted companies	4,337,813	-	-	4,337,813	4,337,813
- Non-Government debt securities	7,542,370	-	7,542,370	-	7,542,370
- Real Estate Investment Trust units	1,633,045	1,633,045	-	-	1,633,045
	9,263,799,642	20,009,441	9,239,452,388	4,337,813	9,263,799,642

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025			
	Carrying Value	Level 1	Level 2	Level 3
(Rupees in '000)				
Financial assets - disclosed but not measured at fair value				
Investments				
- Federal Government Securities	651,569,594	-	662,796,595	-
- Foreign Bonds - Market Treasury Bills	3,688,787	-	3,666,685	-
- Foreign Bonds - sovereign	15,739,639	-	15,533,700	-
- Foreign Bonds - others	1,464,706	-	1,400,033	-
- Non-Government debt securities	12,765,041	-	13,058,977	-
	685,227,767	-	696,455,990	-
	9,949,027,409	20,009,441	9,935,908,378	4,337,813

Off-balance sheet financial instruments - measured at fair value

Forward purchase and sale of foreign exchange contracts	1,113,242,884	-	621,475	-
FX options - purchased and sold (net)	-	-	-	-
Forward purchase and sale of Government Securities	36,537,900	-	(52,334)	-

	2024			
	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	-	-
- Non-Government debt securities	2,164,861	-	2,164,861	-
- Real Estate Investment Trust units	951,870	951,870	-	-
	5,560,671,524	21,404,561	5,539,266,963	-

Financial assets - disclosed but not measured at fair value

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	-

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	-	-	-	-
Forward purchase and sale of Government Securities	319,286,690	-	1,256,494	-

44.3 Fair Value of non-financial assets

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

	2025			
	Carrying Value	Level 1	Level 2	Level 3
(Rupees in '000)				
Property and equipment	71,604,510	-	-	71,604,510
Non-banking assets acquired in satisfaction of claims	354,900	-	-	354,900
	71,959,410	-	-	71,959,410

	2024			
	Carrying Value	Level 1	Level 2	Level 3
(Rupees in '000)				
Property and equipment	60,922,041	-	-	60,922,041
Non-banking assets acquired in satisfaction of claims	42,075	-	-	42,075
	60,964,116	-	-	60,964,116

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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

	2025						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others
(Rupees in '000)							
Profit & Loss							
Net mark-up / return / profit	16,233,125	373,537,989	(108,987,822)	43,254,109	37,258,778	(29,348)	285,260
Inter segment (expense) / revenue - net	(1,038,109)	(203,448,038)	210,845,374	-	-	-	(6,359,227)
Non mark-up / return / interest income	11,048,496	19,240,996	16,630,038	2,326,236	6,320,302	4,865,367	3,238,756
Total Income	26,243,512	189,330,947	118,487,590	45,580,345	43,579,080	4,836,019	(2,835,211)
Segment direct expenses	2,806,744	4,247,549	76,115,574	24,228,616	10,104,340	2,824,637	18,440,733
Inter segment expense allocation	3,488,209	3,484,714	8,100,297	-	-	-	(15,073,220)
Total expenses	6,294,953	7,732,263	84,215,871	24,228,616	10,104,340	2,824,637	3,367,513
Credit loss allowance - net	(2,806,365)	(130,802)	499,327	3,943,194	(1,642,747)	-	(4,516,035)
Profit / (loss) before tax	22,754,924	181,729,486	33,772,392	17,408,535	35,117,487	2,011,382	(1,686,689)
Balance Sheet							
Cash & Bank balances	73,537	157,538,266	67,645,918	96,532,778	283,036,157	1,161,720	-
Investments	9,174,174	8,915,527,870	-	495,954,343	522,528,452	6,495,409	6,386,668
Net inter segment lending	313,262,186	-	2,175,337,853	-	14,226,985	-	-
Lendings to financial institutions	-	17,000,000	-	14,574,547	-	-	-
Advances - performing net of credit loss allowance	236,353,075	8,555,039	115,981,454	562,986,863	440,075,704	-	16,306
Advances - non-performing net of credit loss allowance	1,881,585	-	187,845	66,592	3,261,932	-	-
Others	1,826,306	92,487,272	305,116,044	57,282,314	6,513,826	2,166,101	200,126,567
Total Assets	562,570,863	9,191,108,447	2,664,269,114	1,227,397,437	1,269,643,056	9,823,230	206,529,541
Borrowings	21,396,778	6,463,604,043	5,288,844	15,336,073	24,388,982	-	-
Subordinated debt	-	-	-	-	-	-	10,000,000
Deposits & other accounts	548,603,889	-	2,573,952,948	956,712,493	1,088,820,569	-	-
Net inter segment borrowing	-	2,292,801,720	-	134,692,381	-	-	75,332,923
Others	12,504,162	149,382,080	104,114,204	37,123,268	18,850,311	1,775,872	91,368,335
Total Liabilities	582,504,829	8,905,787,843	2,683,355,996	1,143,864,215	1,132,059,862	1,775,872	176,701,258
Equity	(19,933,966)	285,320,604	(19,086,882)	83,533,222	137,583,194	8,047,358	29,828,283
Total Equity & liabilities	562,570,863	9,191,108,447	2,664,269,114	1,227,397,437	1,269,643,056	9,823,230	206,529,541
Contingencies and Commitments	1,093,032,940	415,296,623	188,006,592	41,126,448	831,161,418	-	8,997,145
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)
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
Total Income	19,010,173	(360,702)	153,628,304	40,383,255	33,165,776	3,397,910	8,912,880
Segment direct expenses	1,903,390	664,029	55,082,933	8,171,042	7,860,993	2,359,758	24,283,138
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
(Reversals) / provisions - net	2,671,196	221,697	(167,806)	(8,250)	7,971,599	-	2,087,038
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)

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2024						
	Corporate / Commercial Banking	Treasury	Branch Banking	Islamic Banking	International branch operations	Subsidiaries	Others
(Rupees in '000)							
Balance Sheet							
Cash & Bank balances	29,906	99,428,160	64,494,602	44,862,676	160,898,813	1,090,465	-
Investments	10,156,363	5,613,070,387	-	119,366,357	140,744,551	4,350,495	2,077,688
Net inter segment lending	-	-	1,513,980,697	216,760,034	-	-	63,438,769
Lendings to financial institutions	-	18,492,483	-	-	-	-	-
Advances - performing	912,361,408	2,238	57,221,149	147,626,192	316,182,001	-	1,996,657
Advances - non-performing net of credit loss allowance	1,328,491	-	298,848	260,774	6,204,186	-	-
Others	24,878,319	138,388,839	51,935,147	81,332,932	11,129,453	2,004,998	36,882,699
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
Borrowings	46,800,297	4,767,131,383	5,583,815	8,003,110	27,854,911	-	-
Subordinated debt	-	-	-	-	-	-	10,000,000
Deposits & other accounts	129,324,679	-	1,494,684,448	519,488,249	496,378,609	-	-
Net inter segment borrowing	753,056,630	1,032,301,065	-	-	8,821,805	-	-
Others	19,538,871	53,577,825	90,825,364	17,915,365	17,577,342	1,392,046	42,212,950
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
Equity	34,010	16,371,834	96,836,816	64,802,241	84,526,337	6,053,912	52,182,863
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
Contingencies and Commitments	748,634,121	505,243,486	93,104,492	10,536,687	442,550,988	-	1,504,910

45.2. Geographical segment analysis

	2025			
	Pakistan	Middle East	Export Processing Zones	Total
(Rupees in '000)				
Profit & Loss				
Net mark-up / return / profit	324,293,313	36,544,668	714,110	361,552,091
Non mark-up / return / interest income	57,349,889	6,282,676	37,626	63,670,191
Total Income	381,643,202	42,827,344	751,736	425,222,282
Segment direct expenses	128,663,853	10,065,091	39,249	138,768,193
Inter segment expense allocation	-	-	-	-
Total expenses	128,663,853	10,065,091	39,249	138,768,193
Credit loss allowance - net	(3,010,681)	(1,642,747)	-	(4,653,428)
Profit before tax	255,990,030	34,405,000	712,487	291,107,517
Balance Sheet				
Cash & Bank balances	322,952,219	282,962,602	73,555	605,988,376
Investments	9,433,538,464	520,277,286	2,251,166	9,956,066,916
Net inter segment lending	2,488,600,039	14,226,985	-	2,502,827,024
Lendings to financial institutions	31,574,547	-	-	31,574,547
Advances - performing	923,892,737	440,075,704	-	1,363,968,441
Advances - non-performing net of credit loss allowance	2,136,022	3,261,932	-	5,397,954
Others	659,004,604	6,165,333	348,493	665,518,430
Total Assets	13,861,698,632	1,266,969,842	2,673,214	15,131,341,688
Borrowings	6,505,625,738	24,388,982	-	6,530,014,720
Subordinated debt	10,000,000	-	-	10,000,000
Deposits & other accounts	4,079,269,330	1,083,545,173	5,275,396	5,168,089,899
Net inter segment borrowing	2,502,827,024	-	-	2,502,827,024
Others	396,267,921	25,938,493	(7,088,182)	415,118,232
Total Liabilities	13,493,990,013	1,133,872,648	(1,812,786)	14,626,049,875
Equity	367,708,619	133,097,194	4,486,000	505,291,813
Total Equity & liabilities	13,861,698,632	1,266,969,842	2,673,214	15,131,341,688
Contingencies and Commitments	1,746,459,748	831,081,672	79,746	2,577,621,166

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

Geographical segment analysis	2024			
	Pakistan	Middle East	Export Processing Zones	Total
	(Rupees in '000)			
Profit & Loss				
Net mark-up / return / profit	152,272,778	20,361,920	913,183	173,547,881
Non mark-up / return / interest income	72,699,042	12,274,293	(383,620)	84,589,715
Total Income	224,971,820	32,636,213	529,563	258,137,596
Segment direct expenses	92,464,290	7,817,621	43,372	100,325,283
Inter segment expense allocation	-	-	-	-
Total expenses	92,464,290	7,817,621	43,372	100,325,283
Credit loss allowance - net	4,803,875	7,971,599	-	12,775,474
Profit / (loss) before tax	127,703,655	16,846,993	486,191	145,036,839
Balance Sheet				
Cash & Bank balances	209,905,809	160,721,743	177,070	370,804,622
Investments	5,749,021,290	139,877,233	867,318	5,889,765,841
Net inter segment lending	1,794,179,500	-	-	1,794,179,500
Lendings to financial institutions	18,492,483	-	-	18,492,483
Advances - performing	1,119,207,644	316,124,639	57,362	1,435,389,645
Advances - non-performing net of provision	1,888,113	6,204,186	-	8,092,299
Others	335,422,934	10,782,925	346,528	346,552,387
Total Assets	9,228,117,773	633,710,726	1,448,278	9,863,276,777
Borrowings	4,827,518,605	27,854,911	-	4,855,373,516
Subordinated debt	10,000,000	-	-	10,000,000
Deposits & other accounts	2,143,497,376	483,677,824	12,700,785	2,639,875,985
Net inter segment borrowing	1,785,357,695	8,333,854	487,951	1,794,179,500
Others	225,462,421	28,956,172	(11,378,830)	243,039,763
Total Liabilities	8,991,836,097	548,822,761	1,809,906	9,542,468,764
Equity	236,281,676	84,887,965	(361,628)	320,808,013
Total Equity & liabilities	9,228,117,773	633,710,726	1,448,278	9,863,276,777
Contingencies and Commitments	1,359,023,696	442,472,468	78,520	1,801,574,684

Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates.

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	2025			
		Securities held (Face Value)			Total
		Pakistan Investment Bonds	GoP Ijara Sukuks	Market Treasury Bills	
		(Rupees in '000)			
Asset Management Companies	3	1,850,000	995,000	-	2,845,000
Corporates	32	54,329,400	-	38,071,385	92,400,785
Individuals	181	381,600	30,300	5,850,155	6,262,055
Insurance Companies	5	909,780,800	2,019,500	53,849,600	965,649,900
NGO / Charitable Organisation	3	3,938,500	-	5,613,030	9,551,530
Pension & Employee Funds	26	67,051,200	805,000	47,356,860	115,213,060
Others	18	28,108,900	-	74,491,245	102,600,145
Total	268	1,065,440,400	3,849,800	225,232,275	1,294,522,475

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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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 person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

47.1 Related party transactions

	2025				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	5,016,240
Repaid during the year	-	-	-	-	(5,016,240)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	-	-	-	6,306,355	3,635,440
Investment made during the year	-	-	-	13,598,846	-
Investment redeemed / disposed off during the year	-	-	-	(11,987,977)	(63,635)
Transfer in / (out) - net	-	-	-	-	-
Equity method adjustments	-	-	-	539,160	-
Closing balance	-	-	-	8,456,384	3,571,805
Credit loss allowance for diminution in value of investments	-	-	-	1,417,485	-
Provision written off	-	-	-	-	-
Property and equipment / CWIP	-	-	-	-	10,298
Advances					
Opening balance	-	537	596,283	-	231,097,420
Addition during the year	-	9,805	379,813	-	177,640,570
Repaid during the year	-	(9,816)	(289,673)	-	(261,900,702)
Transfers in / (out)	-	-	(188,816)	-	(1,285)
Closing balance	-	526	497,607	-	146,836,003
Credit loss allowance held against advances	-	11	6,948	-	26
Other Assets					
Interest / mark-up accrued	-	-	-	-	4,573,212
Receivable from staff retirement funds	-	-	-	-	39,259,049
Prepaid insurance	-	-	-	211,601	-
Unrealised gain on forward foreign exchange contracts	-	-	-	-	25,065
Remuneration receivable from management of funds	-	-	-	386,966	-
Sales load receivable	-	-	-	36,363	-
Other receivable	-	-	-	52,533	-
Capital Work in Progress	-	-	-	-	-
Dividend receivable	-	-	-	-	-
Provision written off	-	-	-	-	-

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Borrowings					
Opening balance	-	-	-	-	94,460,700
Borrowings during the year	-	-	-	3,896,632	541,102,568
Settled during the year	-	-	-	(3,896,632)	(629,618,427)
Closing balance	-	-	-	-	5,944,841
Overdrawn nostros	-	-	-	-	105,130
Deposits and other accounts					
Opening balance	3,205	7,263,037	152,070	596,425	40,635,616
Received during the year	28,285,690	50,068,956	2,336,597	104,872,912	3,798,106,048
Withdrawn during the year	(28,265,985)	(49,601,675)	(2,382,635)	(104,242,502)	(3,695,912,103)
Transfer in / (out) - net	-	-	(63,558)	98,661	(222,419)
Closing balance	22,910	7,730,318	42,474	1,325,496	142,607,142
Subordinated loans	-	-	-	-	50,000
Other Liabilities					
Interest / mark-up payable on deposits and borrowings	-	68,683	-	-	307,329
Dividend Payable	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-
Unrealised loss on forward foreign exchange contracts	-	-	-	-	-
Unearned income	-	-	-	-	45,192
Other payable	-	8,690	-	9,708	33,215
Contingencies and Commitments					
Letter of guarantee	-	-	-	-	-
Forward Government securities sale	-	-	-	-	-
Others					
Securities held as custodian	5,584,520	1,427,490	12,800	2,690,500	18,509,990
Profit and Loss Account					
Income					
Mark-up / return / interest earned	-	4	17,408	-	17,885
Commission / charges recovered	-	260	3,375	22,277	18,337
Dividend income	-	-	-	80,815	920,233
Net gain on sale of securities	-	-	-	-	-
Other income	-	-	-	-	92,318
Gain /(Loss) on sale of property and equipment	-	-	(39,111)	3,395	-
Remuneration from management of fund	-	-	-	3,757,535	-
Sales load	-	-	-	151,622	-
Other receivable	-	-	-	2,120	-
Reversal of provision	-	-	-	-	-
Switch revenue	-	-	-	-	705,701
Expenses					
Mark-up / return / interest paid	58,281	295,698	5,487	62,927	6,231,138
Remuneration paid	-	-	1,695,434	-	-
Directors' fees and allowances	-	118,971	-	-	-
Charge for defined contribution plans	-	-	36,116	-	928,995
Charge / (Reversal) for defined benefit plans	-	-	12,443	-	(660,408)
Other expenses	-	-	10,071	-	365,312
Clearing charges	-	-	-	-	321,558
Membership, subscription, sponsorship and maintenance charges	-	-	3,898	-	24,173

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025				
	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)				
Other information					
Dividend Paid	34,113,360	1,641,120	23,210	-	13,534,815
Insurance premium paid	-	-	-	1,131,432	-
Insurance claims settled	-	-	-	377,572	-
Purchase of Government securities	-	110,638	13,742	1,949,099	3,010,646,820
Sale of Government securities	11,573,574	2,362,553	-	2,231,514	2,988,026,372
Statement of financial position					
Balances with other banks					
In current accounts	-	-	-	-	391,556
In deposit accounts	-	-	-	-	-
	-	-	-	-	391,556
Lendings to financial institutions					
Opening balance	-	-	-	-	804,102
Addition during the year	-	-	-	-	2,191,560
Repaid during the year	-	-	-	-	(2,995,662)
Transfers in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	-	-	-	6,389,617	5,287,396
Investment made during the year	-	-	-	17,508,051	885,450
Investment redeemed / disposed off during the year	-	-	-	(17,793,670)	(2,500,000)
Transfer in / (out) - net	-	-	-	-	(37,406)
Equity method adjustments	-	-	-	202,357	-
Closing balance	-	-	-	6,306,355	3,635,440
Provision for diminution in value of investments	-	-	-	1,417,485	-
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)
Transfer in / (out) - net	-	-	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 receivable from management of funds	-	-	-	180,417	-
Sales load receivable	-	-	-	25,068	-
Other receivable	-	-	-	222,367	12,478
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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2024				
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- (Rupees in '000) -----				
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	1,393,847,149
Withdrawn during the year	(71,550,659)	(42,298,845)	(2,101,517)	(84,337,211)	(1,368,907,850)
Transfers (out) / in - net	-	-	(7,622)	-	779,016
Closing balance	3,205	7,263,037	152,070	596,425	40,635,616
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
Others					
Securities held as custodian	5,290,205	1,222,000	52,350	3,467,400	34,604,380
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 income	-	-	-	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 credit loss allowance	-	-	-	-	-
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	-	-
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
Credit loss allowance	-	-	-	-	-
Other expenses	-	-	3,997	-	365,806
Clearing charges	-	-	-	-	210,344
Donations	-	-	-	-	-
Membership, subscription, sponsorship and maintenance charges	-	-	3,396	-	21,072
Other information					
Dividend Paid	27,796,071	989,492	33,061	-	7,491,134
Insurance premium paid	-	-	-	838,586	-
Insurance claims settled	-	-	-	379,205	-
Purchase of Government securities	11,791,252	1,160,162	17,185	695,758	71,177,708
Sale of Government securities	8,363,790	2,414,284	60,071	1,235,001	220,232,330

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

48. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,521,239	12,241,797
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	399,387,141	235,348,145
Eligible Additional Tier 1 (ADT 1) Capital	9,914,846	9,870,811
Total Eligible Tier 1 Capital	409,301,987	245,218,956
Eligible Tier 2 Capital	116,881,959	81,529,158
Total Eligible Capital (Tier 1 + Tier 2)	526,183,946	326,748,114
Risk Weighted Assets (RWAs):		
Credit Risk	1,659,787,451	984,217,218
Market Risk	341,289,010	275,897,396
Operational Risk	508,068,741	327,012,027
Total	2,509,145,202	1,587,126,641
Common Equity Tier 1 Capital Adequacy ratio	15.92%	14.83%
Tier 1 Capital Adequacy Ratio	16.31%	15.45%
Total Capital Adequacy Ratio	20.97%	20.59%

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

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

Further, under Basel III instructions, Banks are also required to maintain a Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5%, respectively, as at December 31, 2025. The Bank is fully compliant with prescribed ratios as the Bank's CAR is 20.97% whereas CET 1 and Tier 1 ratios stood at 15.92% and 16.31% respectively.

Furthermore, under the SBP's Framework for Domestic Systemically Important Banks (D-SIBs) introduced vide BPRD Circular No. 04 of 2018 dated April 13, 2018, UBL has been designated as a D-SIB under letter BSD-1/Bank/UBL/984691/2025 dated August 22, 2025. In line with this framework, the Bank is required to meet the Higher Loss Absorbency (HLA) capital charge of 1.5%, in the form of Additional CET 1 capital, on a standalone as well as consolidated level. The prescribed HLA under D-SIB shall remain effective till the next D-SIB designation announcement is made by State Bank of Pakistan.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	409,301,987	245,218,956
Total Exposures	13,259,312,320	7,858,268,797
Leverage Ratio	3.09%	3.12%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	2,737,102,361	1,809,400,194
Total Net Cash Outflow	1,250,537,173	721,237,268
Liquidity Coverage Ratio	218.87%	250.87%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	3,141,118,282	2,163,819,529
Total Required Stable Funding	2,299,775,237	2,027,714,826
Net Stable Funding Ratio	136.58%	106.71%

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.ubldigital.com/Investor-Relations/CAR-Statements.aspx>.

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, Financial Institution Risk, Consumer Risk, Operational Risk, Environmental, Social & Governance (ESG) 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 credit risks.
- In collaboration with Finance , assessing the position of Bank's RWA in line with the application of Standardized Approach under Basel for computation of capital requirement for the Bank.

The year 2025 proved to be a resilient year for the global economy despite conflicts, debt pressures and climate shocks.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

In 2025, macroeconomic conditions stabilised, supported by a sharp decline in inflation and cautious monetary easing by the State Bank of Pakistan. Real GDP growth improved modestly to around 3.0%, while the external account recorded a current account surplus and higher foreign exchange reserves. Despite these improvements, structural constraints, limited fiscal space, and reliance on external financing remained.

Despite these challenges, Pakistan's banking industry expanded its asset base, driven primarily by investment growth, while advances recorded subdued performance during the year. Private sector credit contracted, whereas public sector borrowing continued to increase. Profitability improved significantly, supported by strong growth in net interest income amid easing monetary conditions.

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 experience / 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 proactively reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the ongoing economic uncertainty.

49.1.1 Lendings to financial institutions

Credit risk by public / private sector	Gross lendings	Non-performing lendings	2025			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Public / Government	-	-	-	-	-	-
Private	31,574,547	-	-	-	-	-
	31,574,547	-	-	-	-	-
	Gross lendings	Non-performing lendings	2024			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Public / Government	-	-	-	-	-	-
Private	18,492,483	-	-	-	-	-
	18,492,483	-	-	-	-	-

49.1.2 Investment in debt securities

Credit risk by industry sector	Gross investments	Non-performing investments	2025			
			Credit loss allowance held			
			Stage 1	Stage 2	Stage 3	Total
			(Rupees in '000)			
Chemical and pharmaceuticals	457,963	3,418	23	-	3,418	3,441
Financial	9,637,402,149	360,000	1,604,057	-	360,000	1,964,057
Food	913	913	-	-	913	913
Production and transmission of energy	11,620,840	-	456,236	-	-	456,236
Metal and allied	15,625	-	-	-	-	-
Textile	229,263	229,263	-	-	229,263	229,263
Others	8,045,653	-	1,434	-	-	1,434
	9,657,772,406	593,594	2,061,750	-	593,594	2,655,344

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

		2024				
		Gross investments	Non-performing investments	Credit loss allowance held		
				Stage 1	Stage 2	Stage 3
				(Rupees in '000)		
Chemical and pharmaceuticals						
Financial		528,106	28,108	135	-	28,108
Food		5,769,754,137	360,000	30,121	1,556,327	360,000
Production and transmission of energy		912	912	-	-	912
Metal and allied		18,396,008	-	-	808,278	-
Textile		78,125	-	15	-	-
Others		229,263	229,263	-	-	229,263
		2,823,628	-	948	-	-
		5,791,810,179	618,283	31,219	2,364,605	618,283
						3,014,107
2025						
		Gross investments	Non-performing investments	Credit loss allowance held		
				Stage 1	Stage 2	Stage 3
				(Rupees in '000)		
Credit risk by public / private sector						
Public / Government		9,653,630,327	-	2,061,664	-	-
Private		4,142,079	593,594	86	-	593,594
		9,657,772,406	593,594	2,061,750	-	593,594
						2,655,344
2024						
		Gross investments	Non-performing investments	Credit loss allowance held		
				Stage 1	Stage 2	Stage 3
				(Rupees in '000)		
Credit risk by public / private sector						
Public / Government		5,780,602,176	-	898	-	-
Private		11,208,003	618,283	30,321	2,364,605	618,283
		5,791,810,179	618,283	31,219	2,364,605	618,283
						3,014,107
2025						
		Gross advances	Non-performing advances	Credit loss allowance held		
				Stage 1	Stage 2	Stage 3
				(Rupees in '000)		
Agriculture		203,523,682	3,000,515	241,627	102,632	2,902,752
Airlines		541,988	541,988	-	-	541,988
Automobile and transportation equipment		19,976,532	7,317,618	63,532	608,931	7,132,765
Education and medical		983,900	-	5,055	-	-
Cables		3,491,564	-	37,048	-	-
Cement		7,325,049	112,194	15,498	17,075	112,194
Chemical and pharmaceuticals		9,503,079	151,495	36,982	30,210	151,495
Construction		137,497,085	22,309,625	298,688	42,139	22,300,086
Electronics and electrical appliances		11,793,572	5,477,682	16,339	7,000	5,477,155
Engineering		49,687	77	364	-	77
Fertilizer		3,466,906	20,665	69,406	144	6,893
Financial		145,179,472	2,468,722	460,081	1,742,430	2,468,722
Food, tobacco and beverages		5,838,922	-	49,517	619	-
Hotel and tourism		5,321,899	-	21,318	-	-
Individuals		101,137,319	6,705,039	2,307,437	347,034	5,930,885
Paper and allied		783,347	-	19,987	1,502	-
Production and transmission of energy		181,699,450	2,549,163	672,638	270,158	1,847,333
Shoes and leather garments		2,242,007	1,144,255	7,837	3,529	1,144,255
Sugar		53,839,957	4,738,377	500,046	-	4,738,377
Metal and allied		7,665,119	-	75,102	557	-
Telecommunication		57,431,555	14,332	495,787	-	4,780
Textile composite		59,623,405	3,899,417	261,041	1,794,489	3,899,417
Textile		74,517,420	3,845,908	299,291	746,078	3,845,331
Textile spinning		29,425,311	3,620,577	166,773	163,378	3,582,873
Textile weaving		2,362,418	168,601	6,995	-	168,601
Wholesale and retail trade		37,145,016	16,723,335	45,063	180,647	16,595,661
Others		330,064,550	27,143,037	2,076,314	2,200,830	23,703,028
		1,492,430,211	111,952,622	8,249,766	8,259,382	106,554,668
						123,063,816

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	Gross advances	Non-performing advances	2024			
			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
2025						
	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	407,897,553	986,650	927,968	269,359	9,549	-
Private	1,084,532,658	110,965,972	7,321,798	7,990,023	106,545,119	121,856,940
	1,492,430,211	111,952,622	8,249,766	8,259,382	106,554,668	121,856,940
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

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	----- (Rupees in '000) -----	-----
49.1.4 Contingencies and Commitments		
Credit risk by industry sector		
Agriculture	83,783,061	47,675,276
Airlines	489,608	701,407
Automobile and transportation equipment	48,931,039	34,334,323
Cables	616,646	590,684
Cement	20,846,375	24,576,331
Chemical and pharmaceuticals	25,787,166	114,013,140
Construction	76,176,223	55,620,268
Contractors	16,709,985	16,592,159
Electronics and electrical appliances	17,151,979	15,917,539
Engineering	36,088,108	6,312,074
Fertilizer dealers	30,162,415	28,121,284
Financial	1,186,138,513	681,377,492
Food, tobacco and beverages	52,425,224	21,983,965
Glass and allied	188,774	676,722
Hotel and tourism	3,689,512	2,375,535
Individuals	52,053,073	23,376,647
Paper and allied	5,512,281	4,478,131
Polyester and fiber	4,395,990	3,707,328
Production and transmission of energy	338,659,213	261,949,358
Shoes and leather garments	1,459,449	1,703,028
Sugar	13,256,361	4,864,721
Telecommunication	40,577,015	16,862,904
Textile	140,819,964	84,184,116
Wholesale traders	8,636,270	8,139,301
Others	373,066,922	341,440,951
	<u>2,577,621,166</u>	<u>1,801,574,684</u>
Credit risk by public / private sector		
Public / Government	510,178,561	402,453,384
Private	<u>2,067,442,605</u>	<u>1,399,121,300</u>
	<u>2,577,621,166</u>	<u>1,801,574,684</u>

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.630,513 million (2024: Rs. 846,033 million) are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Funded	371,475,433	650,326,358
Non Funded	<u>259,037,476</u>	<u>195,706,719</u>
Total Exposure	<u>630,512,909</u>	<u>846,033,077</u>

The sanctioned limits against these top 10 exposures aggregated to Rs. 1,190,355 million (2024: Rs. 1,037,771 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, 2025

49.1.6

Advances - Province / Region-wise Disbursement & Utilisation

	2025						
Province / Region	Utilisation						
	Disburse-ments	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
	----- (Rupees in '000) -----						
Punjab	597,885,400	597,885,400	-	-	-	-	-
Sindh	665,276,734	-	665,276,734	-	-	-	-
KPK including FATA	184,587	-	-	184,587	-	-	-
Balochistan	78,416	-	-	-	78,416	-	-
Islamabad	91,860,096	-	-	-	-	91,860,096	-
AJK including Gilgit-Baltistan	228,297	-	-	-	-	-	228,297
Total	1,355,513,530	597,885,400	665,276,734	184,587	78,416	91,860,096	228,297
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						
	----- (Rupees in '000) -----						

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 manage Market Risk, a well-defined Risk Management Policy is in place which includes coverage of Market Risk, approved by the Board of Directors is in place. The policy defines appropriate risk measures, controls and methods carried out 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

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
----- (Rupees in '000) -----						
Cash and balances with treasury banks	548,709,327	-	548,709,327	310,836,376	-	310,836,376
Balances with other banks	57,279,049	-	57,279,049	59,968,246	-	59,968,246
Lendings to financial institutions	31,574,547	-	31,574,547	18,492,483	-	18,492,483
Investments	3,052,593,695	6,903,473,221	9,956,066,916	1,650,662,536	4,239,103,305	5,889,765,841
Advances	1,369,366,395	-	1,369,366,395	1,443,481,944	-	1,443,481,944
Property and equipment	120,927,227	-	120,927,227	85,591,999	-	85,591,999
Right-of-use assets	36,813,438	-	36,813,438	10,231,121	-	10,231,121
Intangible assets	58,690,656	-	58,690,656	2,792,016	-	2,792,016
Deferred tax assets	-	-	-	-	-	-
Other assets	449,087,109	-	449,087,109	247,937,251	-	247,937,251
	<u>5,725,041,443</u>	<u>6,903,473,221</u>	<u>12,628,514,664</u>	<u>3,829,993,972</u>	<u>4,239,103,305</u>	<u>8,069,097,277</u>

49.2.2 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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

The FX risk and associated concentration risk is managed through approved currency wise net open position limits, tenor and currency 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.

	2025				2024			
	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	658,736,543	384,922,802	(285,022,595)	(11,208,854)	390,776,942	207,960,797	(183,932,859)	(1,116,714)
Great Britain Pound	3,217,761	23,010,559	19,498,411	(294,387)	2,153,311	16,222,269	14,090,143	21,185
Japanese Yen	16,319	202,367	153,871	(32,177)	5,480	221,517	212,403	(3,634)
Euro	3,682,769	27,483,365	23,261,252	(539,344)	2,743,380	18,579,385	15,853,031	17,026
UAE Dirham	633,113,400	919,566,451	293,903,723	7,450,672	271,661,251	404,871,579	132,592,756	(617,572)
Bahraini Dinar	11,266,341	40,679,370	36,365,253	6,952,223	13,696,018	42,480,832	28,001,813	(783,001)
Qatari Riyal	36,578,065	53,175,572	16,652,728	55,222	36,000,718	55,174,415	19,218,594	44,897
Other Currencies	31,465,138	23,714,992	(7,690,087)	60,059	29,187,203	25,109,030	(4,058,452)	19,721
	1,378,076,336	1,472,755,478	97,122,556	2,443,414	746,224,303	770,619,824	21,977,429	(2,418,092)

	2025		2024	
	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	(24,434)	-	24,181	-

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 Liquidity & Average Daily Traded Volumes.

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).

	2025		2024	
	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	81,652	918,820	47,594	1,022,635

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.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in interest rates on				
- Profit and loss account	-	645,269	-	201,828
- Other comprehensive income	82,424,252	17,861,089	32,387,768	8,887,116

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

49.2.5 Mismatch of interest rate sensitive assets and liabilities

2025												
Effective yield / interest rate	Total	Exposed to yield / interest rate risk										Non-interest bearing financial instruments
		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		
		(Rupees in '000)										
%												
On-balance sheet financial instruments												
Assets												
1.25%	548,709,327	46,152,467	-	-	-	-	-	-	-	-	-	502,556,860
5.00%	57,279,049	99,372	2,786,369	-	-	-	-	-	-	-	-	54,393,308
20.03%	31,574,547	31,574,547	-	-	-	-	-	-	-	-	-	-
18.13%	9,956,066,916	1,115,173,158	2,130,396,919	4,113,935,260	469,039,413	568,456,809	100,856,600	819,500,692	618,571,429	-	-	20,136,636
15.10%	1,369,366,395	175,568,750	862,267,172	121,808,205	26,729,017	75,639,644	2,522,123	8,472,155	21,476,525	-	-	74,882,804
	405,652,276	-	-	-	-	-	-	-	-	-	-	405,652,276
	12,368,648,510	1,368,568,294	2,995,450,460	4,235,743,465	495,768,430	644,096,453	103,378,723	827,972,847	640,047,954	-	-	1,057,621,884
Liabilities												
	58,631,844	-	-	-	-	-	-	-	-	-	-	58,631,844
19.38%	6,530,014,720	6,421,170,855	44,128,126	40,454,354	889,185	1,879,837	2,845,381	2,107,345	14,496,265	200,000	-	1,863,372
7.88%	5,168,089,899	396,254,496	1,383,064,725	246,432,689	589,952,949	19,512,194	3,333,800	6,428,310	6,270,579	-	-	2,516,840,157
13.36%	39,520,412	-	-	-	70,909	-	156,198	-	419,491	-	-	38,873,814
21.31%	10,000,000	10,000,000	-	-	-	-	-	-	-	-	-	-
	122,160,539	-	-	-	-	-	-	-	-	-	-	122,160,539
	11,928,417,414	6,827,425,351	1,427,192,851	286,887,043	590,893,043	21,392,031	6,335,379	8,535,655	21,186,335	200,000	-	2,738,369,726
On-balance sheet gap												
	440,231,095	(5,458,857,057)	1,568,257,609	3,948,856,422	(95,124,613)	622,704,422	97,043,344	819,437,192	618,861,619	(200,000)	-	(1,680,747,842)
Off-balance sheet financial instruments												
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	23,037,900	23,037,900	-	-	-	-	-	-	-	-	-	-
	(13,500,000)	(13,500,000)	-	-	-	-	-	-	-	-	-	-
	605,071,398	260,608,502	254,643,092	69,535,758	20,284,046	-	-	-	-	-	-	-
	(508,171,486)	(262,021,749)	(254,598,897)	28,980,835	(20,531,675)	-	-	-	-	-	-	-
Off-balance sheet gap												
	106,437,812	8,124,653	44,195	98,516,593	(247,629)	-	-	-	-	-	-	-
Total Yield / Interest Rate Risk Sensitivity Gap												
	546,668,908	(5,450,732,404)	1,568,301,804	4,047,373,015	(95,372,242)	622,704,422	97,043,344	819,437,192	618,861,619	(200,000)	-	(1,680,747,842)
Cumulative Yield / Interest Rate Risk Sensitivity Gap												
		(5,450,732,404)	(3,882,430,600)	164,942,415	69,570,173	682,274,595	789,317,939	1,608,755,131	2,227,616,750	2,227,416,750	-	546,668,908

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

[illegible]

49.2.5.1 Reconciliation of Assets and Liabilities exposed to yield / interest rate risk with Total Assets and Liabilities

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

49.3 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.

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.

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.

Notes to and forming part of the Consolidated Financial Statements
For the year ended December 31, 2025

49.4.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Group

2025													
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)													
548,709,327	-	35,110,199	1,074,154	510,056,100	-	-	-	-	-	-	-	-	2,468,874
57,279,049	7,227,487	286	1,573,777	48,477,499	-	-	-	-	-	-	-	-	-
31,574,547	-	26,784,647	4,789,900	-	-	-	-	-	-	-	-	-	-
9,956,066,916	1,411,800	-	10,282,303	295,965,045	50,953,451	751,334	635,786,186	256,617,286	208,574,397	591,280,137	290,726,417	1,594,423,246	6,019,295,314
1,369,366,395	93,833,388	76,371,376	39,431,149	143,190,608	43,958,309	100,536,367	281,329,503	48,840,672	121,170,946	42,451,932	77,876,164	85,511,889	214,864,092
30,927,227	-	-	-	803,644	2,047,067	2,026,152	6,144,379	288,845	418,668	3,728,549	7,920,042	14,474,635	83,075,245
126,813,438	14,130	84,700	98,817	855,308	436,311	434,089	1,230,893	1,263,946	1,253,923	4,402,266	3,953,728	6,694,382	16,090,945
58,690,656	-	-	-	336,865	9,322	9,322	43,584	653,717	653,717	712,764	791,243	214,049	55,266,073
449,087,109	60,075,744	4,301,855	1,213,148	35,369,443	6,729,323	6,140,906	51,850,420	16,623,068	2,203,472	21,578,385	7,289,664	46,525,629	189,186,152
12,828,514,664	162,562,549	142,653,063	58,463,248	1,035,054,512	104,133,783	109,898,070	976,384,965	324,287,534	334,275,123	664,154,033	388,357,258	1,747,843,830	6,580,246,696
58,631,844	-	117,978	19,904	58,493,962	-	-	-	-	-	-	-	-	-
6,530,014,720	1,868,247	6,373,866,801	4,824,461	42,868,353	35,652,250	8,475,876	40,060,698	422,639	446,546	1,879,837	2,845,381	2,107,345	14,696,286
5,168,089,899	12,234,635	23,871,661	112,402,256	4,234,514,393	111,686,487	107,021,951	340,887,842	138,211,776	64,209,069	9,530,228	6,442,496	3,118,130	3,958,975
39,520,412	15,174	90,961	106,121	904,319	468,562	466,176	1,321,878	1,357,375	1,346,611	4,727,674	4,245,982	7,189,219	17,280,360
10,000,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000,000
136,299,736	-	-	-	136,299,736	-	-	-	-	-	-	-	-	-
180,666,240	6,556,572	2,930,886	1,339,002	68,286,224	6,788,235	30,192,544	24,347,674	11,299,876	1,703,071	7,803,910	17,680,984	1,137,531	599,731
12,123,222,851	20,674,628	6,400,878,287	118,691,744	4,541,366,987	154,595,534	146,156,547	406,618,092	151,231,666	67,705,297	23,941,649	31,214,843	13,552,225	46,535,352
505,291,813	141,887,921	6,258,225,224	60,228,496	3,306,312,075	50,461,751	36,258,477	569,766,873	172,995,868	266,569,826	640,212,384	357,342,415	1,734,291,605	6,533,711,344

Share capital	12,521,239
Reserves	138,517,698
Surplus on revaluation of assets	173,003,893
Unappropriated profit	181,178,532
Non-controlling interest	70,451
	<u>505,291,813</u>

Notes to and forming part of the Consolidated Financial Statements
For the year ended December 31, 2025

[illegible]

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
	<u>320,808,013</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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).

2025									
(Rupees in '000)									
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	548,709,327	313,008,376	29,642,089	28,878,506	41,529,173	36,706,521	41,052,035	587,093	117,631
Balances with other banks	57,279,049	54,487,765	2,791,284	-	-	-	-	-	-
Lendings to financial institutions	31,574,547	31,574,547	-	-	-	-	-	-	-
Investments	9,956,066,916	15,084,855	52,918,968	635,300,348	476,404,994	293,369,811	1,595,052,850	6,014,380,563	281,907,661
Advances	1,369,366,395	117,278,134	408,098,848	167,734,366	167,812,140	124,144,584	175,699,849	83,935,058	12,863,211
Property and equipment	120,927,227	444,892	4,065,114	6,464,268	578,135	5,879,672	14,541,747	12,748,727	70,575,389
Right-of-use assets	36,813,438	437,659	870,696	1,232,179	2,523,049	3,969,692	6,749,236	11,214,214	5,401,184
Intangible assets	58,690,656	67	18,915	46,102	1,323,494	830,628	231,054	25,301	55,585,079
Other assets	449,087,109	72,752,186	23,405,774	47,395,557	18,856,588	7,305,595	46,608,351	189,360,353	22,053,358
	12,628,514,664	605,068,481	521,811,688	887,051,326	709,027,573	472,206,503	1,879,935,122	6,312,251,309	448,503,513
Liabilities									
Bills payable	58,631,844	19,374,843	14,183,441	25,073,560	-	-	-	-	-
Borrowings	6,530,014,720	6,423,427,863	44,128,124	40,060,699	869,187	2,845,387	2,107,350	14,496,267	200,000
Deposits and other accounts	5,168,089,899	880,230,089	771,899,527	618,852,673	893,959,885	542,021,406	496,112,391	31,008,052	-
Lease liabilities	39,520,412	481,535	947,336	1,345,856	2,752,294	4,331,807	7,337,678	11,946,692	5,557,693
Subordinated debt	10,000,000	-	-	-	-	-	-	10,000,000	-
Deferred tax liabilities	136,299,736	-	-	-	34,074,934	34,074,934	34,074,934	-	-
Other liabilities	180,666,240	53,504,095	36,415,730	25,018,618	18,414,060	719,549	17,292,520	4,325,957	18,449,917
	12,123,222,851	7,377,018,425	867,574,158	710,351,406	950,070,360	583,993,083	556,924,873	71,776,968	24,207,610
Net assets	505,291,813	(6,771,949,944)	(345,762,470)	176,699,920	(241,042,787)	(111,786,580)	1,323,010,249	6,240,474,341	424,295,903
Represented by:									
Share capital	12,521,239								
Reserves	138,517,698								
Surplus on revaluation of assets	173,003,893								
Unappropriated profit	181,178,532								
Non-controlling interest	70,451								
	<u>505,291,813</u>								

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

2024									
(Rupees in '000)									
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	310,836,376	159,942,051	27,183,472	26,635,201	36,643,785	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	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	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	3,933,937	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	1,485,482	2,248,261	2,314,930	-
Intangible assets	2,792,016	264	3,238	344,500	93,285	710,100	973,117	29,390	-
Other assets	247,937,251	27,446,475	22,733,414	23,815,250	13,403,703	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	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	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	43,330,256	61,191,272	151,069,666	4,646,393
Lease liabilities	12,381,018	554,379	921,558	1,158,499	1,781,466	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	-	-	-	9,827,814	9,827,817	9,827,817	-	-
Other liabilities	147,125,664	62,023,009	27,110,551	11,652,777	22,136,572	5,988,996	284,472	4,072,385	4,564,055
	7,748,289,264	5,298,347,028	479,587,954	419,586,254	517,075,833	63,328,833	79,918,320	184,291,975	9,494,542
Net assets	320,808,013	(4,268,099,546)	(347,777,265)	207,989,136	30,347,150	513,834,746	1,083,835,917	2,859,690,802	220,405,802
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								
	<u>320,808,013</u>								

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

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 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.

49.6 Financial Crime Compliance (FCC) risk management and Pakistan FATF & APG action plan

The Bank monitor 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:

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, 2025

- 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 Programmed 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 categorized into settlement risk and pre-settlement risk. Credit proposals for derivatives transactions are approved by the relevant credit authority. 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 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 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.

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.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2025

50. YEMEN OPERATIONS

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

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

51. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

51.1 The Board of Directors, in its meeting held on February 25, 2026 has proposed a final cash dividend of Rs. 8.0 per share for the year 2025. This is in addition to Rs. 27.0 already paid during the year bringing the total dividend for the year to Rs. 35.0 per share (2024: 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, 2025 do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2026.

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

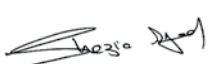
These consolidated financial statements were authorised for issue on February 25, 2026 by the Board of Directors of the Bank.

Consolidated Statement of Financial Position in USD

As at December 31, 2025

	2025	2024
	----- (US Dollars in '000) -----	
ASSETS		
Cash and balances with treasury banks	1,958,815	1,109,642
Balances with other banks	204,478	214,078
Lendings to financial institutions	112,717	66,016
Investments	35,541,756	21,025,634
Advances	4,888,445	5,153,027
Property and equipment	431,693	305,551
Right-of-use of assets	131,419	36,524
Intangible assets	209,517	9,967
Deferred tax assets	-	-
Other assets	1,603,178	885,101
	45,082,018	28,805,540
LIABILITIES		
Bills payable	209,307	157,866
Borrowings	23,311,233	17,332,999
Deposits and other accounts	18,449,353	9,423,985
Lease liabilities	141,082	44,198
Subordinated debt	35,699	35,699
Deferred tax liabilities	486,571	140,336
Other liabilities	644,953	525,218
	43,278,198	27,660,301
NET ASSETS		
	1,803,821	1,145,239
REPRESENTED BY:		
Share capital	44,699	43,701
Reserves	494,489	409,587
Surplus on revaluation of assets - net	617,600	275,984
Unappropriated profit	646,782	415,789
Total equity attributable to the equity holders of the Bank	1,803,569	1,145,061
Non-controlling interest	252	178
	1,803,821	1,145,239

These figures have been converted at Rs. 280.1231 per US Dollar from the audited consolidated financial statements

				
Syed Manzoor Hussain Zaidi	Muhammad Jawaid Iqbal	Shazia Syed	Daniel Michael Howlett	Sir Mohammed Anwar Pervez, OBE, HPk
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

Consolidated Profit and Loss Account in USD

For the year ended December 31, 2025

	2025	2024
	----- (US Dollars in '000) -----	
Mark-up / return / interest earned	4,229,789	3,872,017
Mark-up / return / interest expensed	2,939,099	3,252,476
Net mark-up / interest income	1,290,690	619,541
Non mark-up / interest income		
Fee and commission income	114,393	76,878
Dividend income	8,354	6,218
Foreign exchange income	64,181	44,837
(Loss) / gain on derivatives	(1,870)	4,394
Gain on securities - net	35,267	152,050
Capital gain on derecognition of financial assets measured at amortised cost	-	10,333
Other income	3,521	4,068
Total non mark-up / interest income	223,846	298,778
Total income	1,514,536	918,319
Non mark-up / interest expenses		
Operating expenses	474,648	346,649
Workers' Welfare Fund	20,362	11,230
Other charges	373	269
Total non mark-up / interest expenses	495,383	358,147
Share of profit of associates	3,448	3,196
Profit before credit loss allowance	1,022,601	563,368
Credit loss allowance and write-offs - net	(16,612)	45,607
Profit before taxation from continuing operations	1,039,213	517,761
Taxation	575,058	250,597
Profit after taxation from continuing operations	464,154	267,164
Discontinued operations		
Profit from discontinued operations - net of tax	-	3,351
	464,154	270,515
Attributable to:		
Equity holders of the Bank		
from continuing operations	464,081	267,110
from discontinued operations	-	1,186
	464,081	268,296
Non-controlling interest		
from continuing operations	73	54
from discontinued operation	-	2,165
	73	2,219
	464,154	270,515
	----- (US Dollars) -----	
Earnings per share for profit from continuing operations attributable to the equity holders of the Bank - Restated		
Basic and diluted	0.19	0.11
Earnings per share for profit attributable to the equity holders of the Bank - Restated		
Basic and diluted	0.19	0.11

These figures have been converted at Rs. 280.1231 per US Dollar from the audited consolidated financial statements

Category of Shareholders

As on December 31, 2025

Particulars	No of Folio	Balance Share	Percentage
DIRECTORS, CEO & CHILDREN	22	87,611,616.00	3.50
BANKS, DFI & NBFI	21	38,640,424.00	1.54
INSURANCE COMPANIES	17	84,425,429.00	3.37
MUTUAL FUNDS	49	45,711,265.00	1.83
GENERAL PUBLIC (LOCAL)	32,369	233,136,579.00	9.31
GENERAL PUBLIC (FOREIGN)	2,287	37,366,692.00	1.49
OTHERS	113	184,740,992.00	7.38
GOVERNMENT OF PAKISTAN	1	3,428.00	0.00
FOREIGN COMPANIES	40	1,302,603,858.00	52.02
GOVT. OWNED ENTITIES / BANKS	1	4,400,000.00	0.18
JOINT STOCK COMPANIES	162	483,726,567.00	19.32
CHARITABLE TRUSTS	17	1,735,194.00	0.07
MODARABAS	1	145,706.00	0.01
Total	35,100	2,504,247,750.00	100.00

Details of Mutual Funds & Modarabas

As on December 31, 2025

MUTUAL FUNDS				
Folio No	Name	Code	Balance Held	Percentage
003277003785	TRUSTEE CHERAT CEMENT CO.LTD.EMP.PRO.FND	006	23296	0.001
005371000028	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	006	8209978	0.328
005488000025	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	006	248500	0.010
005645000024	CDC - TRUSTEE HBL INVESTMENT FUND	006	73300	0.003
005652000023	CDC - TRUSTEE JS LARGE CAP. FUND	006	645580	0.026
005959000027	CDC - TRUSTEE ATLAS STOCK MARKET FUND	006	5941420	0.237
006171000021	CDC - TRUSTEE FAYSAL STOCK FUND	006	26505	0.001
006197000029	CDC - TRUSTEE ALFALAH GHP VALUE FUND	006	73000	0.003
006213000025	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	006	376550	0.015
006411000021	CDC - TRUSTEE AKD INDEX TRACKER FUND	006	325302	0.013
007252000020	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	006	24400	0.001
007377000026	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	006	4458714	0.178
009480000021	CDC - TRUSTEE NBP STOCK FUND	006	1371545	0.055
009506000026	CDC - TRUSTEE NBP BALANCED FUND	006	47629	0.002
010603000021	CDC - TRUSTEE APF-EQUITY SUB FUND	006	342532	0.014
010660000025	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	006	35720	0.001
010728000027	CDC - TRUSTEE HBL - STOCK FUND	006	203000	0.008
011049000029	MC FSL - TRUSTEE JS GROWTH FUND	006	775186	0.031
011262000023	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	006	409000	0.016
011809000026	CDC - TRUSTEE ALFALAH GHP STOCK FUND	006	2467821	0.099
011924000022	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	006	751618	0.03
012120000028	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	006	4087468	0.163
012195000021	CDC - TRUSTEE ABL STOCK FUND	006	1837696	0.073
012310000025	CDC - TRUSTEE AL HABIB STOCK FUND	006	4505000	0.180
012336000023	CDC - TRUSTEE LAKSON EQUITY FUND	006	1116779	0.045
012625000027	CDC - TRUSTEE NBP SARMAYA IZAFa FUND	006	21902	0.001
014472000025	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	006	399466	0.016
014514000028	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	006	45500	0.002
014860000027	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	006	820938	0.033
014902000021	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	006	1115410	0.045
015388000025	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	006	60200	0.002
016188000028	CDC-TRUSTEE NITPF EQUITY SUB-FUND	006	73000	0.003
016485000022	CDC - TRUSTEE ALFALAH MTS FUND - MT	006	234939	0.009
016535000024	CDC - TRUSTEE LAKSON TACTICAL FUND	006	25790	0.001
017277000026	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	006	368714	0.015
017442000025	CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	006	457379	0.018

Details of Mutual Funds & Modarabas

As on December 31, 2025

MUTUAL FUNDS				
Folio No	Name	Code	Balance Held	Percentage
017483000021	CDC - TRUSTEE UBL FINANCIAL SECTOR FUND	006	2383786	0.095
017640000020	CDC - TRUSTEE ALLIED FINERGY FUND	006	32254	0.001
018002000026	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	006	90540	0.004
018010000025	CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	006	51660	0.002
018028000024	CDC - TRUSTEE ALFALAH FINANCIAL VALUE FUND-II	006	24000	0.001
018051000021	CDC - TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND	006	104576	0.004
018234000029	CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	006	44608	0.002
018291000023	CDC - TRUSTEE NBP FINANCIAL SECTOR INCOME FUND - MT	006	106033	0.004
018721000029	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	006	72221	0.003
018770000024	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	006	12385	0.001
018911000026	CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN	006	722000	0.029
019323000027	CDC - TRUSTEE JS GLOBAL BANKING SECTOR EXCHANGE TRADED FUND	006	61425	0.003
020768000021	CDC - TRUSTEE ABL OPTIMAL ASSET ALLOCATION FUND	006	5000	0.000

MODARABAS				
Folio No	Name	Code	Balance Held	Percentage
003277009317	H4 MANAGEMENT (PRIVATE) LIMITED	017	145706	0.006

Pattern of Shareholding

As on December 31, 2025

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
10699	1	100	344,685	0.01
6941	101	500	1,673,618	0.07
12355	501	1000	11,261,218	0.45
2912	1001	5000	6,919,442	0.28
661	5001	10000	5,000,646	0.20
258	10001	15000	3,211,608	0.13
196	15001	20000	3,569,443	0.14
109	20001	25000	2,477,310	0.10
91	25001	30000	2,555,045	0.10
54	30001	35000	1,753,807	0.07
62	35001	40000	2,379,368	0.10
34	40001	45000	1,458,985	0.06
53	45001	50000	2,606,679	0.10
20	50001	55000	1,055,366	0.04
36	55001	60000	2,107,938	0.08
20	60001	65000	1,249,666	0.05
21	65001	70000	1,446,810	0.06
18	70001	75000	1,309,751	0.05
27	75001	80000	2,116,744	0.08
11	80001	85000	907,576	0.04
11	85001	90000	962,807	0.04
8	90001	95000	744,522	0.03
34	95001	100000	3,374,831	0.13
7	100001	105000	715,912	0.03
15	105001	110000	1,621,801	0.06
3	110001	115000	338,960	0.01
17	115001	120000	2,012,073	0.08
7	120001	125000	860,442	0.03
7	125001	130000	894,782	0.04
3	130001	135000	394,454	0.02
8	135001	140000	1,115,059	0.04
4	140001	145000	578,560	0.02
11	145001	150000	1,637,546	0.07
3	150001	155000	457,408	0.02
5	155001	160000	792,802	0.03
2	160001	165000	321,772	0.01
1	165001	170000	169,970	0.01
3	170001	175000	515,240	0.02
7	175001	180000	1,252,248	0.05
3	180001	185000	550,434	0.02
3	185001	190000	565,900	0.02
16	195001	200000	3,195,500	0.13
7	200001	205000	1,416,676	0.06
7	205001	210000	1,454,178	0.06
4	210001	215000	853,219	0.03

Pattern of Shareholding

As on December 31, 2025

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
3	215001	220000	654,212	0.03
2	220001	225000	441,152	0.02
7	225001	230000	1,601,901	0.06
3	230001	235000	697,701	0.03
5	235001	240000	1,191,282	0.05
3	240001	245000	728,516	0.03
7	245001	250000	1,740,500	0.07
4	250001	255000	1,015,624	0.04
3	255001	260000	779,500	0.03
3	260001	265000	788,006	0.03
3	265001	270000	806,000	0.03
3	270001	275000	820,589	0.03
3	275001	280000	835,961	0.03
4	285001	290000	1,151,558	0.05
6	295001	300000	1,800,000	0.07
2	300001	305000	604,500	0.02
2	305001	310000	618,000	0.02
1	310001	315000	314,933	0.01
2	315001	320000	636,000	0.03
5	320001	325000	1,616,894	0.06
4	325001	330000	1,306,015	0.05
2	330001	335000	665,698	0.03
3	335001	340000	1,016,963	0.04
2	340001	345000	685,372	0.03
2	345001	350000	695,428	0.03
3	350001	355000	1,058,819	0.04
5	360001	365000	1,817,942	0.07
3	365001	370000	1,104,782	0.04
2	375001	380000	756,550	0.03
2	385001	390000	776,376	0.03
1	390001	395000	394,181	0.02
17	395001	400000	6,793,066	0.27
4	400001	405000	1,615,352	0.06
1	405001	410000	409,000	0.02
2	415001	420000	835,074	0.03
2	420001	425000	842,846	0.03
4	425001	430000	1,717,708	0.07
2	430001	435000	867,678	0.03
1	435001	440000	440,000	0.02
2	440001	445000	889,294	0.04
2	445001	450000	900,000	0.04
1	450001	455000	455,000	0.02
1	455001	460000	457,379	0.02
1	460001	465000	464,000	0.02
1	465001	470000	468,766	0.02

Pattern of Shareholding

As on December 31, 2025

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
1	470001	475000	471,407	0.02
1	485001	490000	485,742	0.02
2	490001	495000	986,000	0.04
1	495001	500000	500,000	0.02
2	505001	510000	1,015,639	0.04
1	520001	525000	524,044	0.02
1	535001	540000	536,000	0.02
1	540001	545000	542,178	0.02
1	545001	550000	545,984	0.02
1	555001	560000	558,200	0.02
1	575001	580000	580,000	0.02
2	590001	595000	1,182,316	0.05
3	595001	600000	1,796,500	0.07
2	600001	605000	1,205,800	0.05
2	615001	620000	1,240,000	0.05
2	625001	630000	1,256,000	0.05
1	630001	635000	632,720	0.03
2	645001	650000	1,291,180	0.05
1	695001	700000	700,000	0.03
1	700001	705000	701,000	0.03
1	720001	725000	722,000	0.03
1	725001	730000	728,494	0.03
1	730001	735000	731,670	0.03
1	740001	745000	743,000	0.03
3	750001	755000	2,258,342	0.09
1	755001	760000	756,306	0.03
1	770001	775000	774,934	0.03
2	775001	780000	1,554,986	0.06
1	780001	785000	780,012	0.03
5	795001	800000	4,000,000	0.16
1	820001	825000	820,938	0.03
2	825001	830000	1,655,047	0.07
1	840001	845000	844,163	0.03
1	880001	885000	880,856	0.04
1	885001	890000	885,381	0.04
1	890001	895000	893,164	0.04
2	895001	900000	1,792,599	0.07
1	910001	915000	910,960	0.04
1	925001	930000	926,670	0.04
1	945001	950000	950,000	0.04
2	960001	965000	1,921,357	0.08
2	965001	970000	1,938,394	0.08
1	985001	990000	988,160	0.04
1	990001	995000	990,486	0.04
2	995001	1000000	2,000,000	0.08

Pattern of Shareholding

As on December 31, 2025

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
1	1000001	1005000	1,004,090	0.04
1	1005001	1010000	1,006,000	0.04
1	1015001	1020000	1,016,500	0.04
1	1020001	1025000	1,020,948	0.04
1	1035001	1040000	1,035,396	0.04
3	1040001	1045000	3,130,980	0.13
1	1050001	1055000	1,050,867	0.04
2	1055001	1060000	2,115,072	0.08
1	1070001	1075000	1,071,400	0.04
2	1115001	1120000	2,232,189	0.09
1	1145001	1150000	1,150,000	0.05
1	1165001	1170000	1,166,250	0.05
2	1170001	1175000	2,346,261	0.09
2	1195001	1200000	2,398,440	0.10
1	1230001	1235000	1,233,000	0.05
2	1245001	1250000	2,494,673	0.10
1	1250001	1255000	1,254,000	0.05
1	1255001	1260000	1,256,212	0.05
1	1295001	1300000	1,300,000	0.05
1	1300001	1305000	1,302,902	0.05
1	1310001	1315000	1,311,969	0.05
1	1325001	1330000	1,327,000	0.05
1	1365001	1370000	1,370,000	0.05
1	1370001	1375000	1,371,545	0.05
1	1395001	1400000	1,400,000	0.06
1	1420001	1425000	1,421,258	0.06
1	1495001	1500000	1,500,000	0.06
1	1530001	1535000	1,533,718	0.06
1	1595001	1600000	1,600,000	0.06
1	1630001	1635000	1,633,798	0.07
1	1640001	1645000	1,641,060	0.07
1	1680001	1685000	1,683,976	0.07
1	1820001	1825000	1,822,695	0.07
1	1825001	1830000	1,827,254	0.07
1	1835001	1840000	1,837,696	0.07
1	1930001	1935000	1,930,974	0.08
1	1940001	1945000	1,943,242	0.08
1	1955001	1960000	1,957,000	0.08
1	1965001	1970000	1,966,300	0.08
5	1970001	1975000	9,861,544	0.39
2	1995001	2000000	4,000,000	0.16
1	2160001	2165000	2,165,000	0.09
1	2190001	2195000	2,194,930	0.09
1	2295001	2300000	2,297,998	0.09
1	2355001	2360000	2,360,000	0.09

Pattern of Shareholding

As on December 31, 2025

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
1	2380001	2385000	2,383,786	0.10
1	2420001	2425000	2,424,686	0.10
1	2465001	2470000	2,467,821	0.10
1	2535001	2540000	2,539,681	0.10
1	2570001	2575000	2,570,090	0.10
1	2625001	2630000	2,629,831	0.11
1	2640001	2645000	2,642,470	0.11
1	2735001	2740000	2,737,886	0.11
1	2745001	2750000	2,746,631	0.11
1	2755001	2760000	2,756,908	0.11
1	2795001	2800000	2,800,000	0.11
1	2905001	2910000	2,909,698	0.12
1	2985001	2990000	2,990,000	0.12
1	2990001	2995000	2,991,001	0.12
1	2995001	3000000	3,000,000	0.12
1	3000001	3005000	3,000,334	0.12
1	3010001	3015000	3,010,814	0.12
1	3095001	3100000	3,100,000	0.12
1	3110001	3115000	3,111,330	0.12
1	3520001	3525000	3,521,204	0.14
1	3570001	3575000	3,574,000	0.14
1	3720001	3725000	3,723,940	0.15
1	3775001	3780000	3,779,723	0.15
1	3820001	3825000	3,824,819	0.15
1	4085001	4090000	4,087,468	0.16
1	4395001	4400000	4,400,000	0.18
1	4455001	4460000	4,458,714	0.18
1	4500001	4505000	4,505,000	0.18
1	4545001	4550000	4,550,000	0.18
1	4595001	4600000	4,600,000	0.18
1	4695001	4700000	4,697,740	0.19
1	4785001	4790000	4,788,984	0.19
1	4850001	4855000	4,850,464	0.19
1	4890001	4895000	4,890,308	0.20
1	4895001	4900000	4,897,880	0.20
1	4995001	5000000	5,000,000	0.20
1	5000001	5005000	5,001,574	0.20
1	5090001	5095000	5,092,826	0.20
1	5210001	5215000	5,211,024	0.21
1	5940001	5945000	5,941,420	0.24
1	8205001	8210000	8,209,978	0.33
1	8910001	8915000	8,910,642	0.36
1	9635001	9640000	9,639,773	0.38
1	9685001	9690000	9,685,666	0.39
1	9995001	10000000	10,000,000	0.40

Pattern of Shareholding

As on December 31, 2025

NO. OF SHAREHOLDERS	<---HAVING SHARES--->		SHARES HELD	PERCENTAGE
	From	To		
1	13845001	13850000	13,849,124	0.55
1	14020001	14025000	14,025,000	0.56
1	14880001	14885000	14,884,113	0.59
1	15620001	15625000	15,620,968	0.62
1	15695001	15700000	15,695,789	0.63
1	15715001	15720000	15,718,846	0.63
1	15775001	15780000	15,777,856	0.63
1	22335001	22340000	22,340,000	0.89
1	24885001	24890000	24,885,136	0.99
1	26295001	26300000	26,300,000	1.05
1	32215001	32220000	32,216,840	1.29
1	53770001	53775000	53,772,917	2.15
1	59995001	60000000	60,000,000	2.40
1	106855001	106860000	106,859,702	4.27
1	112195001	112200000	112,200,000	4.48
1	240765001	240770000	240,765,870	9.61
1	1263455001	1263460000	1,263,457,790	50.45
35100		Total	2,504,247,750	100.00

Shares Trading (Sale/ Purchase) By Directors, Sponsors, Executives of UBL and their Spouses and Minor Children During the Period From 01 January 2025 to 31 December 2025

S. #	Name	Sale / Purchase / Gift	No of Shares
1	Sir Mohammed Anwar Pervez	Purchase	515,487
2	Lord Zameer M. Choudrey	Purchase	2,106,508
3	Lord Zameer M. Choudrey	Gift out to Rakshanda Choudrey (Spouse)	17,471,853
4	Haider Zameer Choudrey	Purchase	6,651,769
5	Umair Zameer Choudrey	Purchase	6,603,046
6	Muhammad Irfan A Sheikh	Purchase	35,000
7	Tahira Sheikh (Spouse of Muhammad Irfan Anwar Sheikh Director)	Purchase	8,900
8	Bestway Cement Limited	Purchase	1,689,136
9	Muhammad Jawaid Iqbal	Gift out to Zubair Ahmad (Brother)	530,000
	Providus Capital (Pvt) Limited an associate of Muhammad Jawaid Iqbal	Purchase	16,464,000
10	Shazia Afzal (Spouse of Muhammad Jawaid Iqbal, President & CEO)	Purchase	3,265,000
11	Imran Sultan (Spouse of Ms. Nadia Tabassum)	Purchase	63,000
12	Abdul Aleem Qureshi	Sell	7,676
13	Adil Haroon	Purchase	82,453
14	Hamida Lalani (Spouse of Khwaja Rafid Masood)	Purchase	2,500
15	Imran Sarwar	Purchase	850
16	Irfan Masood	Purchase	840
	Irfan Masood	Sell	2,024
17	Muhammad Younus Sheikh	Gift out to Mrs. Farzan Younus Sheikh (Spouse)	5,626,908
18	Sheraz Ali Khan	Purchase	1,016
19	Syed Amir Ali	Purchase	2,100
	Syed Amir Ali	Sell	4,200
20	Tahir Javed	Purchase	4,807
	Tahir Javed	Sell	5,170

Total 61,144,243

Directorships / Memberships in other Corporate Bodies – Sir Mohammed Anwar Pervez, OBE, H Pk

Position as of 31 December 2025

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
9	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

Directorships / Memberships in other Corporate Bodies – Lord Zameer M. Choudrey, CBE, SI Pk

Position as of 31 December 2025

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 Officer
23	Bestway Renewable Technologies Limited, Pakistan	Chief Executive Officer
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

Directorships / Memberships in other Corporate Bodies – The Honourable Haider Zameer Choudrey

Position as of 31 December 2025

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
10	Bestway Healthcare Holdings Limited, England & Wales	Director

1 1	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

Directorship / Memberships in other Corporate Bodies – Mr. Rizwan Pervez

Position as of 31 December 2025

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	UBL 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
19	Bestway Group Investments Limited, Guernsey	Director
20	Bestway Group ME Holdings Limited, UAE	Director

Directorships / Memberships in other Corporate Bodies – Ms. Shazia Syed

Position as of 31 December 2025

S. No	Name of Corporate Bodies	Position held
1	Unilever Personal Care Business-Pakistan, Turkey, Arabia and Bangladesh	General Manager

Directorship / Memberships in other Corporate Bodies – Mr. Daniel M. Howlett

Position as of 31 December 2025

Name of Corporate Bodies	Position held
Nil	Nil

Directorship / Memberships in other Corporate Bodies – Mr. Muhammad Irfan A. Sheikh

Position as of 31 December 2025

S. No	Name of Corporate Bodies	Position held
1	Bestway Cement Limited	Director
2	Bestway Packaging Limited	Director
3	Bestway Consultancy Services (Private) Limited	Director
4	Bestway Renewable Technologies Limited	Director
5	MAP Rice Mills (Private) Limited	Director
6	United Bank Limited	Director
7	Bestway Foundation	Trustee

8	MAP Foods (Pvt.) Limited	Director
9	Bestway Automotive (Pvt.) Limited	Director

Directorship / Memberships in other Corporate Bodies – Mr. Tariq Rashid

Position as of 31 December 2025

S. No	Name of Corporate Bodies	Position held
1	Bestway Cement Limited	Independent Director

Directorship / Memberships in other Corporate Bodies – Mr. Muhammad Jawaid Iqbal, President & CEO

As of 31 December 2025

S. No	Name of Corporate Bodies	Position held
1	Institute of Bankers Pakistan	Council Member
2	Pakistan Banks’ Association	Member Executive Committee
3	Overseas Investors Chamber of Commerce and Industry	Member Managing Committee

Notice of 67th Annual General Meeting of United Bank Limited

Notice is hereby given that the 67th Annual General Meeting (“AGM”) of the Shareholders of United Bank Limited (the “Bank” or “UBL”) will be held on Thursday, 26 March 2026 at 9:30 a.m. at Islamabad Marriot Hotel, Islamabad to transact the following businesses:



Ordinary Business:

- To confirm the minutes of Extraordinary General Meeting (EOGM) held on 15 May 2025.
- 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, 2025 together with the Directors’ Report, Auditors’ Reports thereon and Chairman’s Review Report.
- To consider and, if thought fit, approve and declare final cash dividend, as recommended by the Board of Directors, at the rate of Rs. 8/- per share i.e. 160%, in addition to 430% interim cash dividend already declared/paid for the year ended 31 December 2025.
- To consider and, if thought fit, appoint External Auditors of the Bank and to fix their remuneration. It is notified that the Board Audit Committee and the Board of Directors have recommended the name of retiring auditors, M/s. EY Ford Rhodes, Chartered Accountants for re-appointment, who being eligible, have offered themselves for re-appointment.
- To elect eight (08) Directors as fixed by the Board of Directors of the Bank under Section 159(1) of the Companies Act, 2017 (“Act”) in accordance with the provisions of the Act for a period of three years commencing; from 26th March 2026. The total strength of the Board of Directors of the Bank shall be eight (08) elected directors and the President & CEO of the Bank, will be a deemed Director under section 188(3) of the Companies Act, 2017.

The retiring Directors namely, Sir Mohammed Anwar Pervez OBE H Pk, Lord Zameer M. Choudrey CBE, SI Pk, The Honorable Haider Zameer Choudrey, Mr. Rizwan Pervez, Mr. Muhammad Irfan A. Sheikh, Mr. Tariq Rashid, Ms. Shazia Syed and Mr. Daniel M. Howlett, are eligible for re-election.

Special Business:

- To consider and, if thought fit, approve revised “Directors Remuneration Policy”, for the Chairman and other Non-Executive Directors, including Independent Directors, as approved and recommended by the Board of Directors of the Bank and in this connection to pass the ordinary resolution as proposed in the statement of Material facts annexed to the Notice.

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, 05 March 2026

Notice of 67th Annual General Meeting of United Bank Limited

Notes:

- The Share Transfer Books of the Bank shall remain closed from 20 March 2026 to 26 March 2026 (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 19 March 2026 will be treated in time for the purpose of attending this AGM and for dividend entitlement.
- 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
- 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.
- Any person who seeks to contest the election to the office of a Director, whether he/she is a retiring Director or otherwise, shall file the following with the Company Secretary of the Bank at Secretary’s Department, United Bank Limited, Head office 2nd Floor, I. I. Chundrigar Road, Karachi not later than fourteen (14) days before the date of the meeting:
 - His/her intention to offer him/herself for the election of Directors in terms of Section 159 (3) of the Companies Act, 2017 along with duly signed consent to act as Director under Section 167 of the Companies Act 2017 and certify that he/she is not ineligible to become director of the Bank under any applicable laws, rules and regulations and circulars / directives.
 - Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017 to act as the director of a listed company.
 - Declaration by independent director(s) in terms of Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, wherever applicable.
 - Undertaking on non-judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018, wherever applicable.
 - A questionnaire duly completed, recent photograph, copy of CNIC / Passport and Affidavits to, inter-alia, meet the requirement of State Bank of Pakistan’s Corporate Governance Regulatory Framework (CGRF) and the Fit and Proper Test for Appointment of Directors, as contained in Annexures to CGRF.
- In terms of the criteria prescribed by the State Bank of Pakistan, association of the following person as director is undesirable and against public interest:
 - A person who is / has been associated with any illegal activity, especially relating to banking business;
 - A person who is in his individual capacity or a proprietary concern of any partnership firm or any private limited company or any unlisted public company or any listed public company (of which he has been a proprietor, partner, director or shareholder), has been in default of payment of dues owed to any financial institution and / or in default of payment of any taxes;
 - Has been associated as director and/or chief executive with the corporate bodies who have defaulted in payment of Government duties/taxes etc.; and
 - Has not sufficient means to discharge his/her financial obligations, if any.
- 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”).
- 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.

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/appearing 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/appearing into ATL before the date of issuance of Dividend Warrants, otherwise tax on their cash dividend will be deducted @ 30.00%.

Notice of 67th Annual General Meeting of United Bank Limited

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)

For any query, 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

9. 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 2025 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. Members 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>

10. 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 26 March 2026 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

Notice of 67th Annual General Meeting of United Bank Limited

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 after verification of the particulars of the shareholders:

S. No.	Name of the Shareholder	CNIC Number	Folio/CDC Account No.	Cell Number	Email Address

11. 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 _____ (Name of City) _____. _____ Signature of the Member
--

12. 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 26 March 2026 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:

- 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 19 March 2026
- 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 23 March 2026, 09:00 a.m. and shall close on 25 March 2026 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 voting through Postal Ballot:

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 Wednesday, 25 March 2026. The signature on the ballot paper shall match with the signature on CNIC.

13. Appointment of Scrutinizer:

The Bank has appointed M/s. PKF F.R.A.N.T.S, Chartered Accountants, 16/II, N Lane, Commercial Avenue, Phase IV, DHA, Karachi as Scrutinizer in compliance with regulation 11 of the Companies (Postal Ballot) Regulations, 2018 are a renowned firm of Chartered Accountants which has extensive experience in managing the voting process in terms of above regulations.

14. Prohibition on distribution of Gifts:

In terms of the requirements of Section 185 of the Companies Act, 2017, the distribution of gifts in any form to members at the General Meeting is prohibited by the Securities and Exchange Commission of Pakistan. Any contravention or default in complying with this requirement may constitute an offence and shall be liable to a penalty under the Act. Shareholders are, therefore, requested not to demand or insist upon the receipt of any gift.

This disclosure is being made in accordance with the requirements of the S.R.O.452/(I)/2025 dated 17 March 2025.

Notice of 67th Annual General Meeting of United Bank Limited

15. 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.

16. 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 dividend 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, the members may contact the Bank’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

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.

17. 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, 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.

18. 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.

19. 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, CONCERNING TO THE SPECIAL BUSINESS:

This statement of material facts pertains to the special business to be transacted at the Annual General Meeting of United Bank Limited (“Bank”), to be held on 26 March 2026.

Agenda Item 6: To consider and, if thought fit, approve revised “Directors Remuneration Policy” for the Chairman and other Non-Executive Directors, including Independent Directors, as approved and recommended by the Board of Directors of the Bank and in this practice to pass the following resolution as ordinary resolution.

“RESOLVED that the revised “Directors Remuneration Policy” for the Chairman and other Non-Executive Directors, including Independent Directors, as approved and recommended by the Board of Directors of the Bank, in its meeting held on 18 December 2025, be and is hereby confirmed and approved on post facto basis”.

The amended Directors’ Remuneration Policy of the Bank has been placed at the Registered Office of the Bank which can be inspected during the business hours on any working day from the date of publication of this Notice of AGM till the day before AGM.

The Board of Directors of UBL has approved and recommended the revised version of Directors Remuneration Policy in its meeting held on 18 December , 2025. Revisions have been made in line with the market conditions and applicable regulatory instructions. The revised policy is placed on the website of UBL at below appended link.

<https://www.ubldigital.com/Investor-Relations/Stock-Information>



FORM OF PROXY

67th Annual General Meeting of United Bank Limited

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 _____ as my/our proxy to vote for me/us and on my/our

behalf at the 67th Annual General Meeting of UBL scheduled to be held on **Thursday, 26 March 2026 at 09:30 a.m.** at Islamabad Marriott Hotel, Islamabad and at any adjournment thereof.

Signed this _____ day of _____ 2026

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 CNICs or the Passports of the beneficial owner(s) and 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.

پراکسی فارم

یونائیٹڈ بینک لمیٹڈ کا 67 واں سالانہ اجلاس عام

میں / ہم _____ سکنہ _____ یونائیٹڈ بینک لمیٹڈ ("UBL") کے ممبر کی حیثیت سے _____ عمومی
شیر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں، جیسا کہ شیر رجسٹرڈ فلیو نمبر _____ اور / یا سی ڈی سی پارٹی سلیپشن آئی ڈی
نمبر _____ اور اکاؤنٹ نمبر _____ میں درج ہے، یہاں پر
_____ سکنہ _____ کو اور ان کی عدم موجودگی میں اس جگہ پر
_____ سکنہ _____ کو میرا / ہمارا نمائندہ مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں تاکہ وہ میری / ہماری جگہ پروٹا حق استعمال کر سکے اور میری / ہماری جگہ پر
26 مارچ 2026 بروز جمعرات صبح **09:30 بجے**، اسلام آباد میرٹ ہوٹل، اسلام آباد میں منعقد ہونے والے یو بی ایل کے **67** ویں سالانہ اجلاس عام یا اس کے ملتوی
شدہ اجلاس میں شرکت کے مجاز ہوں گے۔

دستخط _____ ویں / روز _____ **2026** کیے گئے

گواہ: **1**

دستخط: _____

نام: _____

قومی شناختی کارڈ نمبر / پاسپورٹ نمبر: _____

پتہ: _____

گواہ: **2**

دستخط: _____

نام: _____

قومی شناختی کارڈ نمبر / پاسپورٹ نمبر: _____

پتہ: _____

نوٹ:

- 1۔ اجلاس عام میں شرکت اور ووٹ کا حق رکھنے والا ممبر اپنی جگہ کسی بھی شخص کو اجلاس میں شرکت اور ووٹ دینے کے لیے پراکسی مقرر کر سکتا ہے / کر سکتی ہے۔
- 2۔ پراکسی کو مقرر کرنے کی دستاویز پر لازمی طور پر ممبر یا اس کے اٹارنی کے تحریری طور پر تصدیق شدہ دستخط ہوں۔ اگر ممبر کوئی کارپوریشن (حکومت پاکستان کے علاوہ دیگر) ہے تو اس کی عام مہر (common seal) بھی دستاویز پر چسپاں ہوگی۔
- 3۔ پراکسی کو مقرر کرنے والی دستاویز، پاؤ آف اٹارنی کے ساتھ، اگر کوئی ہو، جس کے تحت اُس کی دستخط شدہ یا تصدیق شدہ کاپی ہمارے رجسٹرار / شیرٹر انسفر ایجنٹس، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیوٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ نمبر 2، ڈی ایچ اے فیز VII، کراچی، کو اجلاس کے انعقاد سے 48 گھنٹے پہلے وصول ہو جانی چاہیے۔
- 4۔ اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور ایک سے زیادہ پراکسی کی دستاویزات رجسٹرار کو ارسال کرتا ہے تو ایسی تمام پراکسیز کی دستاویزات کو منسوخ قرار دیا جائے گا۔
- 5۔ پراکسی فارم کے جاری کیے جانے والی جگہ کے مطابق قابل اطلاق اسٹیپ ڈیوٹی اد / چسپاں کی جائے گی۔
- 6۔ پراکسی فارم پر جن دو افراد کی گواہی ہونی ہے، اُن کے نام، پتہ اور قومی شناختی کارڈ / پاسپورٹ نمبر بھی فارم پر درج ہونے چاہئیں۔
- 7۔ پراکسی فارم کے ساتھ پراکسی مقرر کرنے والے فرد کا قومی شناختی کارڈ یا پاسپورٹ نمبر بھی درج ہوں گے اور پراکسی کو پراکسی فارم کے ساتھ موجود ہونا چاہئیں۔
- 8۔ پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- 9۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ مع نمونہ کے دستخط پراکسی فارم کے ساتھ کمپنی کے پاس جمع کرانے ہوں گے۔

Affix
Correct
Postage

Registrar

M/s. THK Associates (Pvt.) Limited,
Plot No. 32-C, Jami Commercial Street 2,
DHA Phase VII, Karachi-75500,
Pakistan.

درست
ڈاک ٹکٹ
چسپاں کریں

رجسٹرار
میسرز، ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ نمبر 2، ڈی ایچ اے
فیز-VII، کراچی۔ 75500، پاکستان

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 Thursday, 26 March 2026 at 09:30 a.m. at Islamabad Marriot Hotel, Islamabad.
Website: www.ubldigital.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 (✓), your 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:

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Agenda Item 6: "RESOLVED THAT the revised "Directors Remuneration Policy" for the Chairman and other Non-Executive Directors, including Independent Directors, as approved and recommended by the Board of Directors of the Bank, in its meeting held on 18 December 2025, be and is hereby confirmed and approved on post facto basis".			

NOTES:

1. Dully 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@ubl.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 25 March 2026 before 5:00 p.m. 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.ubldigital.com/Investor-Relations/Stock-Information>
Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date

بذریعہ ڈاک ووٹ ڈالنے کے لیے پوسٹل بیلٹ پیپر

یونائیٹڈ بینک لمیٹڈ			
26 مارچ 2026ء بروز جمعرات، صبح 9:30 بجے ہ نظام اسلام آباد میرٹ ہوٹل اسلام آباد میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کے لیے بذریعہ ڈاک ووٹ ڈالنے کے لیے پوسٹل بیلٹ پیپر۔ ویب سائٹ: www.ubldigital.com			
فیوچر ایڈیٹی اکاؤنٹ نمبر			
شیر ہولڈر اپر کسی ہولڈر کا نام			
اندراج کردہ پتہ			
ملکت شیرازی تعداد			
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کرنی ہوگی)			
اضافی معلومات اور دستاویز (کارپوریت ہاڈی، کارپوریشن اور دفاتی حکومت کا نمائندہ ہونے کی صورت میں)			
دستخط کنندہ کا نام			
دستخط کنندہ کا کمپیوٹرائزڈ قومی شناختی کارڈ نمبر / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کرنی ہوگی)			
ہدایات برائے پال			
۱۔ متعلقہ پاس میں اپنے ووٹ کی نشاندہی کے لیے (✓) کا نشان لگا دیے۔			
۲۔ دوڑوں پاسز میں (✓) کا نشان لگانے کی صورت میں آپ کا پال ”مسٹر“ تصور کیا جائے گا۔			
میں/ ہم مذکورہ بالا قرارداد کی روشنی میں بیلٹ کے ذریعے میں/ ہم اپنا ووٹ استعمال کرتا ہوں / کرتی ہوں / کرتے ہیں نیز درج ذیل کے متعلق پاس میں (✓) کا نشان لگاتے ہوئے قرارداد سے متعلق اپنی/ ہماری رضامندی/ اختلاف کا اظہار کرتا ہوں / کرتی ہوں / کرتے ہیں:			
نمبر شمار	قرارداد کی نوعیت اور تفصیل	ووٹ ڈالے جانے عمومی	میں/ ہم متعلقہ قرارداد کے لیے میں/ ہم متعلقہ قرارداد کرتا ہوں میں/ ہم متعلقہ قرارداد کرتی ہوں / کرتے ہیں
۱	ایجنڈا نمبر ۶: ”یہ قرارداد منظور کی جاتی ہے کہ چیئرمین اور دیگر تان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کے لیے نظر ثانی شدہ ”ڈائریکٹرز معاوضہ پالیسی“، جسے بینک کے بورڈ آف ڈائریکٹرز نے اپنے 18 دسمبر 2025 کو منعقدہ اجلاس میں منظور اور تجویز کیا تھا، اسے بعد از منظوری کی بنیاد پر یہاں تصدیق اور منظور کیا جاتا ہے۔“		

نوٹس:

۱۔ مکمل طرح سے پُر شدہ پوسٹل بیلٹ پیپر یونائیٹڈ بینک لمیٹڈ کے چیئرمین رجسٹرڈ آفس 13 ویں منزل، یو بی ایل بلڈنگ ، جناح ایونیو، بلواریا، اسلام آباد پر بھیجیں یا general.meeting@ubl.com.pk پر ای میل کریں۔

۲۔ کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی کاپی (غیر ملکی ہونے کی صورت میں) پوسٹل بیلٹ فارم سے منسلک ہونی چاہیے۔

۳۔ بیلٹ پیپر سالانہ اجلاس عام سے کم از کم ایک دن قبل تاریخ 25 مارچ 2026، شام 5:00 بجے تک پہنچ جانے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے قابل غور نہیں سمجھا جائے گا۔

۴۔ بیلٹ پیپر پر موجود دستخط کا کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کے دستخط سے مماثل ہونا ضروری ہے۔ (غیر ملکی ہونے کی صورت میں)

۵۔ نامکمل، غیر دستخط شدہ، غلط خراب، پھٹا ہوا نسخہ شدہ، دوبارہ تر پُر شدہ پال بیلٹ پیپر مسترد کر دیا جائے گا۔

۶۔ کمپیٹرائزٹ 2017ء کے سیکشن 138 یا 139 کے مطابق جیسے کہ قابل اطلاق ہے کہ ہاڈی کارپوریت، کارپوریشن یا دفاتی حکومت کا نمائندہ ہونے کی صورت میں بیلٹ پیپر فارم کے ساتھ مجاز فرد کے کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی، بورڈ کے قرارداد کی تصدیق شدہ کاپی، اپاؤڈر آف انارٹی، اختلاف نامہ وغیرہ منسلک ہونا ضروری ہے۔ غیر ملکی ہاڈی

کارپوریت وغیرہ ہونے کی صورت میں تمام دستاویزات کا کونسل ہنرل آف پاکستان سے تصدیق ہونا ضروری ہے جو ہر پورا قومی دائرہ کار رکھتا ہو۔

۷۔ پوسٹل بیلٹ پیپر فارم بینک کی ویب سائٹ <https://www.ubldigital.com/Investor-Relations/Stock-Information> پر فراہم کر دیے گئے ہیں، ممبران پوسٹل بیلٹ پیپر فارم بینک کی ویب سائٹ سے ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والے اشتہار کی اصل فوٹو کاپی کا استعمال کر سکتے ہیں۔

تاریخ:

شیر ہولڈر اپر کسی ہولڈر / مجاز فرد کے دستخط

(کارپوریت فرد ہونے کی صورت میں براہ مہربانی کمپنی کی ہر چپاں کریں)

سشاروں سے آگے جہاں اور بھی ہیں

BEYOND LIMITS,
INTO THE FUTURE

ANNUAL REPORT 2025