

# **United Bank Limited**

## **Performance Review**

### **1Q 2010**

April 27, 2010

# Key Highlights (Bank only)

- PAT up 10% yoy at Rs. 2.8 B
- Net Interest income up 3%
  - Mainly due to lower cost of funds (cost Mar' 2009: 6.3%; Mar' 2010: 4.7%)
  - Increase in average core deposits by 7%
  - Net interest margin (NIM) up to 7.1% (Mar'2009: 6.8%)
- Non Interest income up 7%
  - Fee income up 14% to Rs 1.5B owing to higher commission on cash management & trade income
  - Dividend income increased to Rs 138M as compared to Rs 35M
  - Commissions on consumer loans declined by 12% owing to net attrition in the lending portfolio
  - Exchange income down to Rs. 361M
- Provision charge of Rs 2.1 B,
  - 27% charge from corporate; 34% from consumer; 21% from commercial & 20% from international
  - However, provisions taken this quarter are lower than the prov. taken in each of the last three quarters

# Key Highlights (Bank only)

- Bank expenses up by 4%;
  - Dom. Exp. up by 3% while average inflation at 13% yoy; Intl rupee exp.+8%; Intl dollar exp. +1%
  - Personnel cost are only up by 1%; headcount reduction by 875 (6%) to 13,872 from Mar'09
  
- Advances reduced to Rs. 331B; Domestic -5%; Intl -9% ; Intl \$ -9%
  - Reduction mainly coming from commodity, seasonal and International advances
  
- Deposits reduced by 8% to Rs 451B; Domestic -8% ; Intl -10% ; Intl \$ -10%
  - CASA ratio increased to 68% at Mar'10 from 67% at Dec'09
  - 75% of the reduction in deposits is due to the shedding of high cost deposits
  - Rs. 9bn decrease in low cost deposits; expensive deposits shed by 32bn
  
- Total capital adequacy of 13.2% and Tier-1 CAR of 8.9%

# Summary

	Mar 2010	Dec 2009	Change
Assets (PKR bn)	606	640	-5%
Advances (PKR bn)	340	362	-6%
Market Share-Adv-DOM	8.6%	8.8%	
Deposits (PKR bn)	462	504	-8%
Market Share-Deposits-DOM	8.1%	8.8%	
Online branches	928	928	-
ATMs	412	412	-
ROAA	1.8%	1.5%	
ROAE	16%	16%	
Credit Rating (JCR-VIS)	AA+/A-1+	AA+/A-1+	re-affirmed

# Share Info

	Mar 2010	Dec 2009
EPS (Rs/share-annual.)	9.0	7.8
BV/share (Rs/share)	54.6	55.0
Price* - (Rs /share)	61.0	58.6
P/E	6.8x	7.5x
P/BV	1.1x	1.1x
# of shares <sup>1</sup>	1,224	1,224

*1 Post bonus shares*

*\* Mar-10 Price dated April 22, 2010*

*\* Dec-09 Price dated February 18, 2010 (price adjusted for bonus share)*

# Income Statement (Bank only)

(PKR bn)	QTD Mar'10	QTD Dec'09	Var %	3 Month Mar'10	3 Month Mar'09	Var %
Net Interest Income	8.13	8.90	-9%	8.13	7.90	+3%
Non Interest Income	2.43	3.31	-27%	2.43	2.27	+7%
<b>Operating Revenue</b>	<b>10.56</b>	<b>12.21</b>	<b>-14%</b>	<b>10.56</b>	<b>10.17</b>	<b>+4%</b>
Operating Expense	(4.08)	(4.33)	+6%	(4.08)	(3.92)	-4%
<b>Pre-Provision Oper. Profit</b>	<b>6.48</b>	<b>7.88</b>	<b>-18%</b>	<b>6.48</b>	<b>6.25</b>	<b>+4%</b>
Provision Exp./Other writeoffs	(2.12)	(3.62)	+41%	(2.12)	(2.23)	+5%
WWF / SBP Penalty	(0.09)	(0.18)	+47%	(0.09)	(0.08)	-12%
<b>Profit Before Tax</b>	<b>4.26</b>	<b>4.08</b>	<b>+4%</b>	<b>4.26</b>	<b>3.94</b>	<b>+8%</b>
<b>Profit After Tax</b>	<b>2.78</b>	<b>2.83</b>	<b>-1%</b>	<b>2.78</b>	<b>2.54</b>	<b>+10%</b>

# Income Statement (Consolidated)

PKR (bn)	QTD Mar'10	QTD Dec'09	Var %	3 Month Mar'10	3 Month Mar'09	Var %
Net Interest Income	8.27	9.00	-8%	8.27	8.01	+3%
Non Interest Income	2.58	3.51	-26%	2.58	2.68	-4%
<b>Operating Revenue</b>	<b>10.85</b>	<b>12.50</b>	<b>-13%</b>	<b>10.85</b>	<b>10.69</b>	<b>+2%</b>
Operating Expense	(4.39)	(4.61)	+5%	(4.39)	(4.20)	-5%
<b>Pre-Prov. Operating Profit</b>	<b>6.46</b>	<b>7.89</b>	<b>-18%</b>	<b>6.46</b>	<b>6.49</b>	<b>-0%</b>
Provision Exp./Other writeoffs	(2.14)	(3.90)	+45%	(2.14)	(2.22)	+4%
WWF / SBP Penalty	(0.09)	(0.18)	+48%	(0.09)	(0.08)	-12%
<b>Profit Before Tax</b>	<b>4.23</b>	<b>3.82</b>	<b>+11%</b>	<b>4.23</b>	<b>4.18</b>	<b>+1%</b>
<b>Profit After Tax</b>	<b>2.74</b>	<b>2.55</b>	<b>+8%</b>	<b>2.74</b>	<b>2.76</b>	<b>-1%</b>

# Balance Sheet

PKR (bn)	Mar'10	Dec'09	% Change	Mix- Mar'10	Mix- Dec'09
Cash & bank balances	68.2	75.3	-9%	11%	12%
Investments	140.6	137.7	+2%	23%	22%
Advances	339.6	362.1	-6%	56%	57%
Fixed assets	24.1	23.7	+1%	4%	4%

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<b>Total Assets</b>	<b>605.5</b>	<b>640.4</b>	<b>-5%</b>	<b>100%</b>	<b>100%</b>
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Deposits	462.4	503.8	-8%	86%	88%
Borrowings	41.8	37.2	+12%	8%	6%

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<b>Total Liabilities</b>	<b>538.7</b>	<b>573.1</b>	<b>-6%</b>	<b>100%</b>	<b>100%</b>
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Shareholder equity	57.6	58.2	-1%	86%	86%
Surpl/(Def.) on reval.of assets	9.2	9.1	+1%	14%	14%
<b>Total Equity</b>	<b>66.8</b>	<b>67.3</b>	<b>-1%</b>	<b>100%</b>	<b>100%</b>



# Financial Ratios

	QTD Mar'10	QTD Dec'09	3 month Mar'10	3 month Mar'09
Loan/Deposits	73%	72%	73%	77%
ROAE	16%	16%	16%	21%
ROAA	1.8%	1.6%	1.8%	1.8%
Cost/Income Ratio	51%	54%	51%	51%
Gross NPLs/Gross Advances	11.3%	10.3%	11.3%	8.2%
Net NPLs/Gross Advances	3.2%	3.0%	3.2%	2.7%
Coverage Ratio	72%	71%	72%	67%
CAR (Standalone)	13.2%	13.2%	13.2%	11.5%
Tier 1 CAR (Standalone)	8.9%	9.0%	8.9%	7.8%

# Deposit Structure (Bank level)

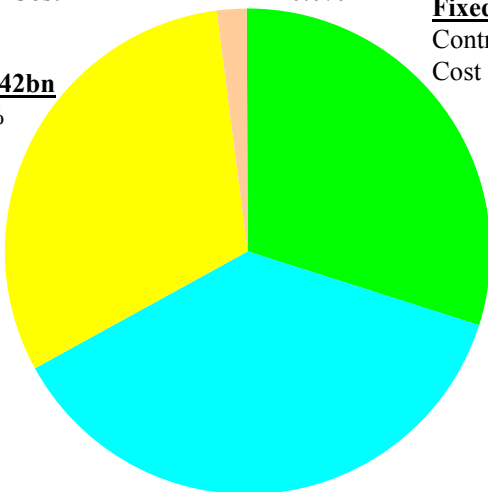
## Deposit Mix (YTD March 2010) - Bank (Parent Company)

### Other Deposits – PKR 9bn

Contribution 2%  
Cost 0.0%

### Fixed Deposits – PKR 136bn

Contribution 30%  
Cost 7.0%



### Current Deposits – PKR 142bn

Contribution 31%  
Cost 0%

### Saving Deposits – PKR 165bn

Contribution 37%  
Cost 4.9%

**Total Deposits = PKR 451 bn**

**Cost of Deposits = 4.0%**

**CASA = 68%**

## Cost of Deposits

	QTD Mar'10		QTD Dec'09	
	Period end Rs B	Avg.Yield /Cost	Period end Rs B	Avg.Yield /Cost
Saving deposits	165	4.9%	178	4.9%
Current deposits	142	0.0%	153	0.0%
Fixed deposits	136	7.0%	151	7.0%
Other deposits	9	0.0%	10	0.8%
<b>Total deposits</b>	<b>451</b>	<b>4.0%</b>	<b>492</b>	<b>4.0%</b>

CASA	68%	67%
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Domestic deposits	361	4.5%	392	4.5%
International deposits	90	2.3%	100	2.5%
Intl. deposits -US\$ M	1,071	2.3%	1,186	2.5%

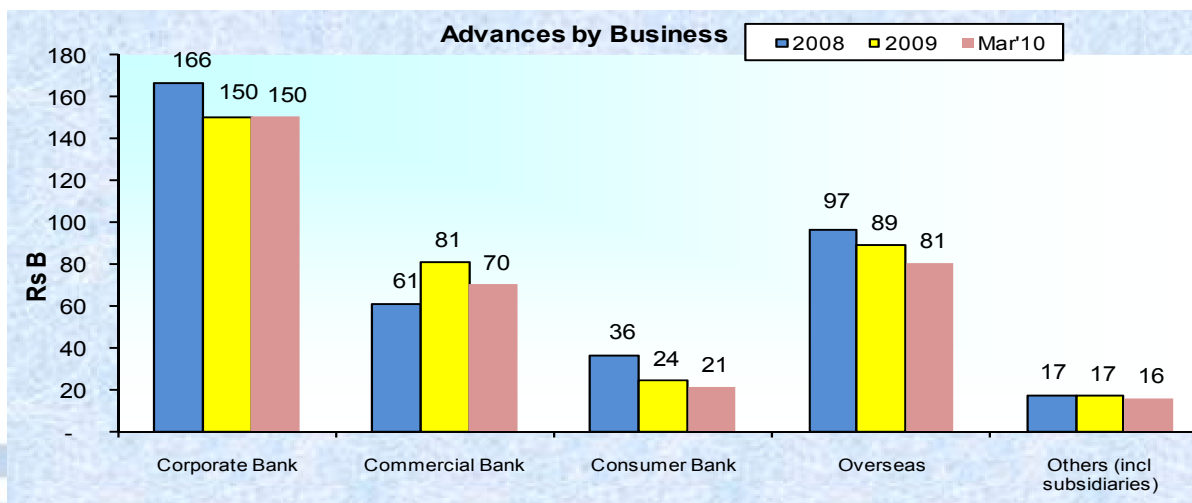
Domestic CASA	75%	75%
International CASA	36%	32%

# Advances by Business

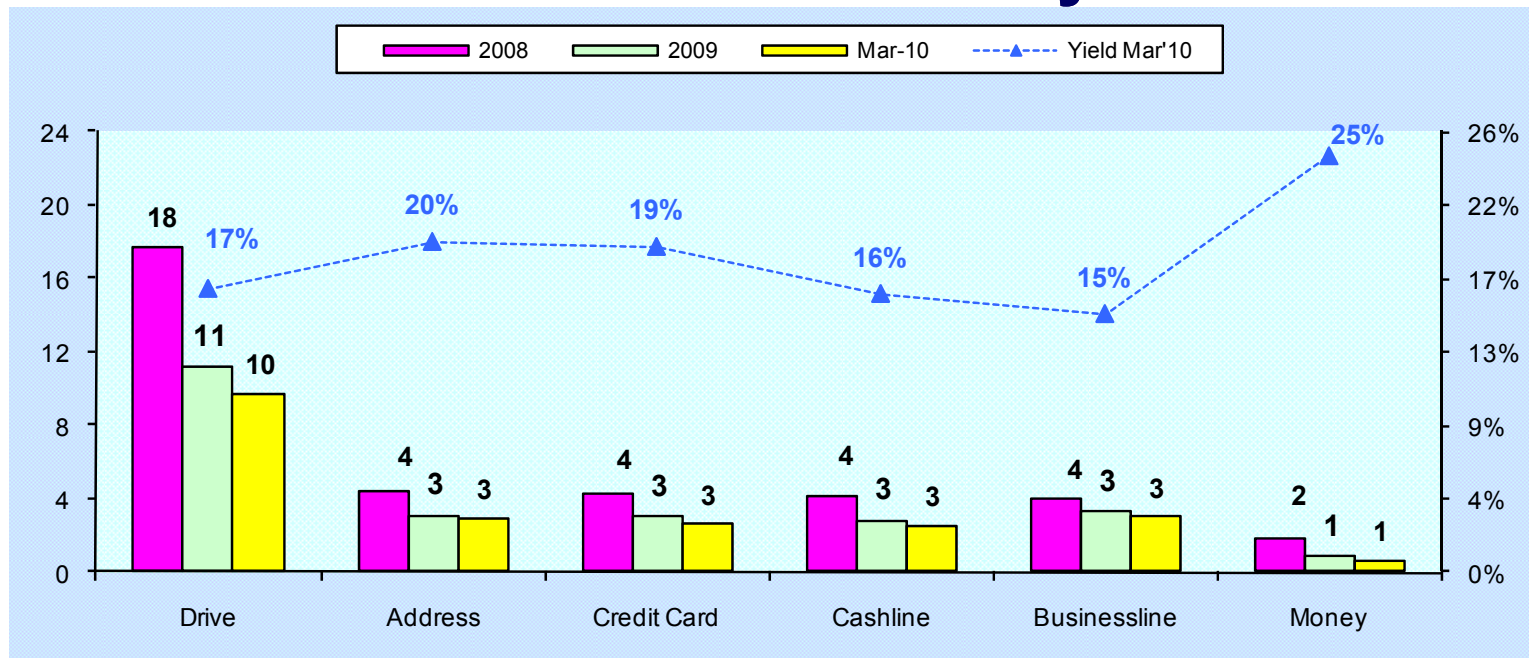
Net Advances-Rs.B	%			Mix'10	Yield 10	Yield 09
	Mar'10	Dec'09	Change			
Corporate Bank	150.3	150.1	+0%	60%	13.4%	14.3%
Commercial Bank*	70.3	81.2	-13%	28%	14.7%	16.1%
Consumer Bank	21.4	24.3	-12%	9%	17.3%	17.9%
Others	8.5	9.3	-8%	3%	8.9%	10.2%
<b>Domestic</b>	<b>250.6</b>	<b>264.9</b>	<b>-5%</b>	<b>100%</b>	<b>14.0%</b>	<b>15.1%</b>
International	80.9	89.2	-9%		8.0%	8.1%
<b>Bank</b>	<b>331.5</b>	<b>354.1</b>	<b>-6%</b>		<b>12.5%</b>	<b>13.2%</b>
Subsidiaries	8.1	8.0	+2%			
<b>Bank-Consolidated</b>	<b>339.6</b>	<b>362.1</b>	<b>-6%</b>			

International (US\$ M)	962	1,059	-9%			
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\* of which commodity advances of Rs 44B (Dec'09: 50B)



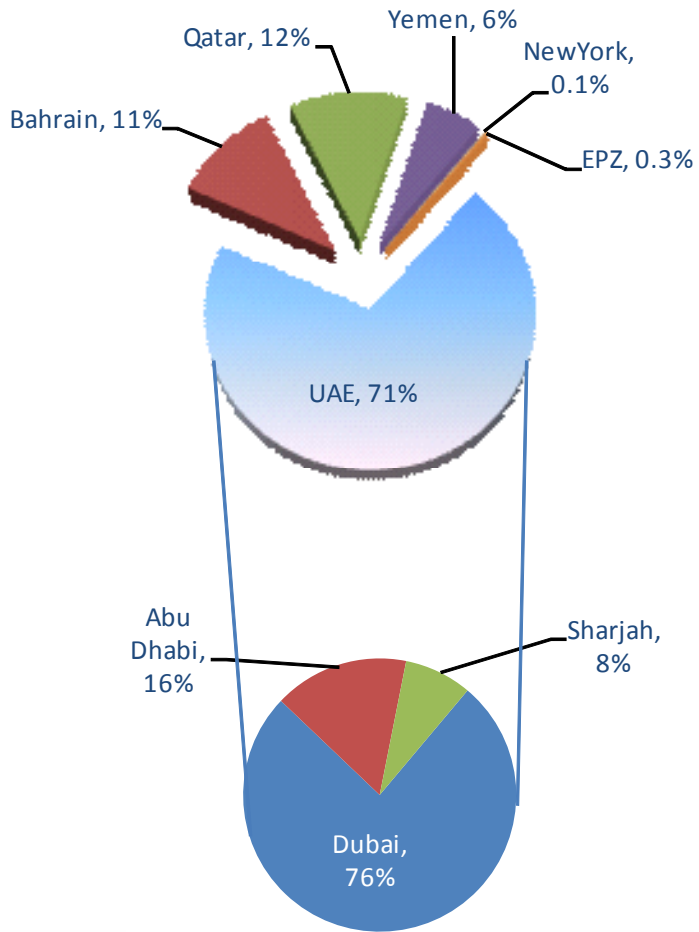
# Consumer Advances by Product



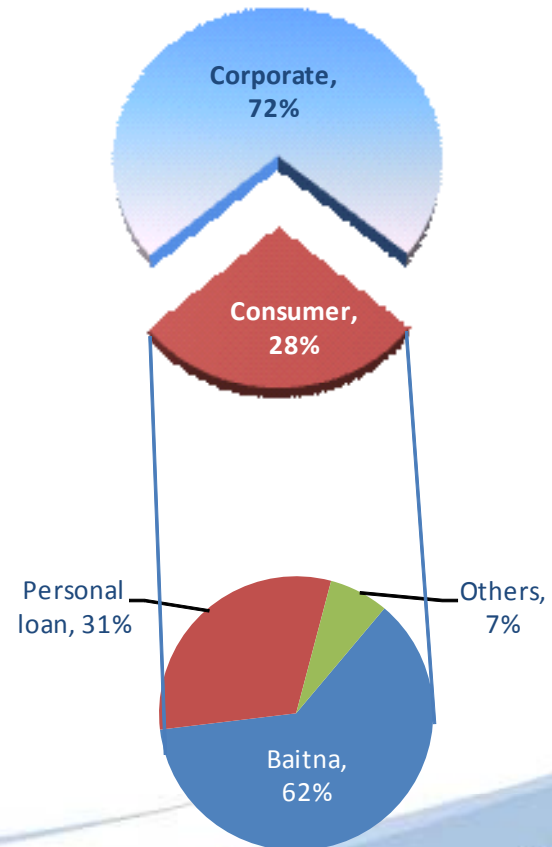
	Mar'10	Dec'09	% Change	Mix'10	Yield 10	Yield 09
Drive	9.7	11.2	-13%	45%	16.7%	16.7%
Address	2.9	3.1	-6%	14%	19.5%	17.7%
Credit Card	2.6	3.0	-14%	12%	19.2%	21.6%
Cashline	2.5	2.8	-11%	12%	16.4%	17.7%
Businessline	3.0	3.3	-9%	14%	15.2%	17.1%
Money	0.6	0.8	-25%	3%	24.6%	22.2%
<b>Total</b>	<b>21.4</b>	<b>24.3</b>	<b>-12%</b>	<b>100%</b>	<b>17.3%</b>	<b>17.9%</b>

# International Advances

**By Geography**



**By Business**



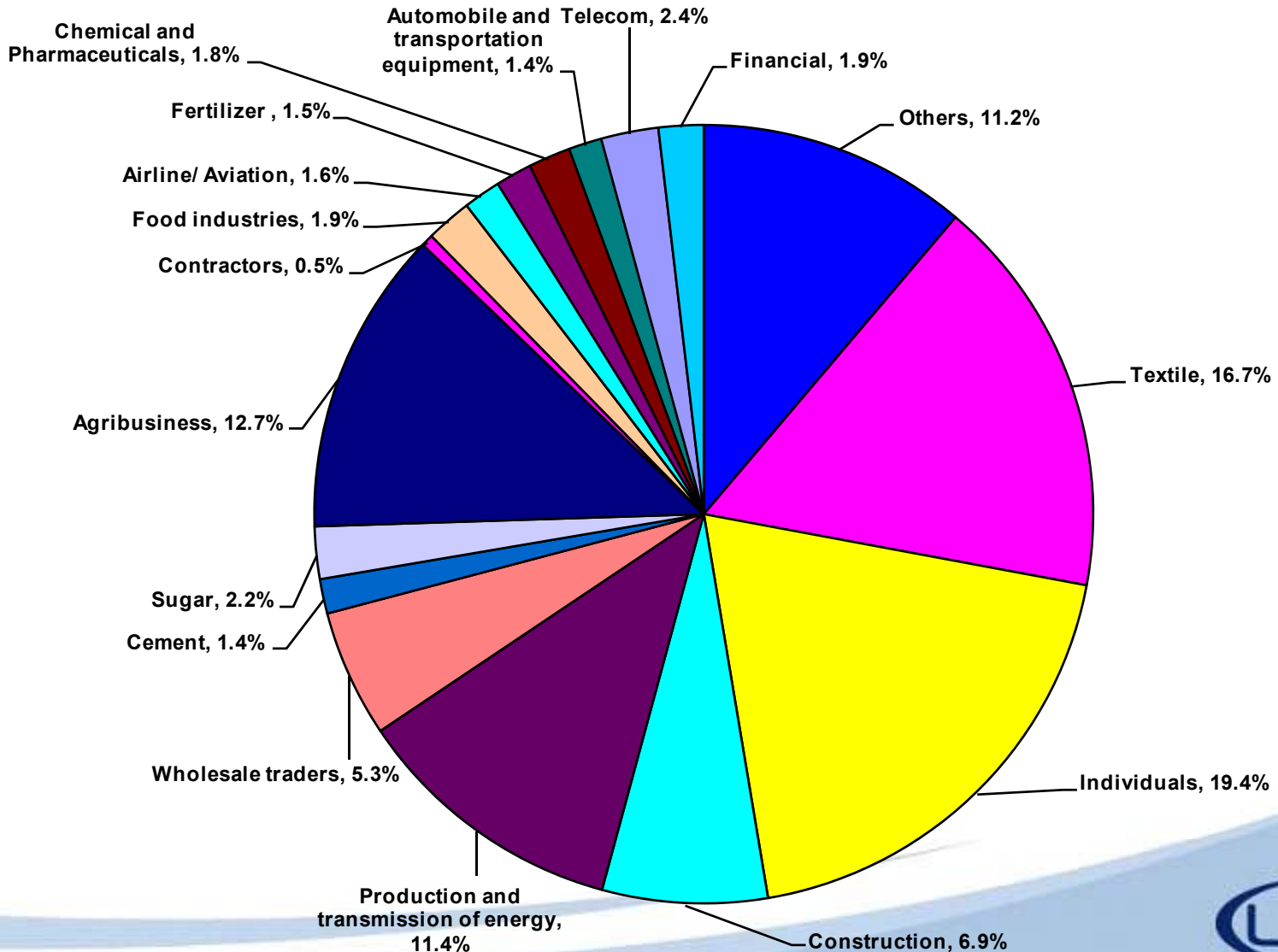
# Spread Analysis-Bank Level

Bank	QTD Mar 2010				QTD Mar 2009			
	PE	AVG	IE	Avg.Yield /Cost	PE	AVG	IE	Avg.Yield /Cost
Rs B								
Average Kibor 6M				12.4%				14.1%
<b>Interest Earning Assets</b>								
<b>Performing Advances</b>	312	325	10.0	12.5%	343	352	12.2	14.1%
Corporate	138	140	4.6	13.4%	149	153	5.7	15.2%
Commercial	24	25	0.9	14.0%	31	33	1.4	17.1%
Commodity	44	47	1.8	15.1%	28	27	1.2	18.4%
Consumer	20	21	0.9	17.3%	31	34	1.7	19.8%
International	79	82	1.6	8.0%	94	95	1.9	8.2%
Others	8	8	0.2	8.9%	9	9	0.3	11.7%
Investments (earning)	134	133	3.7	11.2%	138	115	3.3	11.6%
Lending To Financial Institution	14	15	0.4	10.4%	14	19	0.5	10.4%
Others	15	13	0.1	1.6%	13	10	0.0	1.1%
<b>Total int. earning assets (a)</b>	<b>476</b>	<b>487</b>	<b>14.1</b>	<b>11.8%</b>	<b>508</b>	<b>497</b>	<b>16.1</b>	<b>13.1%</b>
<i>Non earning assets</i>	110	104	-	0.0%	114	87	-	0.0%
<b>Total Assets (A)</b>	<b>586</b>	<b>591</b>	<b>14.1</b>	<b>9.7%</b>	<b>622</b>	<b>584</b>	<b>16.1</b>	<b>11.1%</b>
<b>Interest bearing liabilities</b>								
<b>Total deposits</b>	451	462	(4.6)	4.0%	469	468	(6.6)	5.7%
Core Deposits	394	392	(2.8)	2.9%	380	367	(3.2)	3.5%
Unisaver Plus	28	39	(0.9)	9.2%	34	40	(1.1)	11.3%
UTTIP	30	31	(0.9)	11.5%	55	62	(2.3)	15.0%
Subordinated Debts - TFC	12	12	(0.4)	13.5%	12	12	(0.4)	13.2%
Borrowings	40	43	(1.0)	9.4%	69	42	(1.2)	11.6%
<b>Total interest bearing liab (b)</b>	<b>503</b>	<b>517</b>	<b>(6.0)</b>	<b>4.7%</b>	<b>550</b>	<b>522</b>	<b>(8.2)</b>	<b>6.3%</b>
<i>Non earning liabilities &amp; equity</i>	83	73	-	0.0%	73	62	-	0.0%
<b>Total Liabilities+Equity (B)</b>	<b>586</b>	<b>591</b>	<b>(6.0)</b>	<b>4.1%</b>	<b>622</b>	<b>584</b>	<b>(8.2)</b>	<b>5.7%</b>
<b>Net Interest Margin (a-b)</b>	-	-	8.1	7.1%	-	-	7.9	6.8%
<b>Spread (A-B)</b>			-	5.6%			-	5.5%

# QTD – Net Interest Income (Bank Level)

Bank	QTD Mar 2010				QTD Dec 2009			
	PE	AVG	IE	Avg.Yield /Cost	PE	AVG	IE	Avg.Yield /Cost
<b>Rs B</b>								
Average Kibor 6M				12.4%				12.6%
<b>Interest Earning Assets</b>								
<b>Performing Advances</b>	312	325	10.0	12.5%	334	334	11.0	13.0%
Corporate	138	140	4.6	13.4%	137	134	4.8	14.2%
Commercial	24	25	0.9	14.0%	29	26	1.2	17.3%
Commodity	44	47	1.8	15.1%	50	53	2.1	15.8%
Consumer	20	21	0.9	17.3%	23	24	1.0	16.8%
International	79	82	1.6	8.0%	87	88	1.7	7.7%
Others	8	8	0.2	8.9%	9	8	0.2	9.2%
Investments (earning)	134	133	3.7	11.2%	127	122	3.4	11.1%
Lending To Financial Institution	14	15	0.4	10.4%	23	12	0.4	11.6%
Others	15	13	0.1	1.6%	10	8	0.0	0.9%
<b>Total int. earning assets (a)</b>	<b>476</b>	<b>487</b>	<b>14.1</b>	<b>11.8%</b>	<b>495</b>	<b>477</b>	<b>14.8</b>	<b>12.3%</b>
<i>Non earning assets</i>	110	104	-	0.0%	125	93	-	0.0%
<b>Total Assets (A)</b>	<b>586</b>	<b>591</b>	<b>14.1</b>	<b>9.7%</b>	<b>620</b>	<b>570</b>	<b>14.8</b>	<b>10.3%</b>
<b>Interest bearing liabilities</b>								
<b>Total deposits</b>	451	462	(4.6)	4.0%	492	451	(4.6)	4.0%
Core Deposits	394	392	(2.8)	2.9%	412	388	(2.9)	3.0%
Unisaver Plus	28	39	(0.9)	9.2%	45	33	(0.8)	9.2%
UTTIP	30	31	(0.9)	11.5%	36	29	(0.9)	12.0%
Subordinated Debts - TFC	12	12	(0.4)	13.5%	12	12	(0.4)	12.2%
Borrowings	40	43	(1.0)	9.4%	35	39	(1.0)	9.6%
<b>Total interest bearing liab (b)</b>	<b>503</b>	<b>517</b>	<b>(6.0)</b>	<b>4.7%</b>	<b>539</b>	<b>502</b>	<b>(5.9)</b>	<b>4.7%</b>
<i>Non earning liabilities &amp; equity</i>	83	73	-	0.0%	81	68	-	0.0%
<b>Total Liabilities+Equity (B)</b>	<b>586</b>	<b>591</b>	<b>(6.0)</b>	<b>4.1%</b>	<b>620</b>	<b>570</b>	<b>(5.9)</b>	<b>4.1%</b>
<b>Net Interest Margin (a-b)</b>	-	-	8.1	7.1%	-	-	8.9	7.6%
<b>Spread (A-B)</b>			-	5.6%			-	6.2%

# Concentration of Advances





## Non Interest Income (PKR mm)

	QTD Mar'10	QTD Dec'09	% Change	3month Mar'10	3month Mar'09	% Change
Comm.on Commodity Operations	2	185	-99%	2	0	+100%
Commission on consumer loan	241	229	+5%	241	274	-12%
Minimum balance charges	92	160	-42%	92	121	-24%
Commission on trade	393	383	+3%	393	329	+19%
Commission on remittances/uniremote	212	209	+1%	212	184	+15%
Commission on cash manag.	141	79	+78%	141	58	+141%
Corporate finance fee / service chgs.	110	85	+29%	110	61	+82%
Other fee commission income	282	277	+2%	282	261	+8%
<b>Sub total - fee, commission income</b>	<b>1,473</b>	<b>1,608</b>	<b>-8%</b>	<b>1,473</b>	<b>1,289</b>	<b>+14%</b>
Capital gain / Dividend income	216	338	-36%	216	143	+51%
Exchange income	361	293	+23%	361	484	-25%
Gain / loss on Derivatives	122	272	-55%	122	120	+2%
Recovery from Client	112	114	-1%	112	106	+6%
Ijarah rental Income	66	63	+4%	66	63	+5%
Other income	77	620	-88%	77	68	+13%
<b>Total non funded income</b>	<b>2,427</b>	<b>3,308</b>	<b>-27%</b>	<b>2,427</b>	<b>2,272</b>	<b>+7%</b>
Subsidiaries	88	(98)	+190%	88	225	-61%
Share of (loss) / income of associates	66	296	-78%	66	180	-63%
<b>Total non funded income-Consol.</b>	<b>2,581</b>	<b>3,506</b>	<b>-26%</b>	<b>2,581</b>	<b>2,676</b>	<b>-4%</b>

# Operating Expenses

Operating Cost - Rs. M	QTD Mar'10	QTD Dec'09	Var %	3month Mar'10	3month Mar'09	Var %
Personnel cost	1,899	1,862	-2%	1,899	1,879	-1%
Early Retirement Scheme	49	76	+35%	49	34	-45%
Outsourced cost/commission	331	336	+2%	331	343	+4%
Premises cost	663	702	+6%	663	587	-13%
Advertising / Loyalty programs	33	96	+65%	33	42	+21%
Depreciation - others	294	301	+2%	294	264	-11%
Legal & Professional consul.	54	62	+13%	54	47	-16%
Courier / Communication	172	189	+9%	172	169	-1%
Banking service charges	137	170	+19%	137	119	-15%
Repair & Maintenance	41	78	+47%	41	38	-9%
Stationery	91	103	+12%	91	66	-38%
Office Running expense	41	40	-4%	41	35	-18%
Traveling expense	28	49	+43%	28	36	+22%
Cash transportation	63	77	+19%	63	94	+33%
Zakat / Donation	41	6	-601%	41	14	-188%
Other cost	145	179	+19%	145	150	+3%
<b>Total Bank</b>	<b>4,082</b>	<b>4,328</b>	<b>+6%</b>	<b>4,082</b>	<b>3,918</b>	<b>-4%</b>
Subsidiaries	311	284	-9%	311	282	-10%
<b>Total Bank - Consolidated</b>	<b>4,393</b>	<b>4,612</b>	<b>+5%</b>	<b>4,393</b>	<b>4,199</b>	<b>-5%</b>

# E-Banking

<i>E-Banking</i>	<i>Mar-10</i>	<i>Dec-09</i>	<i>Dec-08</i>	<i>% Change</i>	<i>Dec-07</i>
# of ATMs	412	412	354	+16%	326
# of Transactions (M)	4.1	14.6	11.7	+25%	9.5
Average transactions per day	46k	40k	32k	+25%	26k
Total transaction amount (Rs B)	24	84	63	+32%	48
Average transaction size (Rs 000)	5.8	5.7	5.4	+5%	5.0
Average monthly trans.per ATM (Rs M)	19	17	15	+13%	12
<b><i>Internet Banking</i></b>					
Users	74,910	70,834	52,766	+34%	37,408
Total # of transactions (000)	154	450	253	+78%	148
Total transaction amount (Rs M)	14,784	22,403	8,746	+156%	2,089
Average transaction size (Rs 000)	96	50	35	+44%	14
<b><i>Click N Remit</i></b>					
Users	28,995	28,379	23,255	+22%	19,950
Total # of transactions (000)	18	74	78	-5%	79
Total transaction amount (US\$ M)	14	56	65	-14%	70
Average transaction size (US\$)	768	759	834	-9%	885
<b><i>Remittances</i></b>					
Total # of transactions (000)	291	636	230	+176%	595
Total transaction amount (US\$ M)	378	1,242	823	+51%	709
Average transaction size (US\$)	1,300	1,954	3,573	-45%	1,192

# Financial Ratios (1 of 3)



Back main ratios

DuPont	Full Year			QTD Ann.	
	2007	2008	2009	Dec-09	Mar-10
Net Interest Yield <sup>1</sup>	5.0%	4.9%	5.3%	5.8%	5.3%
Net Interest Margin <sup>2</sup>	6.1%	5.8%	6.4%	7.0%	6.5%
Non Interest Yield <sup>3</sup>	2.0%	1.9%	2.1%	2.2%	1.7%
Operating Exp. / Assets	2.9%	2.9%	2.8%	2.9%	2.8%
Cost Income Ratio	50.8%	53.0%	55.6%	54.0%	50.4%
Loan Loss / Assets	1.3%	1.0%	1.9%	1.9%	1.4%
Loan Loss / RWA <sup>4</sup>	1.8%	1.2%	2.4%	2.4%	1.7%
Effective Tax Rate	33.0%	39.9%	34.2%	33.7%	35.2%
Pre-Provision ROA <sup>5</sup>	2.8%	2.3%	2.9%	3.2%	2.6%
ROA	1.9%	1.4%	1.5%	1.6%	1.8%
Return on RWA	2.6%	1.8%	1.9%	2.0%	2.2%
Pre-Provision ROE <sup>6</sup>	33.4%	27.5%	31.4%	31.4%	24.6%
ROE	22.8%	17.4%	16.2%	15.5%	16.4%

## Formulas

- |   |   |
|---|---|
| 1. Net interest income / average assets         | 4. Risk weighted assets                             |
| 2. Net interest income / average earning assets | 5. Return on avg. assets (before net provisions)    |
| 3. Non interest income / average assets         | 6. Return on average equity (before net provisions) |

# Financial Ratios (2 of 3)


[Back main ratios](#)

Asset Quality	Full Year			QTD (Annu.)	
	2007	2008	2009	Dec-09	Mar-10
Gross NPLs / Gross Loan	6.9%	7.3%	10.3%	10.3%	11.3%
Net NPLs / Gross Loan	1.9%	2.4%	3.0%	3.0%	3.2%
Coverage Ratio	77.9%	66.8%	70.9%	70.9%	71.7%
Prov. held / Gross loan	4.9%	4.8%	7.3%	7.3%	8.1%
Prov. Exp. / Gross loan	2.0%	1.5%	3.0%	3.0%	2.3%

Growth	Full Year			QTD (Annu.)	
	2007	2008	2009	Dec-09	Mar-10
Growth in Loan Book	21.0%	22.7%	-4.3%	0.0%	-6.2%
Growth in Deposits	19.9%	19.6%	2.3%	7.9%	-8.2%
Operating Revenue	21.3%	14.0%	16.6%	11.9%	-13.0%
Operating Expense	22.5%	17.0%	6.7%	1.8%	-5.5%
Pre-provision Oper.Profit	20.6%	11.9%	23.8%	18.9%	-18.0%
Provision exp./Other prov.	170.0%	23.5%	64.5%	28.6%	-45.3%
Profit After Tax	-4.4%	-8.6%	12.3%	9.0%	7.6%

# Financial Ratios (3 of 3)



Back main ratios

Other Metrics	Yearly			QTD (Annu.)	
	2007	2008	2009	Dec-09	Mar-10
Capital Adequacy Ratio <sup>1</sup>	10.2%	9.9%	13.2%	13.2%	13.2%
Tier-I CAR	7.4%	5.8%	9.0%	9.0%	8.9%
Loan / Deposits	74.8%	76.5%	73.4%	73.4%	73.4%
Loan / Assets	56.4%	59.4%	53.0%	53.0%	56.1%
RWA / Assets	73.1%	77.0%	75.9%	75.9%	80.0%
Average Headcount <sup>2</sup>	9,702	9,192	8,639	8,457	8,377
Personnel cost / Headcount (000)	679.4	736.4	863.9	880.7	906.8
Yield on Earning Assets <sup>3</sup>	10.3%	10.7%	11.8%	11.6%	11.2%
Cost of Funds <sup>4</sup>	4.0%	4.7%	5.2%	4.4%	4.5%
Yield on Performing Adv	10.9%	12.1%	12.7%	12.9%	11.9%
Cost of Deposits	3.6%	4.2%	4.5%	4.1%	3.8%

## Formulas

1. Bank only

2. Permanent Staff

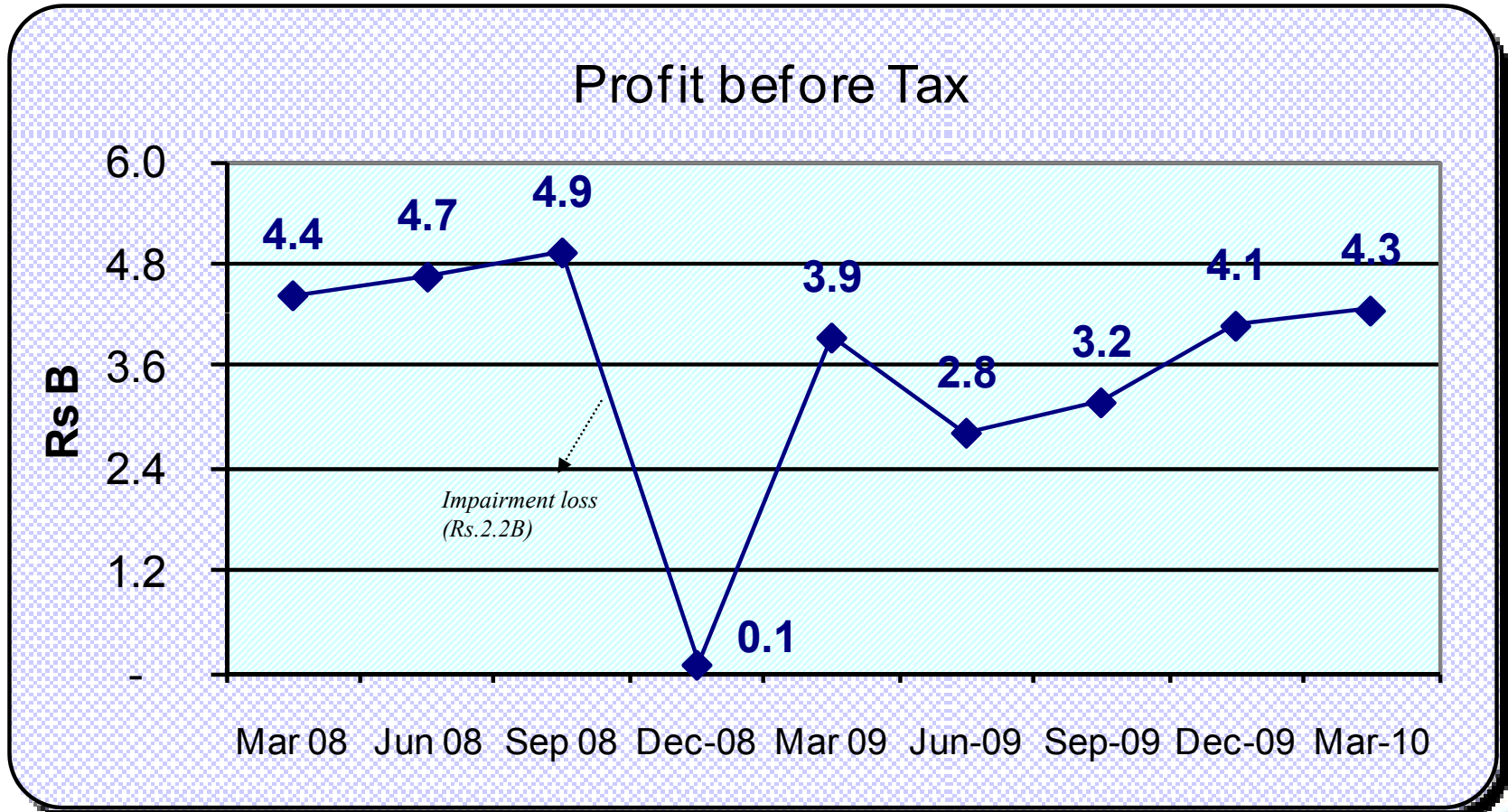
3. Earning assets incl bal. with other banks, lending to F.I, investments & perf adv

4. Funds includes deposits, borrowings & sub-ordinated loans

# Quarterly Trend Analysis

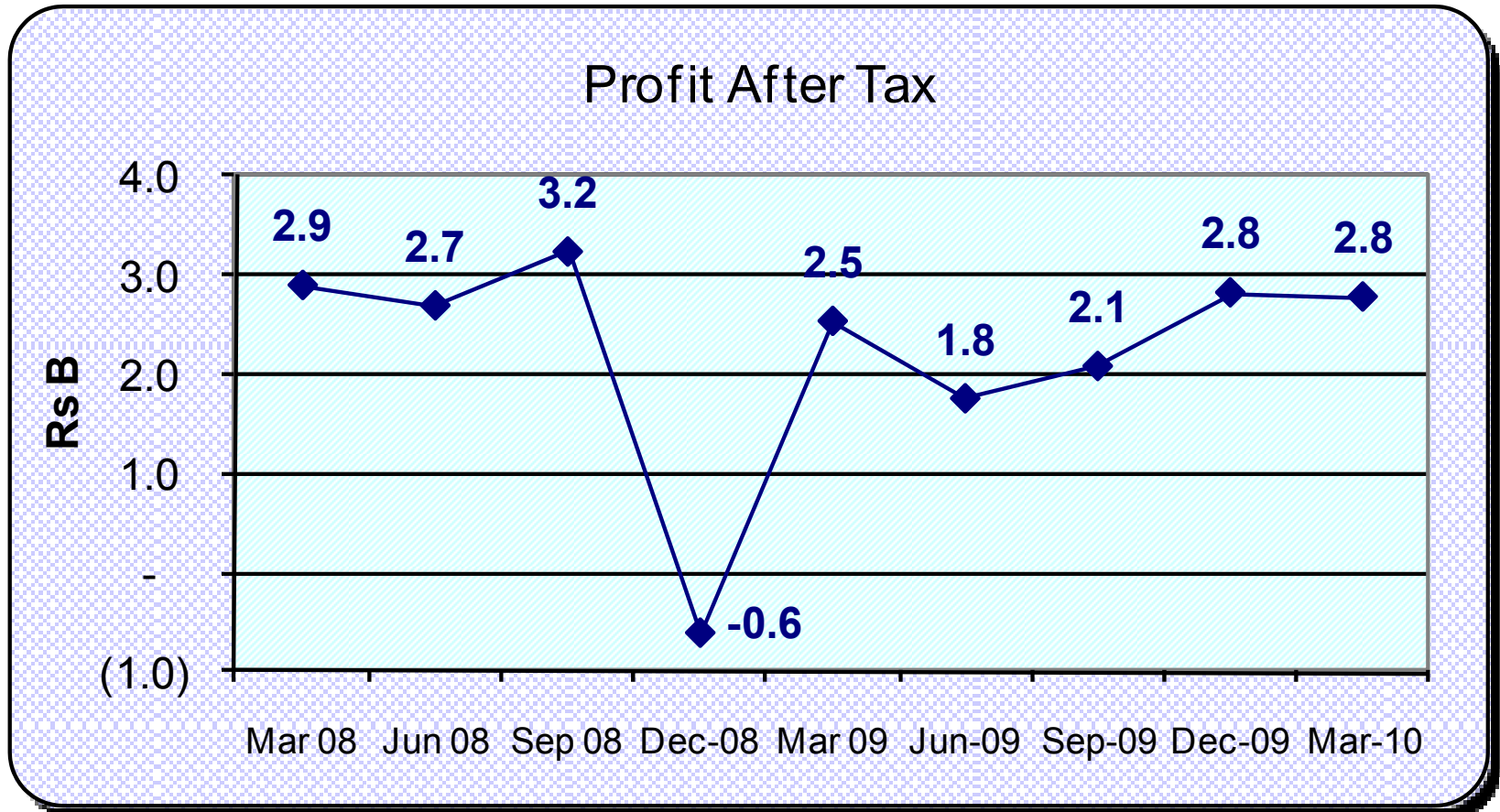
## Bank Level

# Profit Before Tax

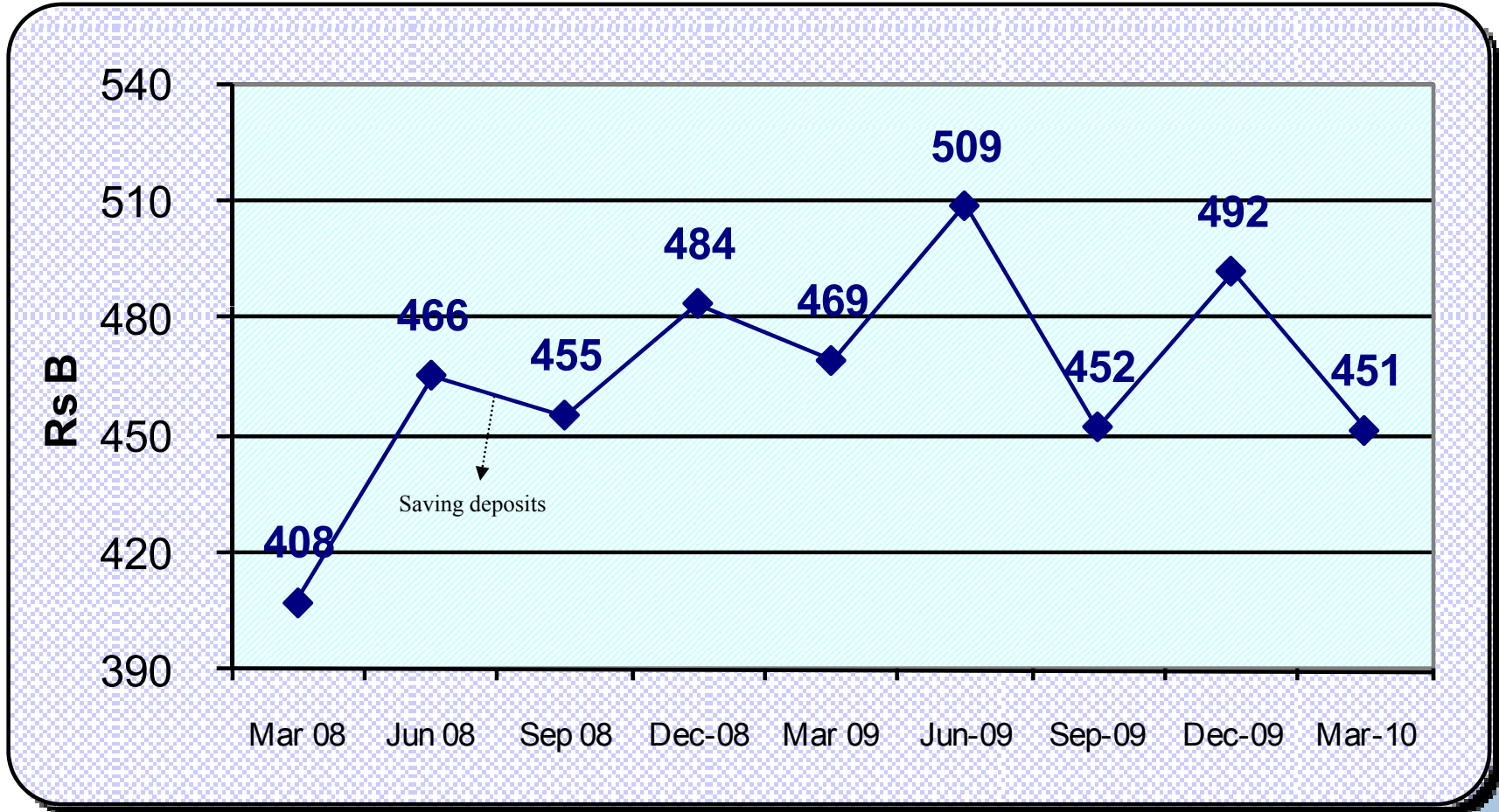




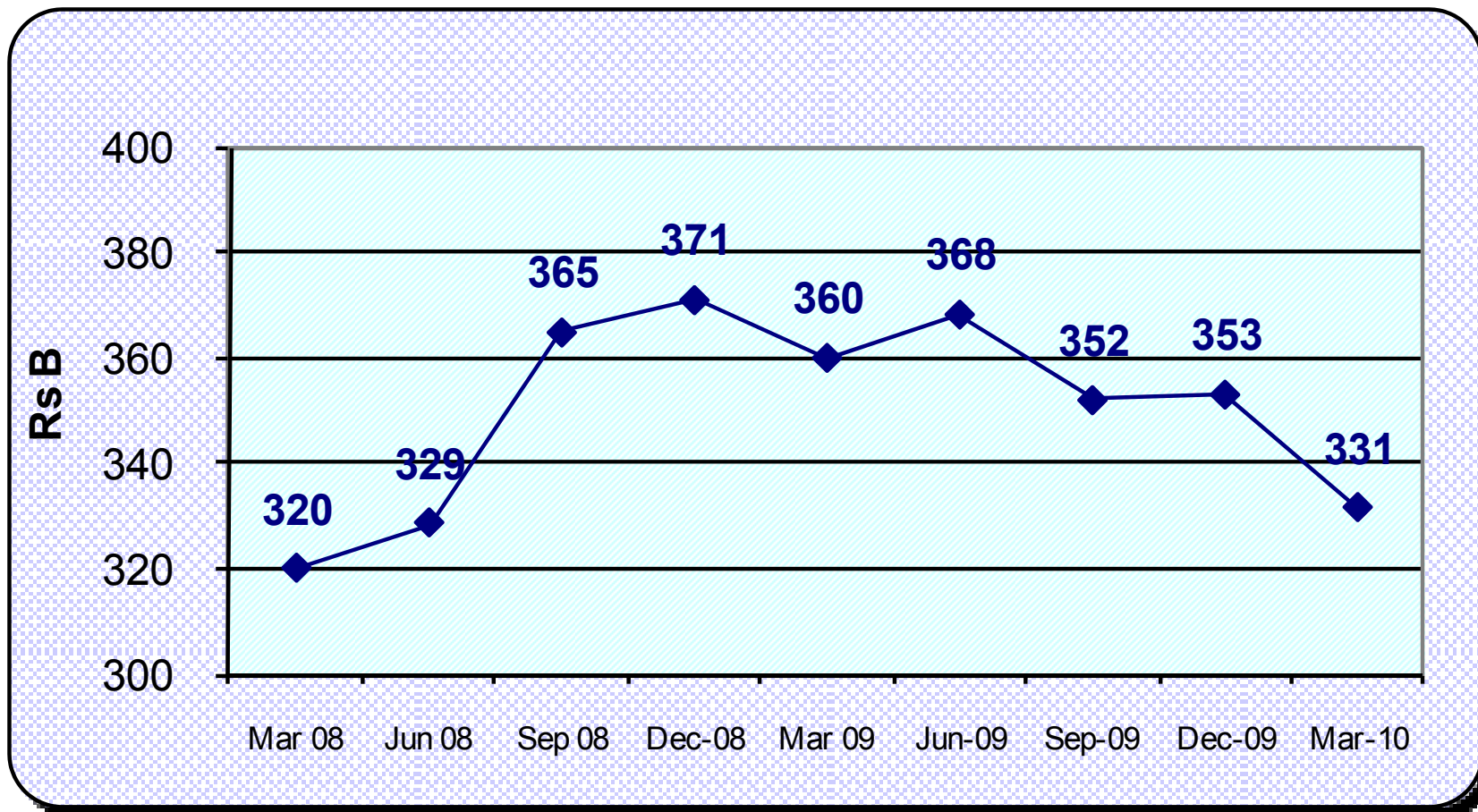
# Profit after Tax



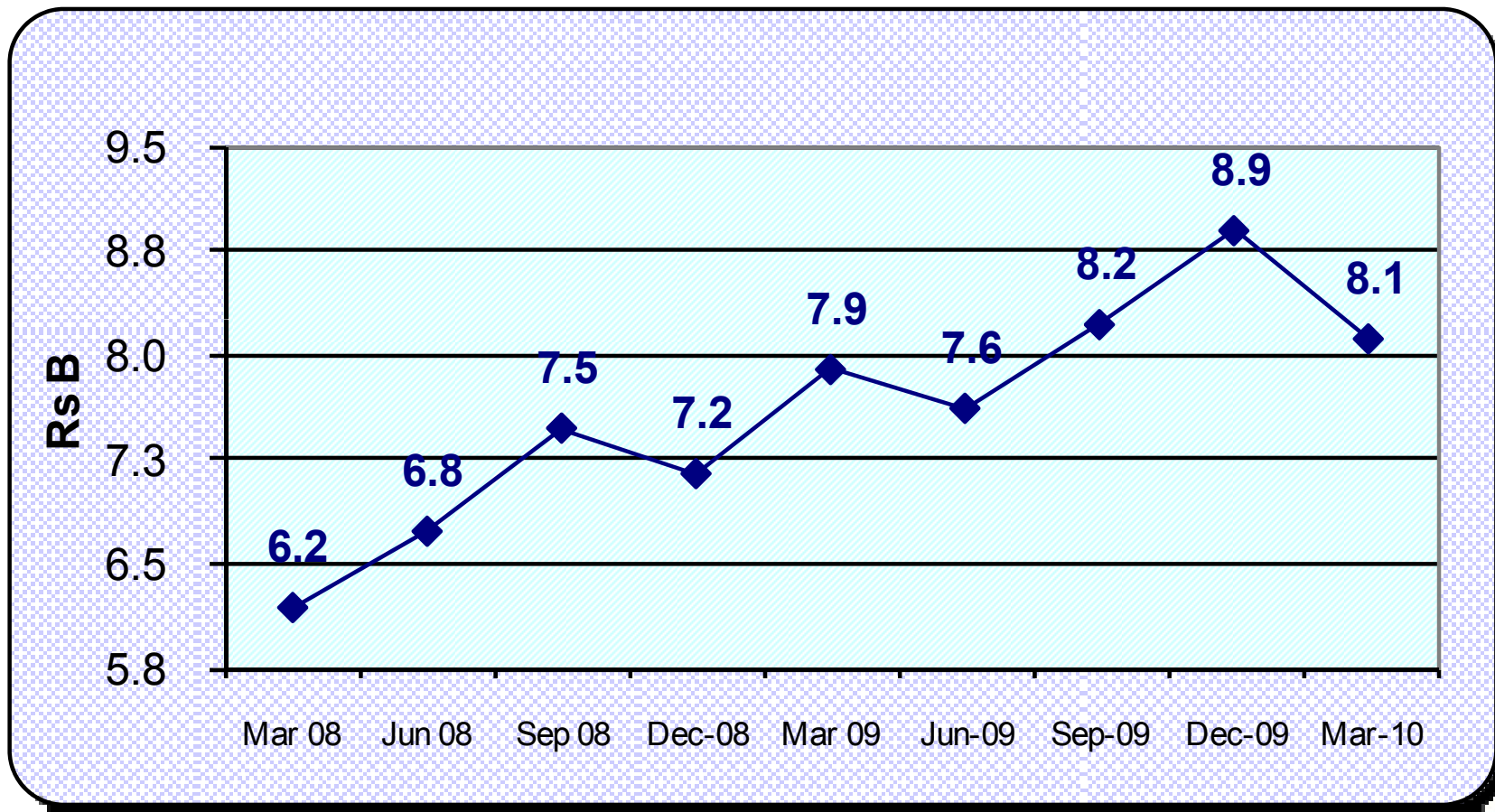
# Deposits



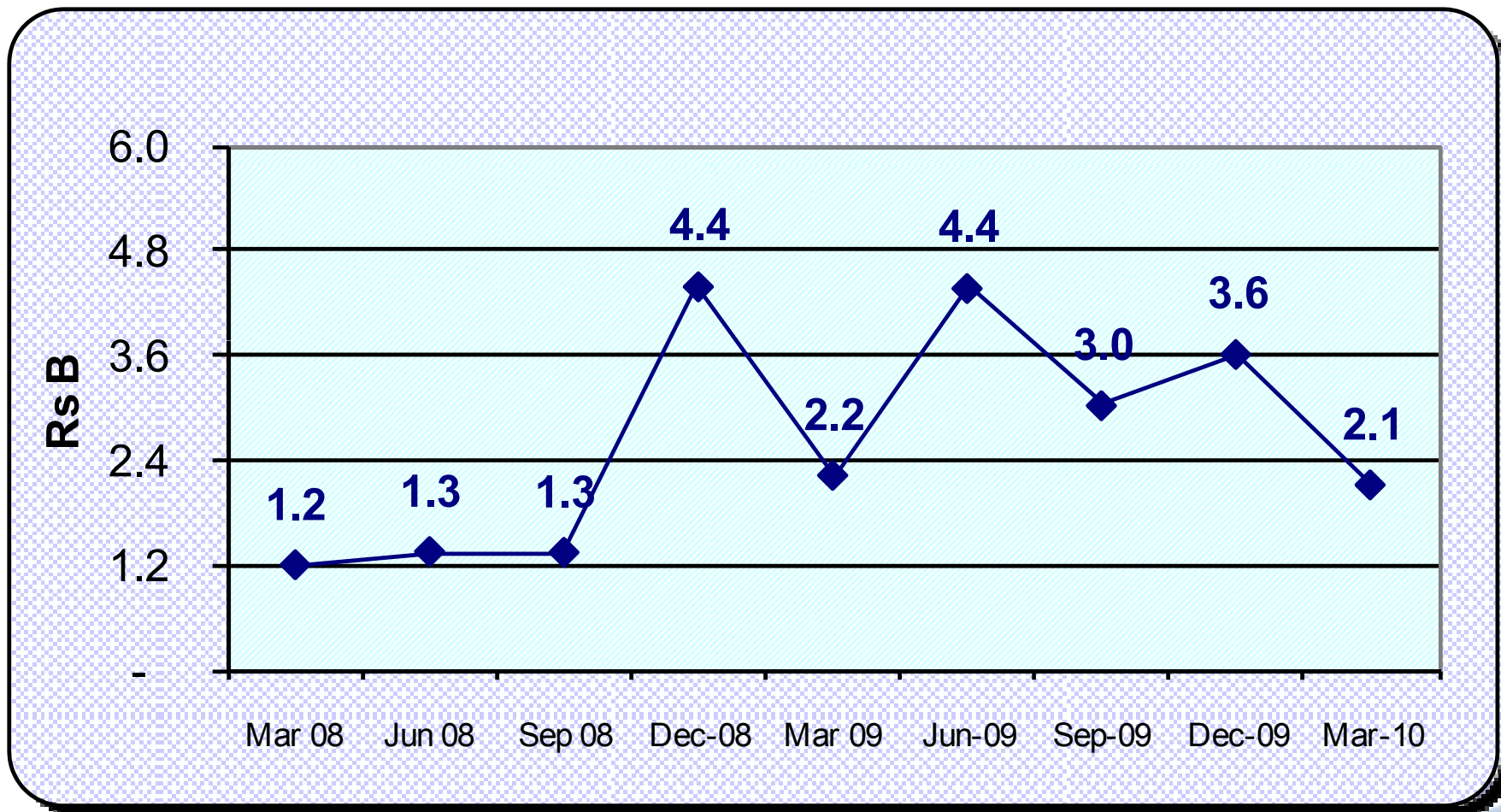
# Net Advances



# Net Interest Income

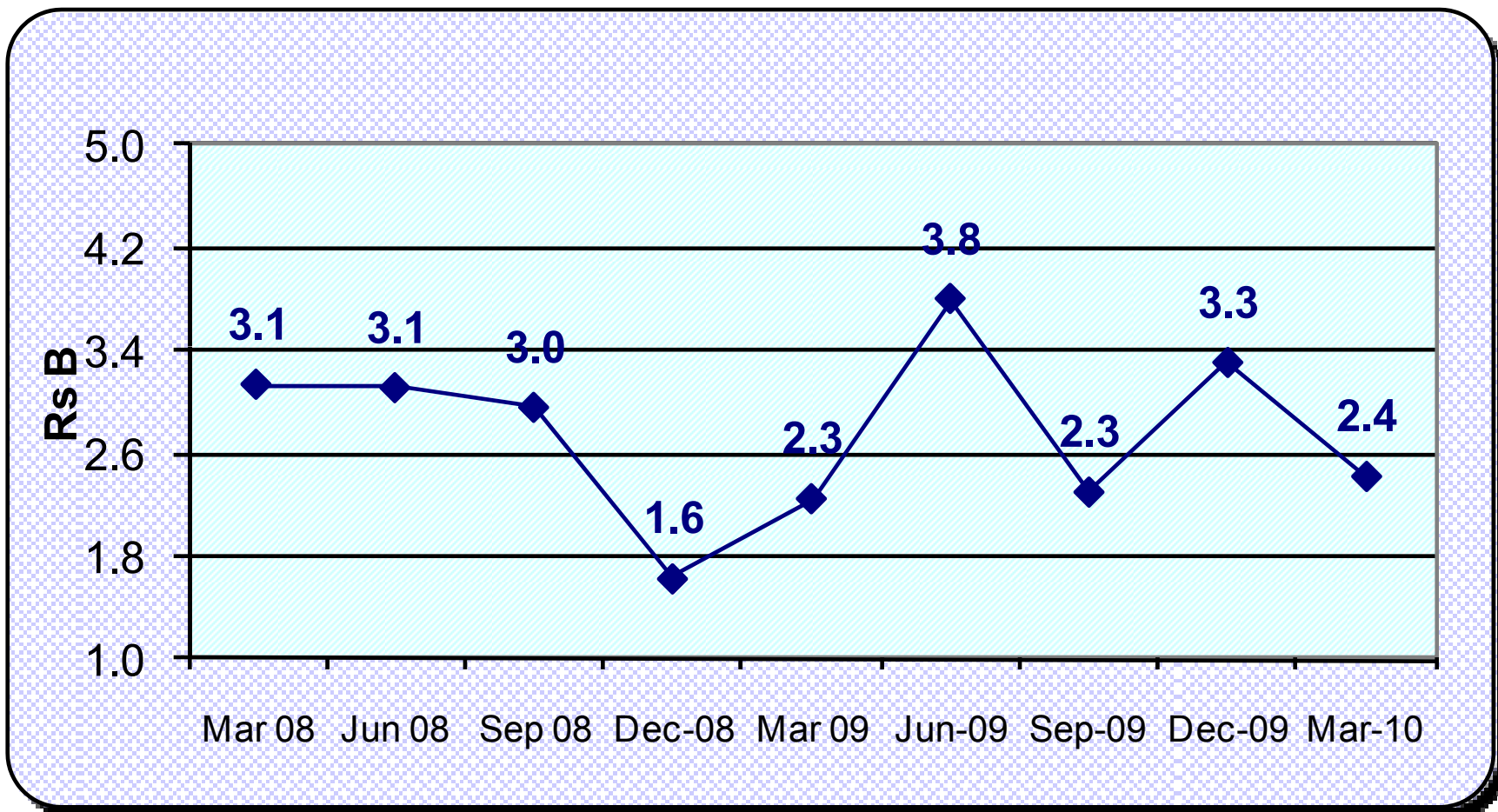


# Net Provision \*

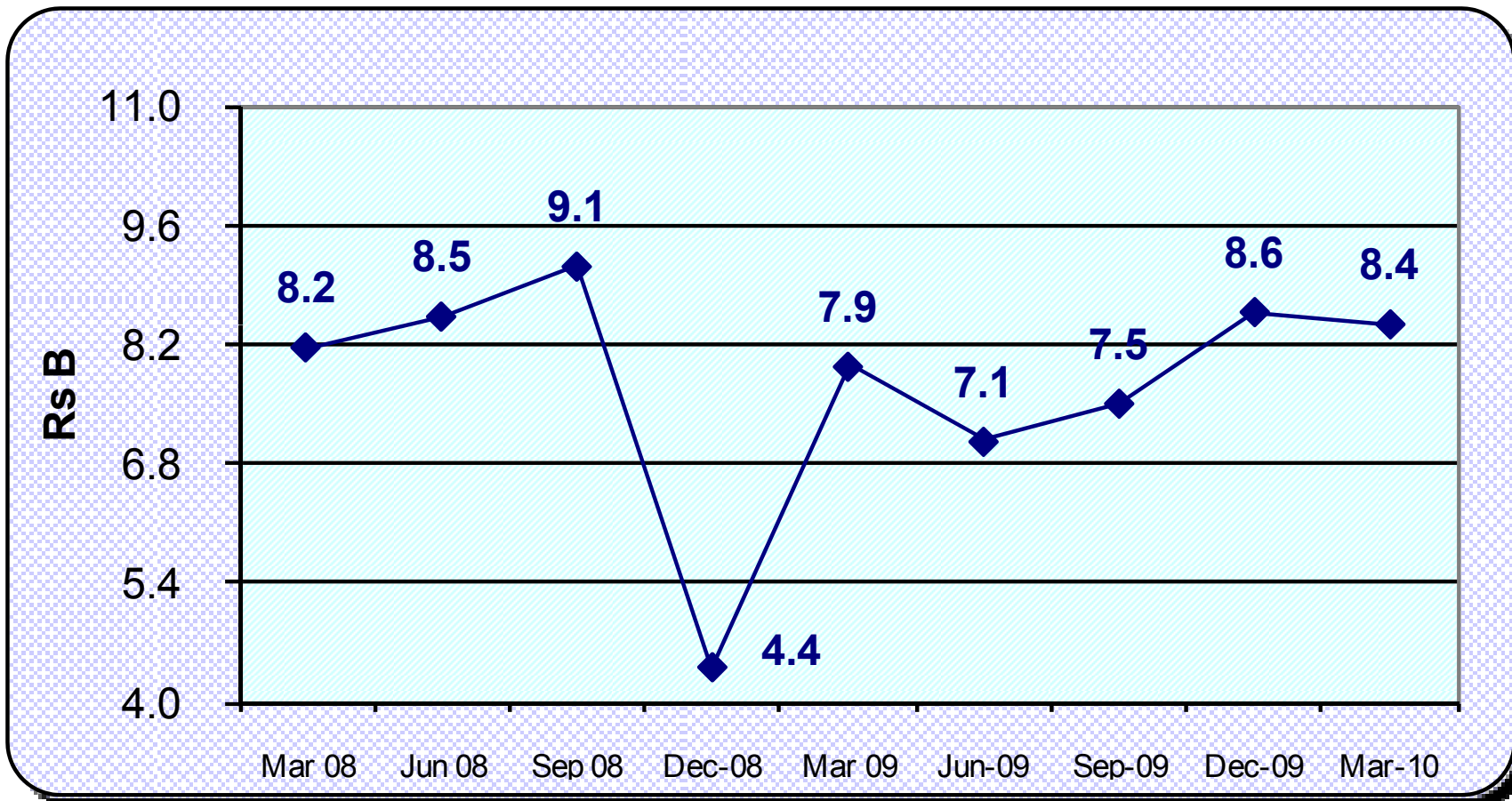


\* Excluding other operational Write-offs

# Non-Funded Income

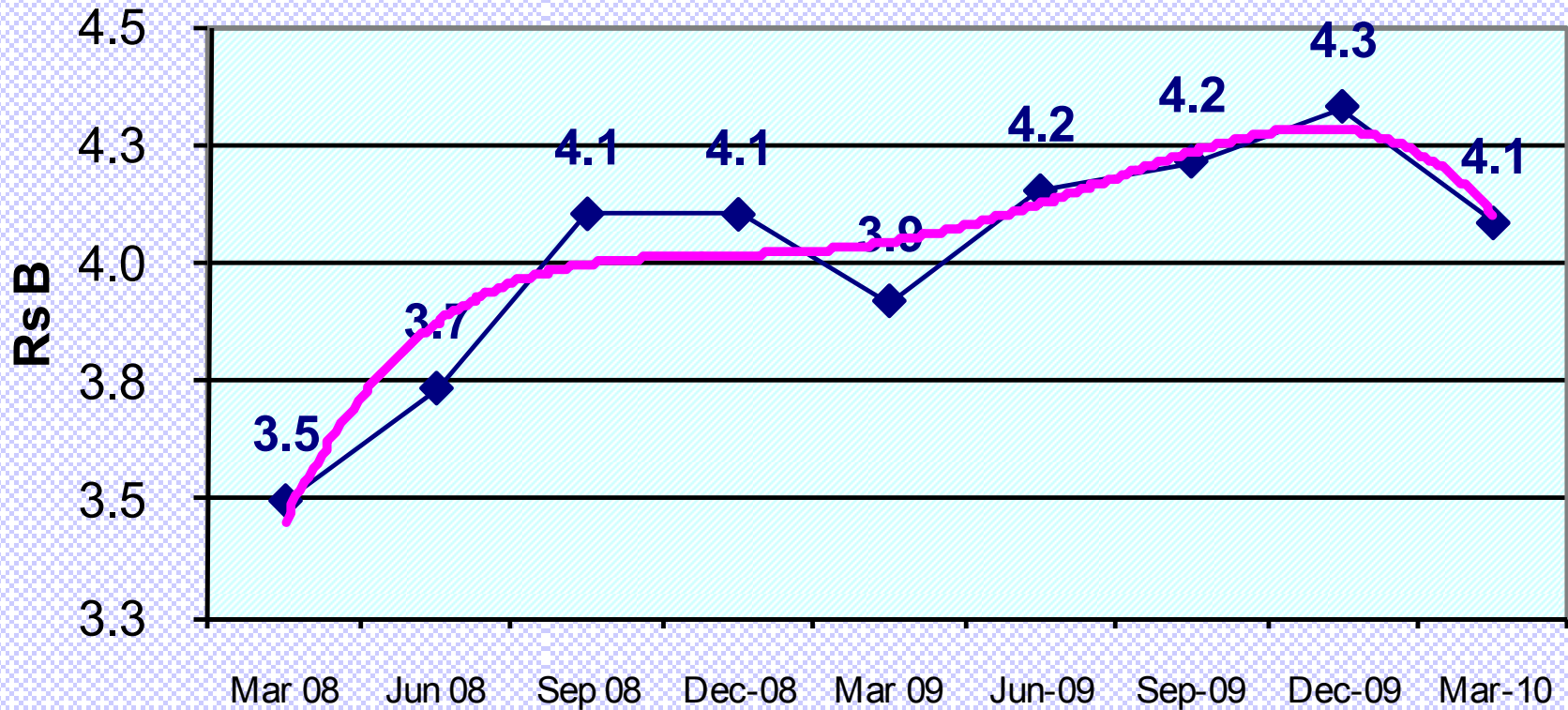


# Total Revenue



\* Excluding other operational Write-offs

# Administrative Expenses





The information contained herein reflects our latest business statement as at March 31, 2010

Except the historical information contained herein, statements in this Release which contain words or phrases such as ‘will’, ‘would’, ‘indicating’ expected to’ etc., and similar expressions or variations of such expressions may constitute ‘forward-looking statements’. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion in business, the impact of any acquisitions, the adequacy of our allowance for credit losses, technological, implementation and changes, the actual growth in demand for banking products and services, investment income, cash flow projections, our exposure to market risks as well as other risks detailed in the reports filed by us with various regulatory authorities as per applicable laws and regulations. UBL undertakes no obligations to update forward-looking statements to reflect event or circumstances after the date thereof.

**Thank You**