



United Bank Limited
Performance Review (Consolidated)
1Q 2008

April 26, 2008



Key Highlights

Profitability

- PBT up 1% y-o-y at Rs.4.7B
- Impact on provisioning charge due to FSV removal - Rs 260M
- PBT up 7% y-o-y before FSV impact
- Non Interest Income up 53%; strong fee income and derivatives gains
- Net Interest income up 9%; significant increase in advances

Balance Sheet

- Advances up 6% to Rs. 328B; domestic growth outperformed the market
- Deposits up 2% to Rs 417B (after excluding Rs 4B of sub-debt in Dec 2007)

Summary

	Mar 2008	Dec 2007	Change
Assets (PKR bn)	554	547	+1%
Advances (PKR bn)	328	308	+6%
Market Share-Adv-DOM	9.6%	9.4%	
Deposits (PKR bn)	417	412	+1%
Market Share-Deposits-DOM	9.1%	9.1%	
Branches	1,096	1,095	1
ATMs	336	326	10
ROAA	2.3%	1.9%	
ROAE	26%	23%	
Credit Rating (JCR-VIS)	AA+/A-1+	AA+/A-1+	

Share Info

	Mar 2008	Dec 2007
EPS (Rs/share-annual.)	12.4	8.9
BV/share (Rs/share)	47.6	47.3
Price* - (Rs /share)	161.5	162.9*
P/E	13.1x	18.4x
P/BV	3.1x	3.4x
# of shares	1,012M	1,012M

* Share price (Dec'07) after announcement of results

Mar'08 price at 21Apr'08

Dec'07 price at 19 Feb'08 - adjusted for bonus shares

Income Statement (PKR bn)

	QTD Mar'08	QTD Dec'07	% Change	3 month Mar'08	3 month Mar'07	% Change	Full year Dec'07
Net Interest Income	6.56	6.23	+5%	6.56	5.99	+9%	24.80
Non Interest Income	3.36	3.07	+10%	3.36	2.20	+53%	9.93
Operating Revenue	9.92	9.29	+7%	9.92	8.19	+21%	34.73
Operating Expense	(3.74)	(3.64)	+3%	(3.74)	(3.11)	+21%	(13.91)
Pre-Provision Oper.Profit	6.18	5.65	+9%	6.18	5.08	+22%	20.82
Provision Exp./Other Prov.	(1.25)	(2.93)	-57%	(1.25)	(0.41)	+208%	(6.66)
Early Retirement Scheme	(0.02)	(0.31)	-93%	(0.02)	-	+100%	(0.35)
Other charges	(0.18)	(0.02)	-	(0.18)	(0.00)	-	(0.02)
Profit before Tax	4.73	2.40	+97%	4.73	4.68	+1%	13.80
Profit after Tax	3.16	1.86	+70%	3.16	3.18	-1%	9.24

Balance Sheet (PKR bn)

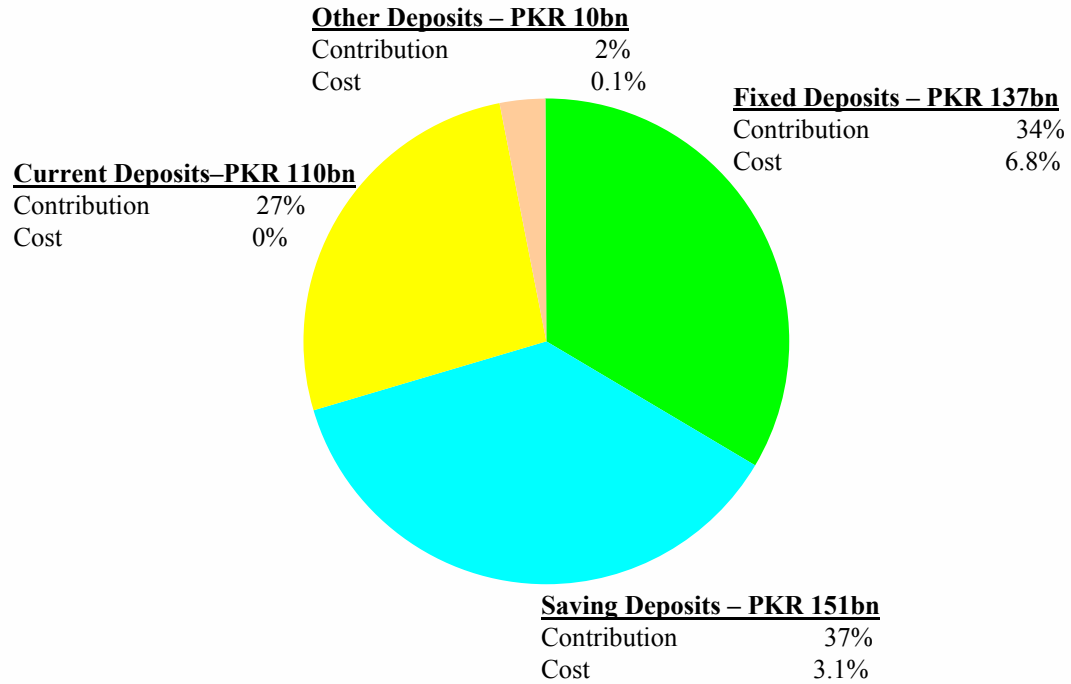
	Mar'08	Dec'07	% Change
Cash & bank balances	62.7	68.6	-9%
Investments	106.2	114.0	-7%
Advances	327.9	308.3	+6%
Fixed assets	19.3	19.0	+1%
Total Assets	553.6	546.8	+1%
Deposits	416.8	412.1	+1%
Borrowings	54.8	59.5	-8%
Total Liabilities	505.2	498.9	+1%
Equity	48.4	47.9	+1%

Financial Ratios

	QTD Mar'08	QTD Dec'07	3 month Mar'08	3 month Mar'07	Full year Dec'07
Loan/Deposits	78.7%	74.8%	78.7%	71.6%	74.8%
ROAE	26.2%	17.2%	26.2%	37.7%	22.8%
ROAA	2.3%	1.4%	2.3%	2.9%	1.9%
Cost/Income Ratio	43.4%	62.3%	43.4%	39.9%	50.9%
Gross NPLs/Gross Advances	6.8%	6.9%	6.8%	6.4%	6.9%
Net NPLs/Gross Advances	2.0%	1.9%	2.0%	1.9%	1.9%
Coverage Ratio	76.9%	77.9%	76.9%	78.6%	77.9%
CAR Ratio	13.1%	12.4%	13.1%	12.4%	12.4%
Tier 1 CAR Ratio	8.3%	8.8%	8.3%	9.2%	8.8%

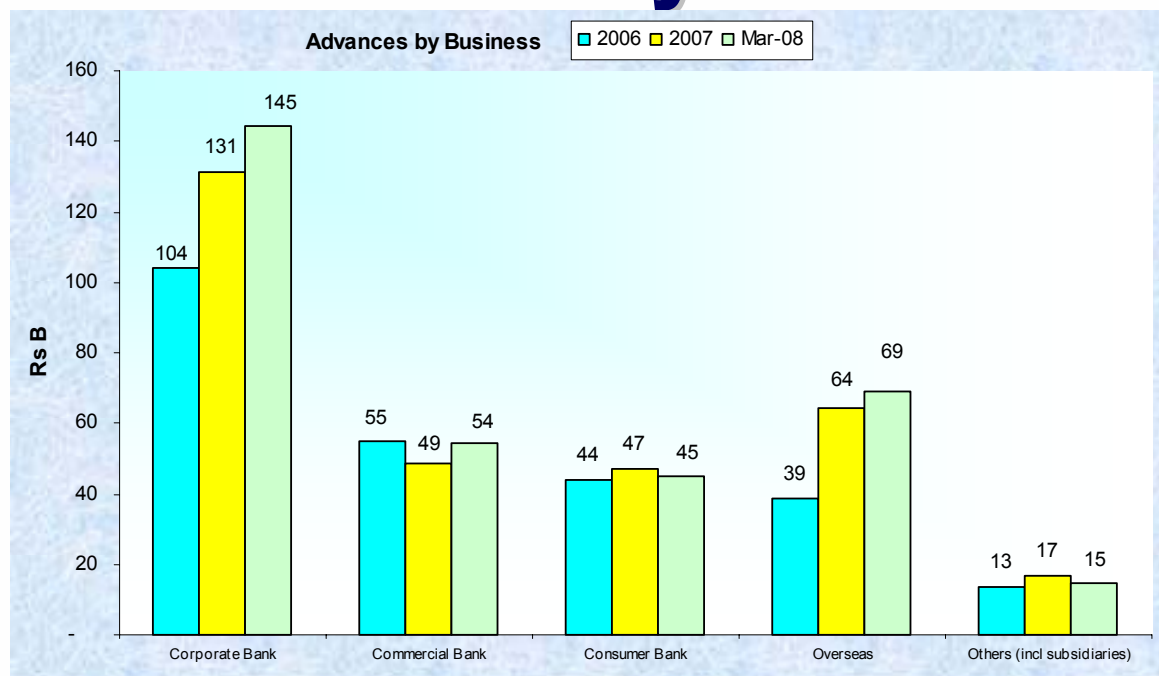
Deposit Structure

Deposit Mix - Bank (Parent Company)



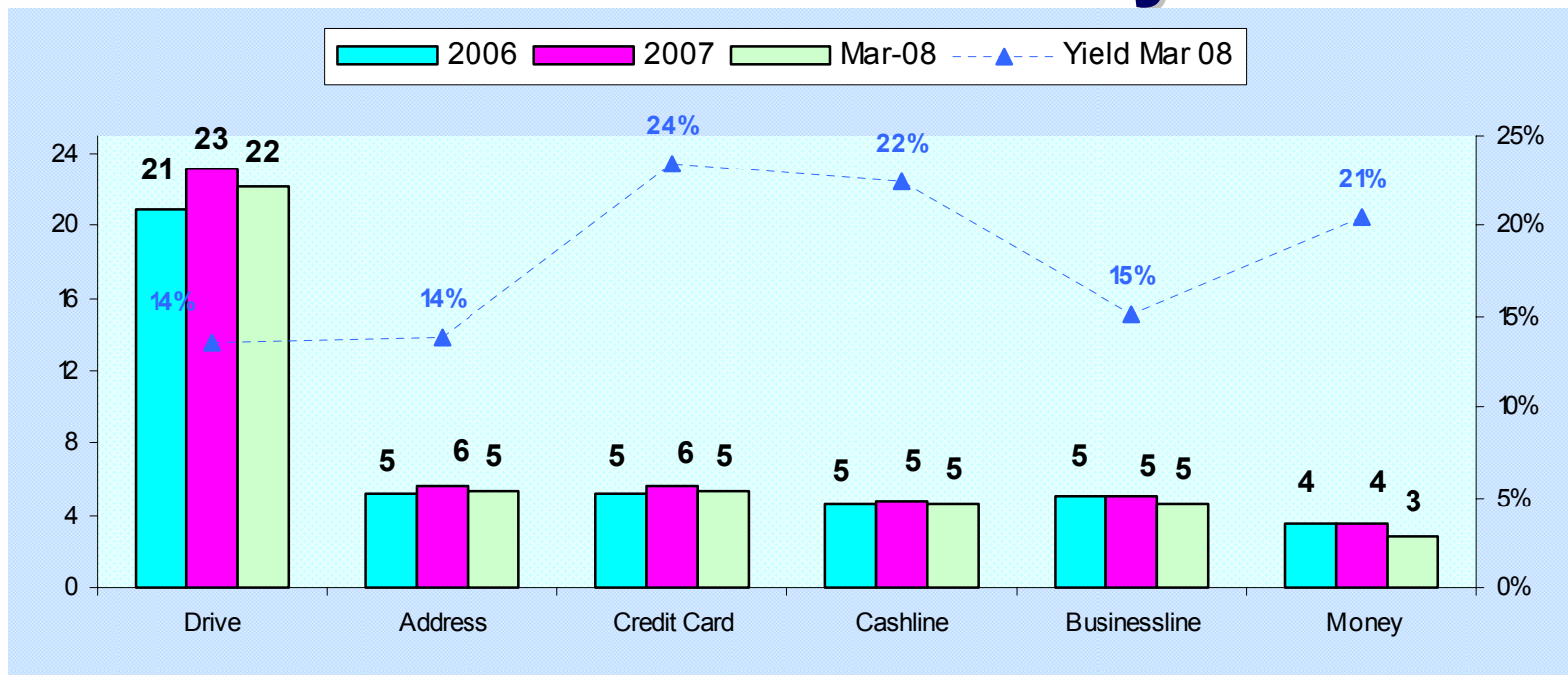
Total Deposits = PKR 408 bn
Cost of Deposits = 3.5%
CASA = 64%

Advances by Business



Net Advances	Mar'08	Dec'07	% Change	Mix 08	Yield 08	Yield 07
Corporate Bank	144.5	131.1	+10%	44%	10.6%	10.4%
Commercial Bank	54.5	48.8	+12%	17%	12.1%	12.4%
Consumer Bank	45.0	47.2	-5%	14%	16.3%	15.5%
Others (COT / Staff)	6.8	8.0	-15%	2%	6.2%	8.4%
Domestic	250.8	235.1	+7%	76%	11.9%	11.9%
Overseas	69.2	64.3	+8%	21%	7.3%	8.1%
Bank	320.1	299.4	+7%	98%	10.9%	11.1%
Subsidiaries	7.8	8.9	-12%	2%		
Bank-Consolidated	327.9	308.3	+6%	100%		

Consumer Advances by Product



	Mar'08	Dec'07	% Change	Mix 08	Yield 08	Yield 07
Drive	22.1	23.2	-4%	49%	13.5%	12.6%
Address	5.4	5.6	-4%	12%	13.8%	13.0%
Credit Card	5.3	5.6	-5%	12%	23.5%	25.0%
Cashline	4.7	4.8	-3%	10%	22.4%	19.0%
Businessline	4.7	4.8	-3%	10%	15.1%	14.4%
Money	2.8	3.2	-12%	6%	20.5%	19.6%
Total	45.0	47.2	-5%	100%	16.3%	15.5%

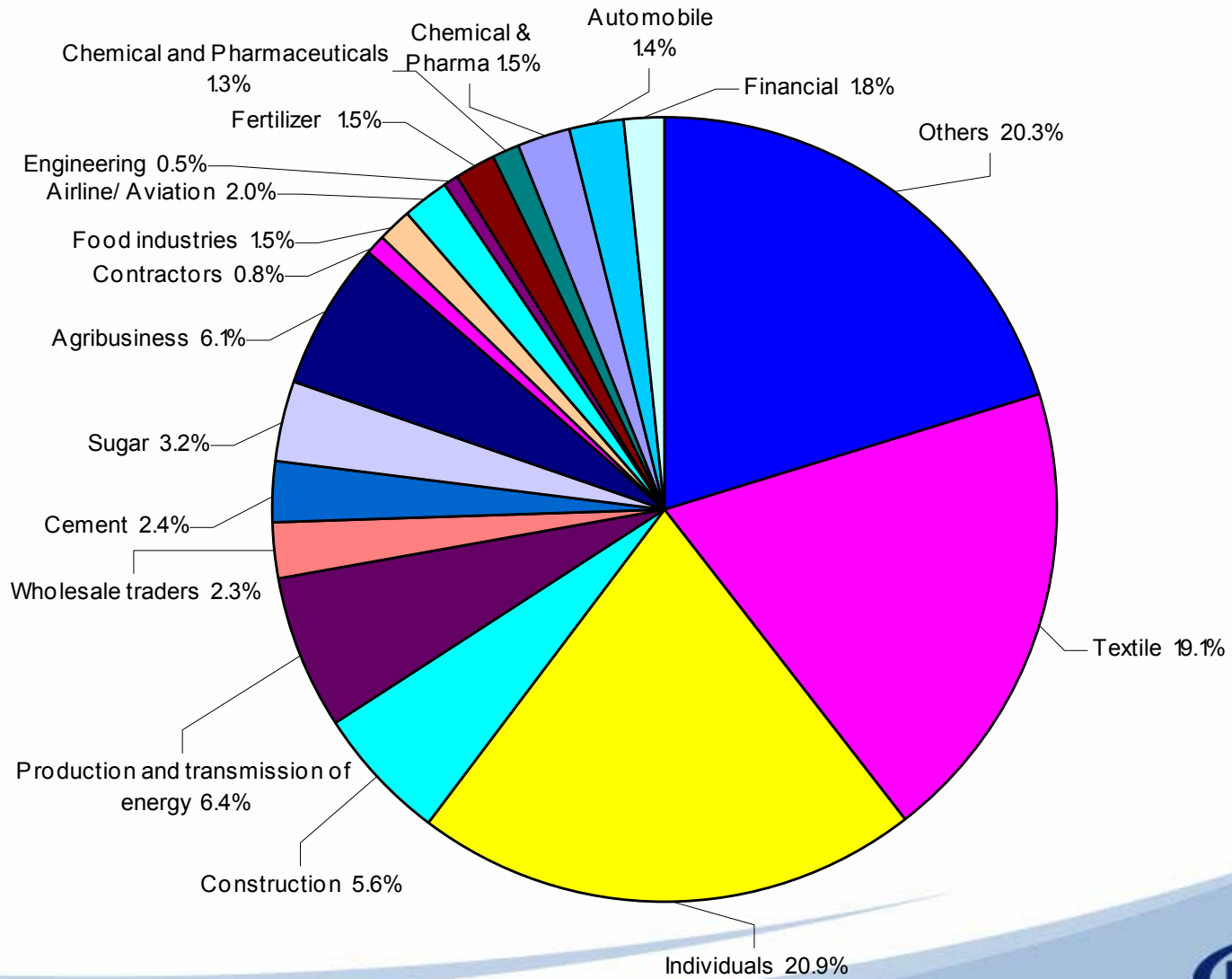
QTD – Net Interest Margin (Bank Level)

	QTD Dec'07			QTD Mar'08		
	Average Balances	Interest income / (expense)	Avg.Yield /Cost	Average Balances	Interest income / (expense)	Avg.Yield /Cost
Interest Earning Assets						
Performing Advances	279,182	7,739	11.0%	299,840	8,183	10.9%
Investments (earning)	107,784	2,381	8.8%	99,638	2,217	8.9%
Lending to FI	21,898	457	8.3%	28,950	652	9.0%
Others	17,226	181	4.2%	10,782	105	3.9%
Total int. earning assets (a)	426,090	10,758	10.0%	439,210	11,157	10.2%
Interest bearing liabilities						
Saving deposits	152,807	(1,314)	3.4%	154,446	(1,208)	3.1%
Current deposits	97,204	-	0.0%	103,429	-	0.0%
Term deposits	127,356	(2,270)	7.1%	134,088	(2,258)	6.8%
Other deposits	10,214	(26)	1.0%	9,714	(2)	0.1%
Total deposits	387,581	(3,611)	3.7%	401,677	(3,468)	3.5%
Sub-ordinated loan	6,771	(162)	9.5%	10,967	(297)	10.9%
REPO	28,609	(676)	9.4%	28,843	(675)	9.4%
Other Borrowings	16,334	(292)	7.1%	15,443	(321)	8.3%
Total int. bearing liabilities (b)	439,296	(4,740)	4.3%	456,930	(4,762)	4.2%
Net Interest Margin (a-b)		6,017	5.7%		6,395	6.0%

Spread Analysis (bank level)

	QTD March 2007			QTD March 2008		
	Average Balances	Interest income / (expense)	Avg.Yield /Cost	Average Balances	Interest income / (expense)	Avg.Yield /Cost
Interest Earning Assets						
Performing Advances	250,524	7,109	11.5%	299,840	8,183	10.9%
Investments (earning)	68,760	1,547	9.1%	99,638	2,217	8.9%
Lending to Financial Institutions	28,697	637	9.0%	28,950	652	9.0%
Others	22,933	354	6.3%	10,783	105	3.9%
Total interest earning assets (a)	370,914	9,647	10.5%	439,211	11,157	10.2%
Non Interest Earning Assets						
Non -performing Advances	2,559	-	-	4,316	-	0.0%
Non- interest bearing Investments	6,495	-	-	10,501	-	0.0%
Fixed Assets	5,291	-	-	17,638	-	0.0%
Other Assets	37,406	-	-	43,140	-	0.0%
Total Assets (A)	422,665	9,647	9.3%	514,807	11,157	8.7%
Interest bearing liabilities						
Saving deposits	129,573	(714)	2.2%	154,446	(1,208)	3.1%
Current deposits	82,808	-	0.0%	103,429	-	0.0%
Term deposits	121,749	(2,392)	8.0%	134,088	(2,258)	6.8%
Other deposits	9,851	(5)	0.2%	9,714	(2)	0.1%
Total deposits	343,981	(3,111)	3.7%	401,677	(3,468)	3.5%
Sub-ordinated loan	5,998	(148)	10.0%	10,967	(297)	10.9%
Borrowings	29,805	(550)	7.5%	44,286	(997)	9.0%
Total interest bearing liabilities (b)	379,784	(3,809)	4.1%	456,930	(4,762)	4.2%
Non Interest bearing liabilities						
Equity	28,653	-	-	43,216	-	-
Bills Payable	4,958	-	-	6,058	-	-
Other liabilities	9,271	-	-	8,603	-	-
Total non interest bearing liabilities	42,881	-	-	57,877	-	-
Total Liabilities (B)	422,665	(3,809)	3.7%	514,807	(4,762)	3.7%
Net Interest Margin (a-b)	-	-	6.5%	-	-	6.0%
NRFF / Spread (A-B)	-	5,839	5.6%	-	6,395	5.0%

Concentration of Advances



Non Interest Income (PKR mm)

	QTD Mar'08	QTD Dec'07	% Change	3 month Mar 08	3 month Mar 07	% Change	Full year Dec'07
Commission on consumer loan	386	353	+10%	386	370	+4%	1,478
Minimum balance charges	113	147	-23%	113	112	+1%	518
Commission on trade	318	263	+21%	318	257	+24%	1,022
Commission on remittances/uniremote	121	117	+3%	121	97	+24%	434
Commission on utility bills	50	49	+2%	50	57	-13%	215
Commission on ATM/debit card	35	38	-8%	35	31	+14%	142
Commission on Commodity Operation	1	28	-97%	1	1	+25%	28
Corporate finance fee	173	86	+101%	173	24	+609%	311
Other commission	254	316	-20%	254	204	+24%	1,017
Sub total - fee, commission income	1,450	1,396	+4%	1,450	1,152	+26%	5,165
Capital gain	251	184	+36%	251	320	-22%	834
Dividend income	27	84	-67%	27	130	-79%	549
Exchange income	250	186	+34%	250	227	+10%	827
Gain on Derivatives	558	255	+119%	558	33	+1604%	281
Recoveries from client	127	125	+1%	127	117	+8%	527
Other income	310	383	-19%	310	79	+292%	809
Total non funded income	2,973	2,613	+14%	2,973	2,059	+44%	8,992
Subsidiaries	268	250	+7%	268	139	+93%	616
Share of (loss) / income of associates	122	204	-40%	122	-	+100%	323
Total non funded income-Consol.	3,363	3,067	+10%	3,363	2,198	+53%	9,931

Operating Expenses (PKR mm)

	QTD Mar'08	QTD Dec'07	% Change	3 month Mar 08	3 month Mar 07	% Change	Full year Dec'07
Personnel cost	1,671	1,476	+13%	1,671	1,508	+11%	6,190
Premises cost	510	457	+12%	510	270	+89%	1,491
Outsourced serv.charges incl. sales comm	347	323	+7%	347	290	+20%	1,293
Advertisement and publicity	75	176	-57%	75	105	-29%	619
Communications / courier charges	125	156	-20%	125	108	+16%	548
Depreciation	213	167	+27%	213	132	+61%	581
Legal and professional charges	33	113	-71%	33	86	-61%	401
Banking service charge	87	106	-18%	87	69	+26%	361
Stationery and printing	54	92	-42%	54	49	+10%	286
Traveling	27	41	-33%	27	42	-36%	164
Repairs and maintenance	32	41	-22%	32	31	+3%	120
Insurance expense	28	38	-26%	28	1	-	87
Office running expenses	23	23	+0%	23	17	+35%	81
Entertainment	17	20	-14%	17	13	+31%	67
Cartage, freight and conveyance	14	19	-25%	14	12	+17%	60
Sub-Debt cost	21	18	-21%	21	1	-	20
Other expenses	198	185	+7%	198	182	+9%	724
Total Operating Cost - Bank	3,475	3,450	+1%	3,475	2,915	+19%	13,093
Subsidiaries	269	194	+39%	269	191	+41%	836
Total Operating Cost - Consolidated	3,744	3,644	+3%	3,744	3,106	+21%	13,929

* Excluding ERS

E-Banking

<i>E-Banking</i>	<i>Mar-08</i>	<i>Dec-07</i>	<i>Dec-06</i>	<i>% Change</i>
# of ATMs	336	326	210	+55%
# of Transactions (M)	3.3	9.5	5.9	+60%
Average transactions per day	36k	26k	16k	+63%
Total transaction amount (Rs B)	16	48	29	+65%
Average transaction size (Rs 000)	4.9	5.0	4.9	+3%
Average monthly transactions per ATM (Rs M)	16	12	11	+6%
<i>Internet Banking</i>				
Users	40,777	37,408	23,472	+59%
Total # of transactions (000)	53	148	64	+133%
Total transaction amount (Rs M)	2,479	2,089	404	+417%
Average transaction size (Rs 000)	47	14	6	+122%
<i>Click N Remit</i>				
Users	20,650	19,950	16,800	+19%
Total # of transactions (000)	19	79	65	+21%
Total transaction amount (US\$ M)	17	70	65	+8%
Average transaction size (US\$)	898	885	989	-11%
<i>Home Remittances</i>				
Total # of transactions (000)	147	595	544	+9%
Total transaction amount (US\$ M)	302	709	562	+26%
Average transaction size (US\$)	2,054	1,192	1,033	+15%

Financial Ratios (1 of 3)

DuPont	Yearly			QTD (Annualized)	
	2005	2006	2007	Dec-07	Mar-08
Net Interest Yield ¹	4.5%	5.4%	5.0%	4.8%	4.8%
Net Interest Margin ²	5.4%	6.4%	6.1%	5.6%	5.7%
Non Interest Yield ³	1.7%	1.8%	2.0%	2.3%	2.4%
Operating Exp. / Assets	2.6%	2.9%	2.9%	3.0%	2.7%
Cost Income Ratio	46%	44%	51%	62%	43%
Loan Loss / Assets	0.4%	0.6%	1.3%	2.2%	0.9%
Loan Loss / RWA ⁴	0.7%	0.8%	1.8%	3.0%	1.1%
Effective Tax Rate	36%	33%	33%	23%	33%
Pre-Provision ROA ⁵	2.2%	2.8%	2.8%	3.1%	2.9%
ROA	1.9%	2.4%	1.9%	1.4%	2.3%
Return on RWA	3.0%	3.5%	2.6%	2.0%	3.0%
Pre-Provision ROE ⁶	32%	39%	33%	37%	33%
ROE	28%	34%	23%	17%	26%

Formulas

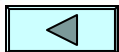
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|---|---|
| 1. Net interest income / average assets | 4. Risk weighted assets |
| 2. Net interest income / average earning assets | 5. Return on avg. assets (before net provisions) |
| 3. Non interest income / average assets | 6. Return on average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

Financial Ratios (2 of 3)

Asset Quality	Yearly			QTD (Annualized)	
	2005	2006	2007	Dec-07	Mar-08
Gross NPLs / Gross Loan	7.7%	6.2%	6.9%	6.9%	6.8%
Net NPLs / Gross Loan	1.7%	1.6%	1.9%	1.9%	2.0%
Coverage Ratio	85%	83%	78%	78%	77%
Prov. held / Gross loan	6.0%	4.6%	4.9%	4.9%	4.8%
Prov. Exp. / Gross loan	0.6%	0.8%	2.0%	3.5%	1.4%

Growth	Yearly			QTD (Annualized)	
	2005	2006	2007	Dec-07	Mar-08
Growth in Loan Book	42%	21%	21%	7%	6%
Growth in Deposits	25%	16%	20%	5%	1%
Operating Revenue	57%	44%	21%	6%	7%
Operating Expense	15%	38%	23%	9%	-5%
Pre-provision Oper.Profit	116%	48%	21%	4%	12%
Provision exp./Other prov.	466%	39%	170%	2%	-57%
Profit After Tax	61%	57%	-4%	16%	70%

Financial Ratios (3 of 3)



Back main ratios

Other Metrics	Yearly			QTD (Annualized)	
	2005	2006	2007	Dec-07	Mar-08
Capital Adequacy Ratio	10.7%	12.2%	12.4%	12.4%	13.1%
Tier-I CAR	7.7%	8.9%	8.8%	8.8%	8.3%
Loan / Deposits	71%	74%	75%	75%	79%
Loan / Assets	59%	58%	56%	56%	59%
RWA / Assets	67%	73%	73%	73%	78%
Average Headcount ²	9,366	9,658	9,702	9,604	9,296
Personnel cost / Headcount (000)	474	628	679	660	719
Yield on Earning Assets ³	7.6%	10.0%	10.3%	10.1%	9.9%
Cost of Funds ⁴	2.1%	3.4%	4.0%	4.2%	4.0%
Yield on Performing Adv	8.4%	11.2%	10.9%	10.6%	10.7%
Cost of Deposits	1.9%	3.1%	3.6%	3.4%	3.4%

Formulas

2. *Permanent Staff*

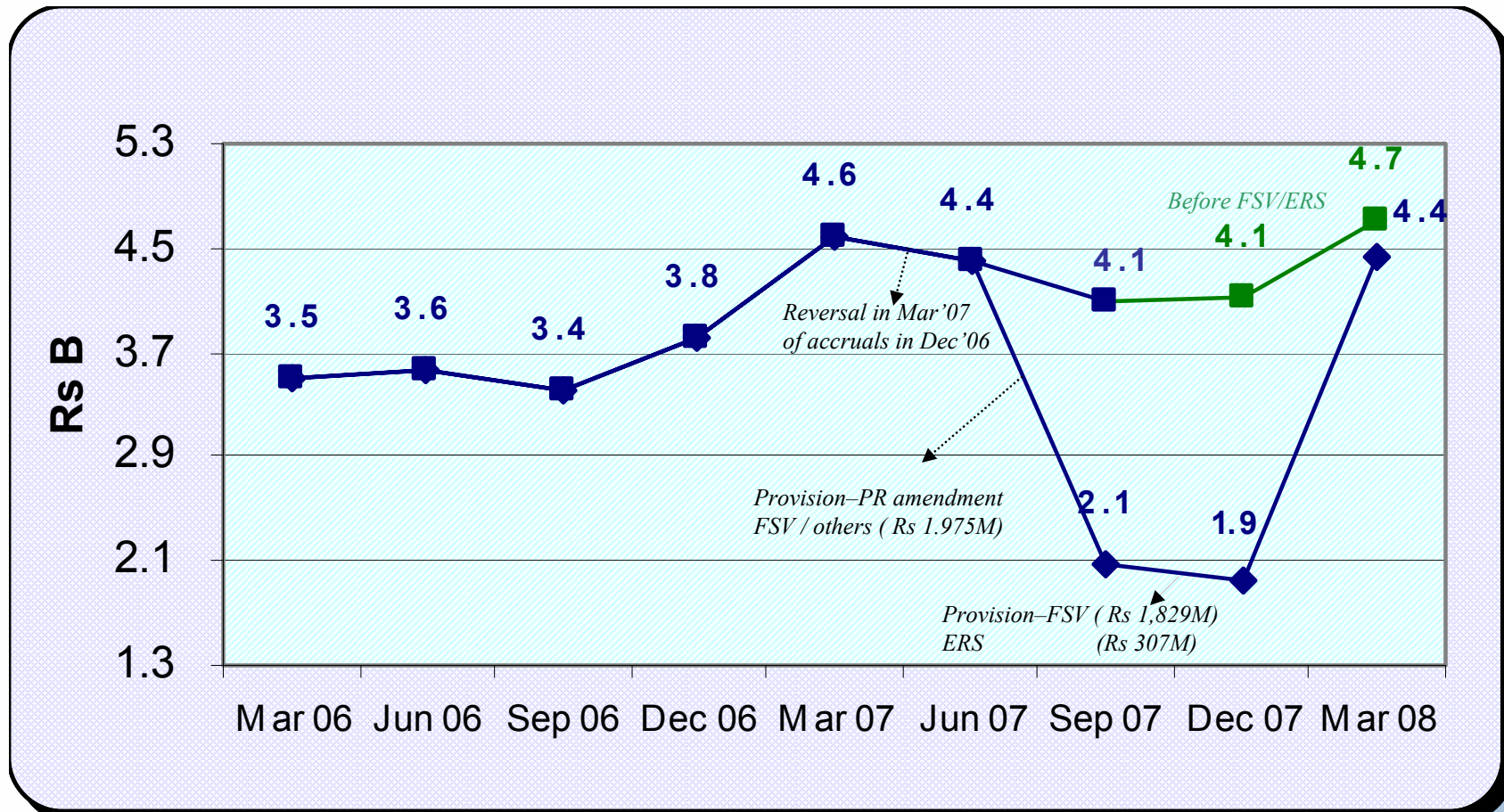
3. *Earning assets incl bal.with other banks, lending to F.I., investments & perf adv*

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

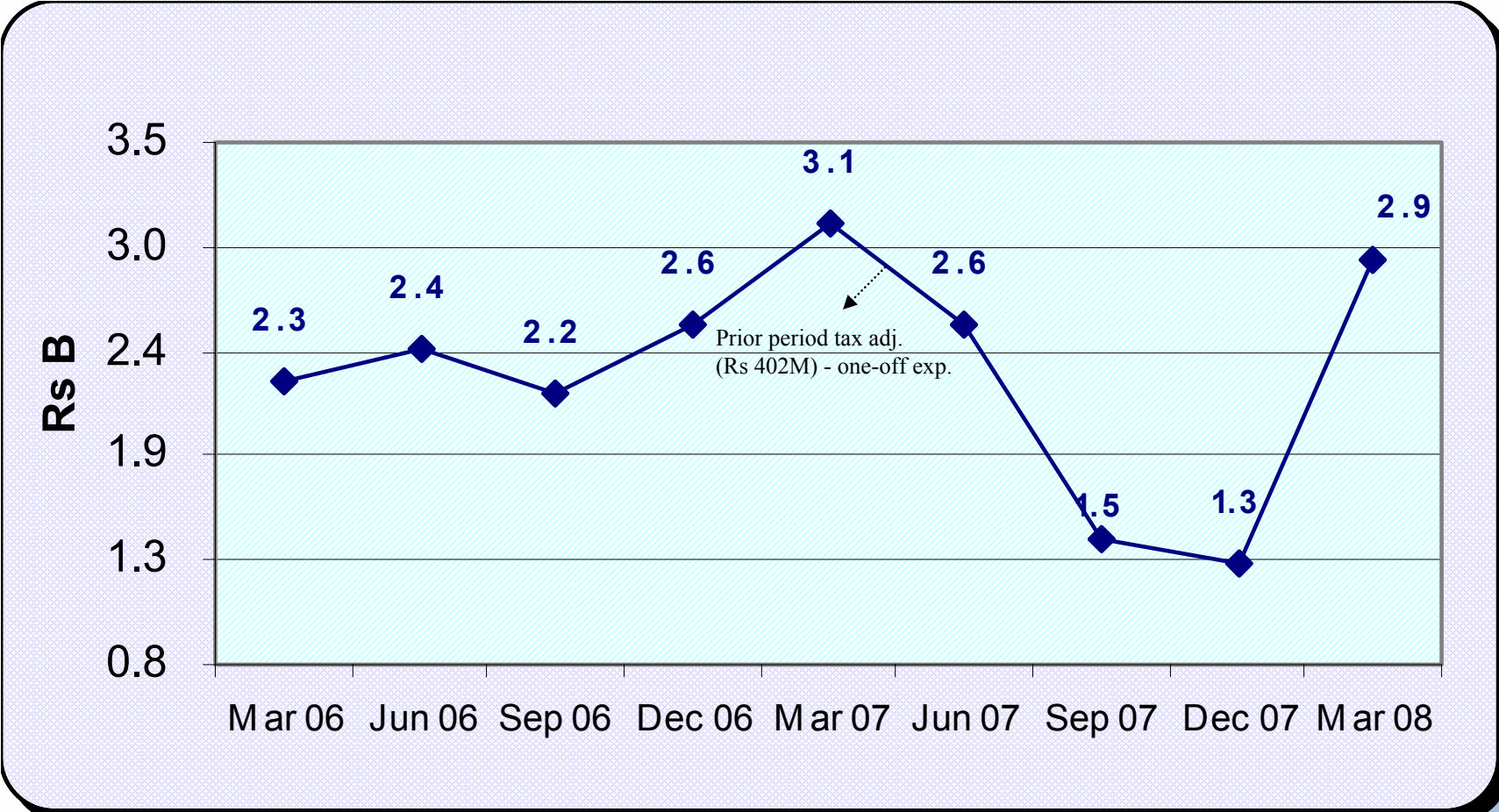
Quarterly Trend Analysis

Bank Level

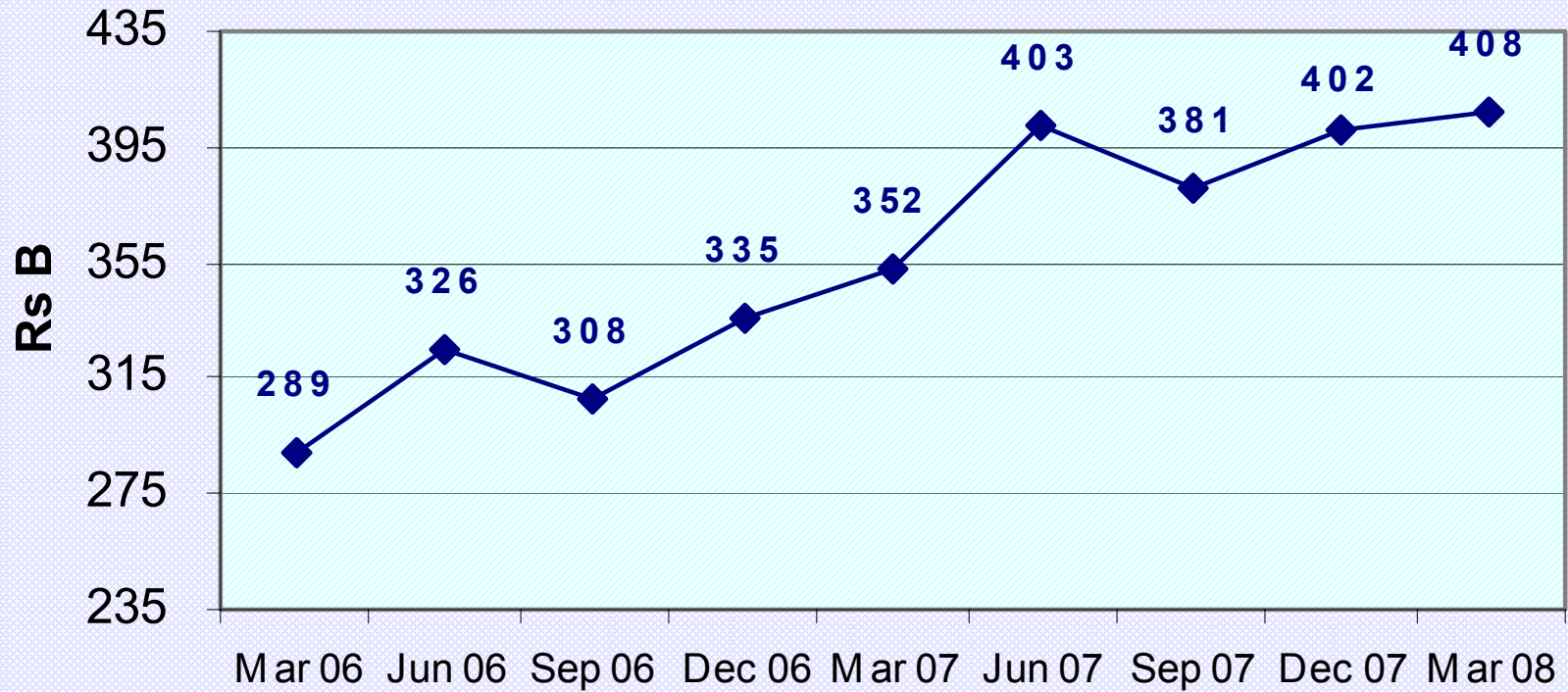
Profit Before Tax



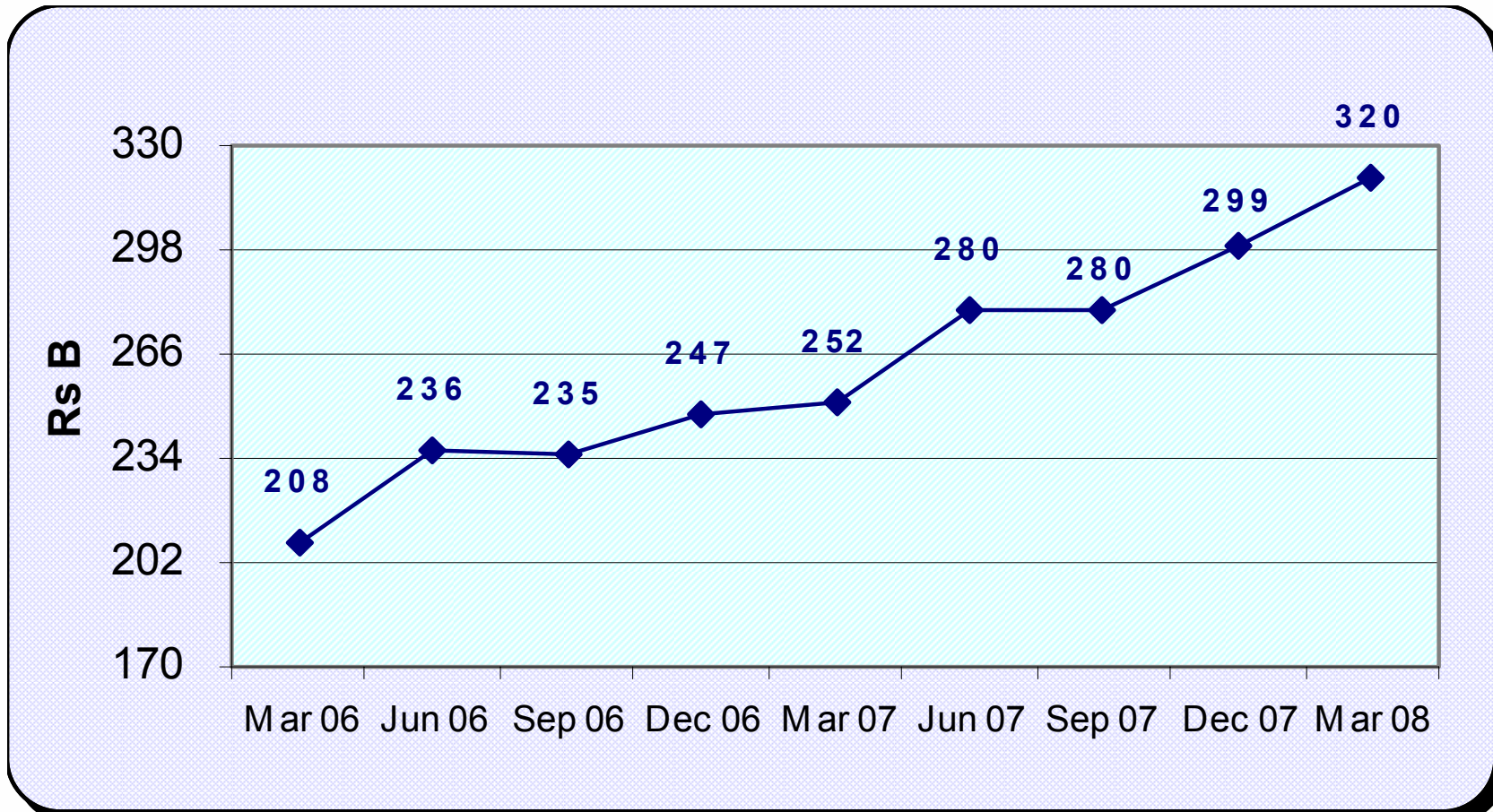
Profit after Tax



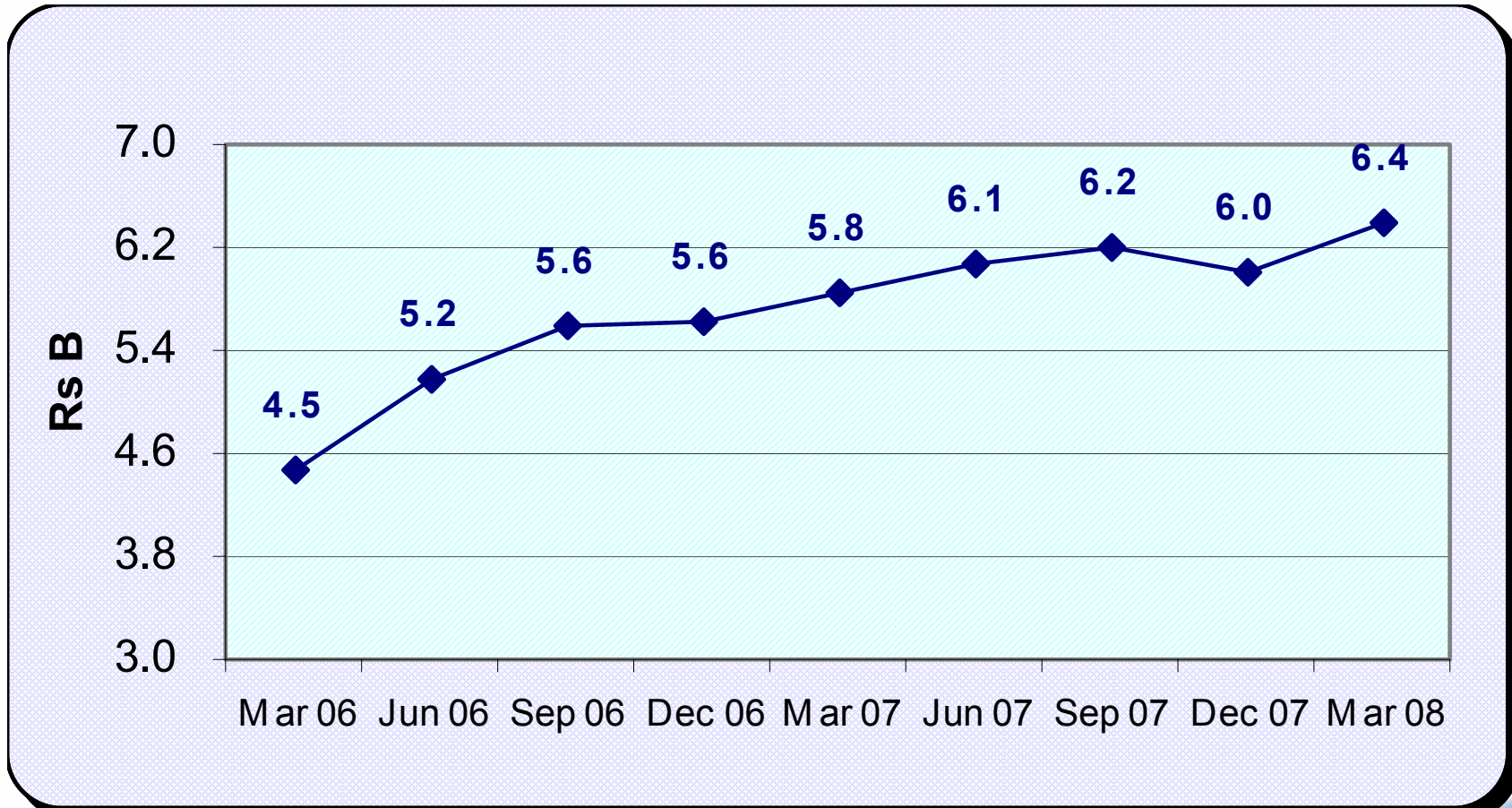
Deposits



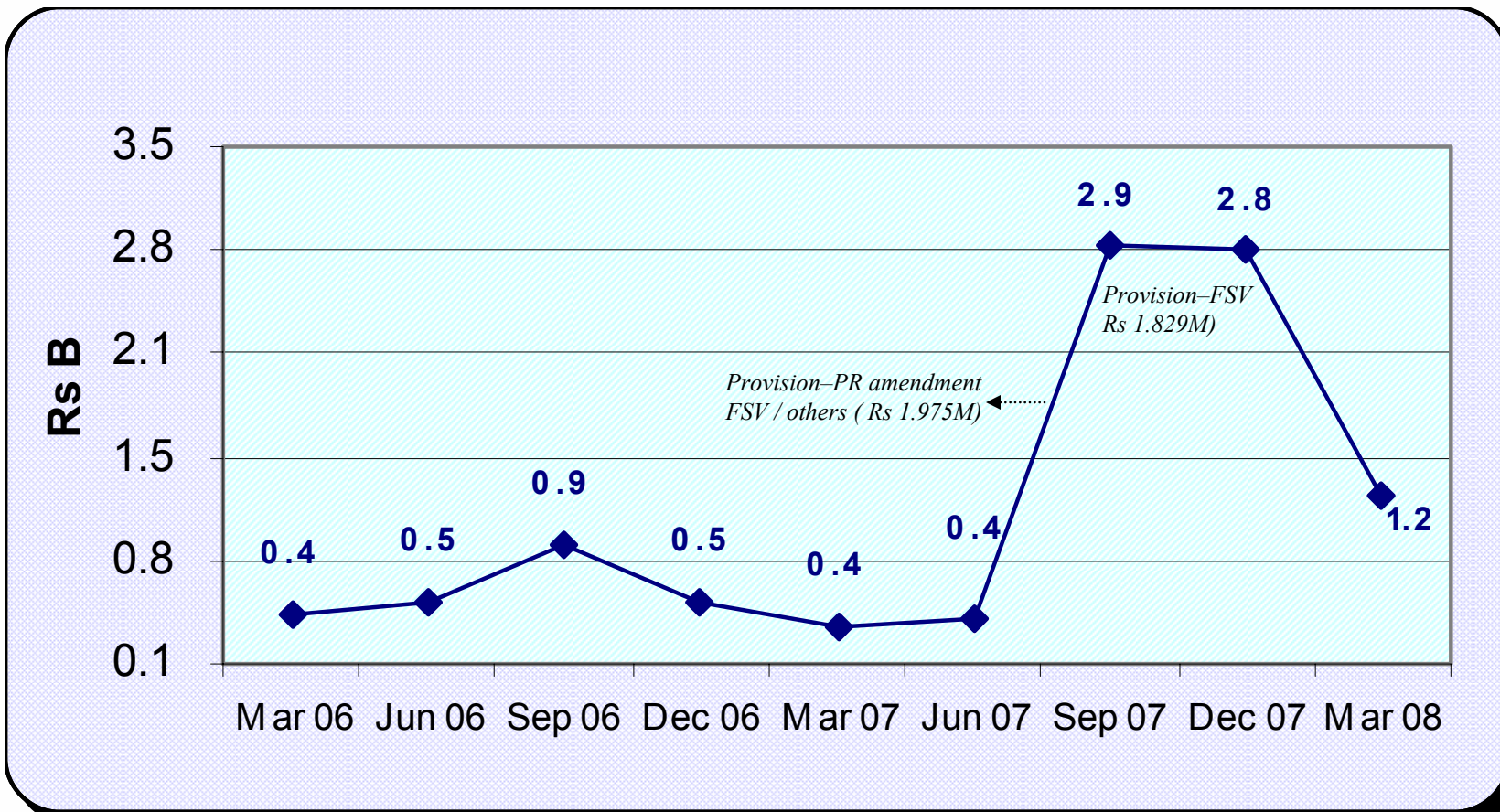
Advances



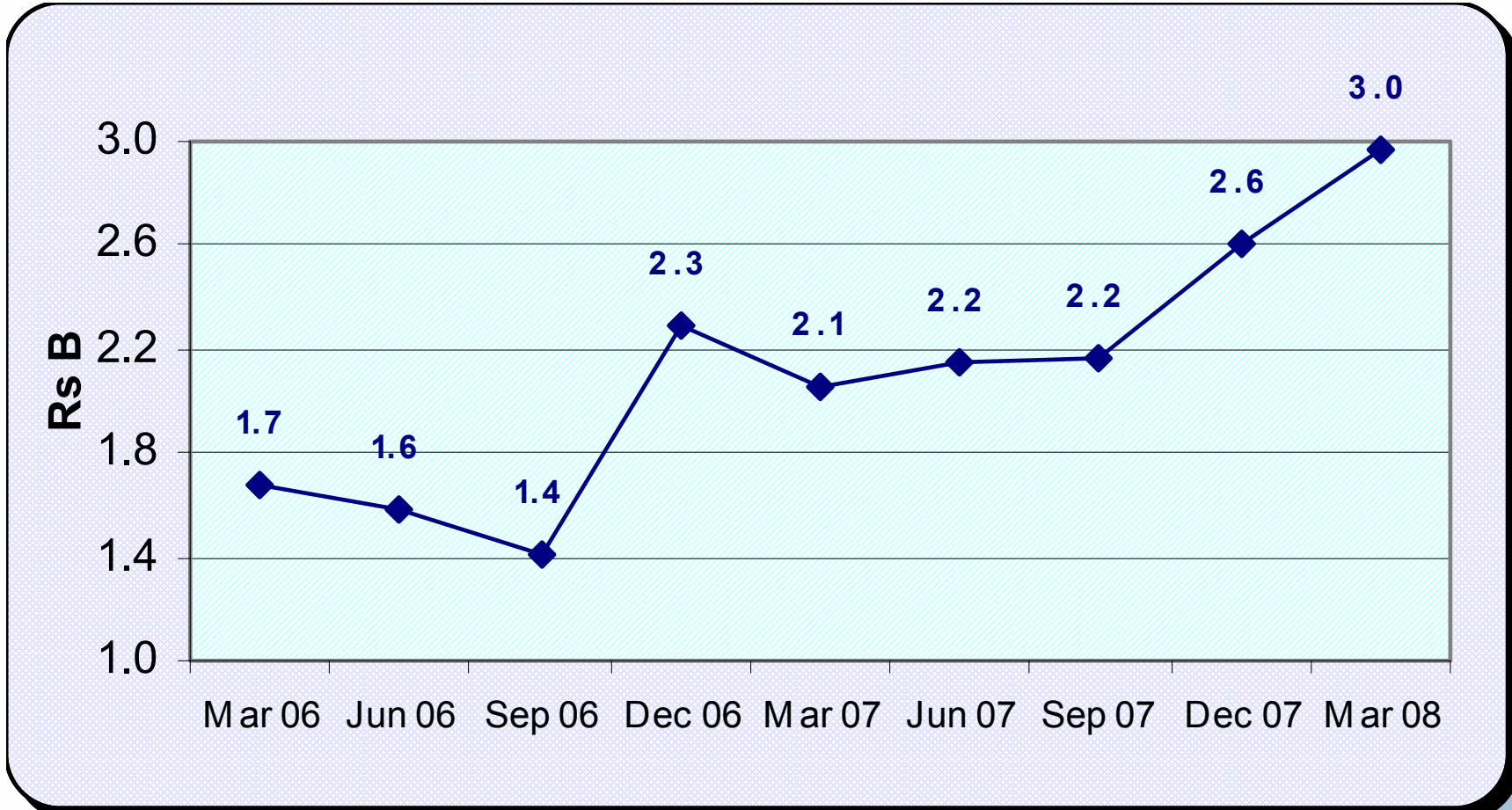
Net Interest Income



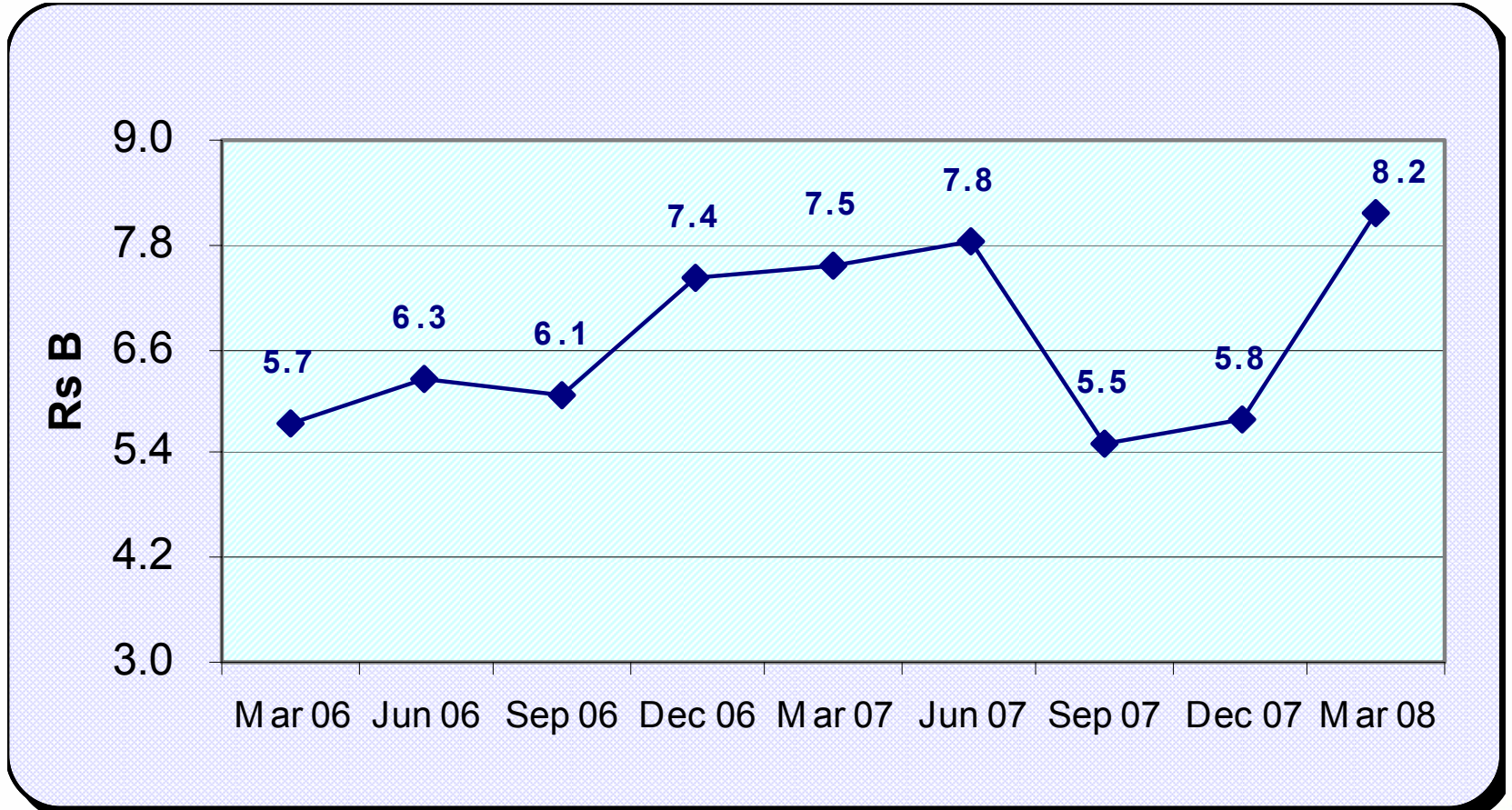
Net Provision



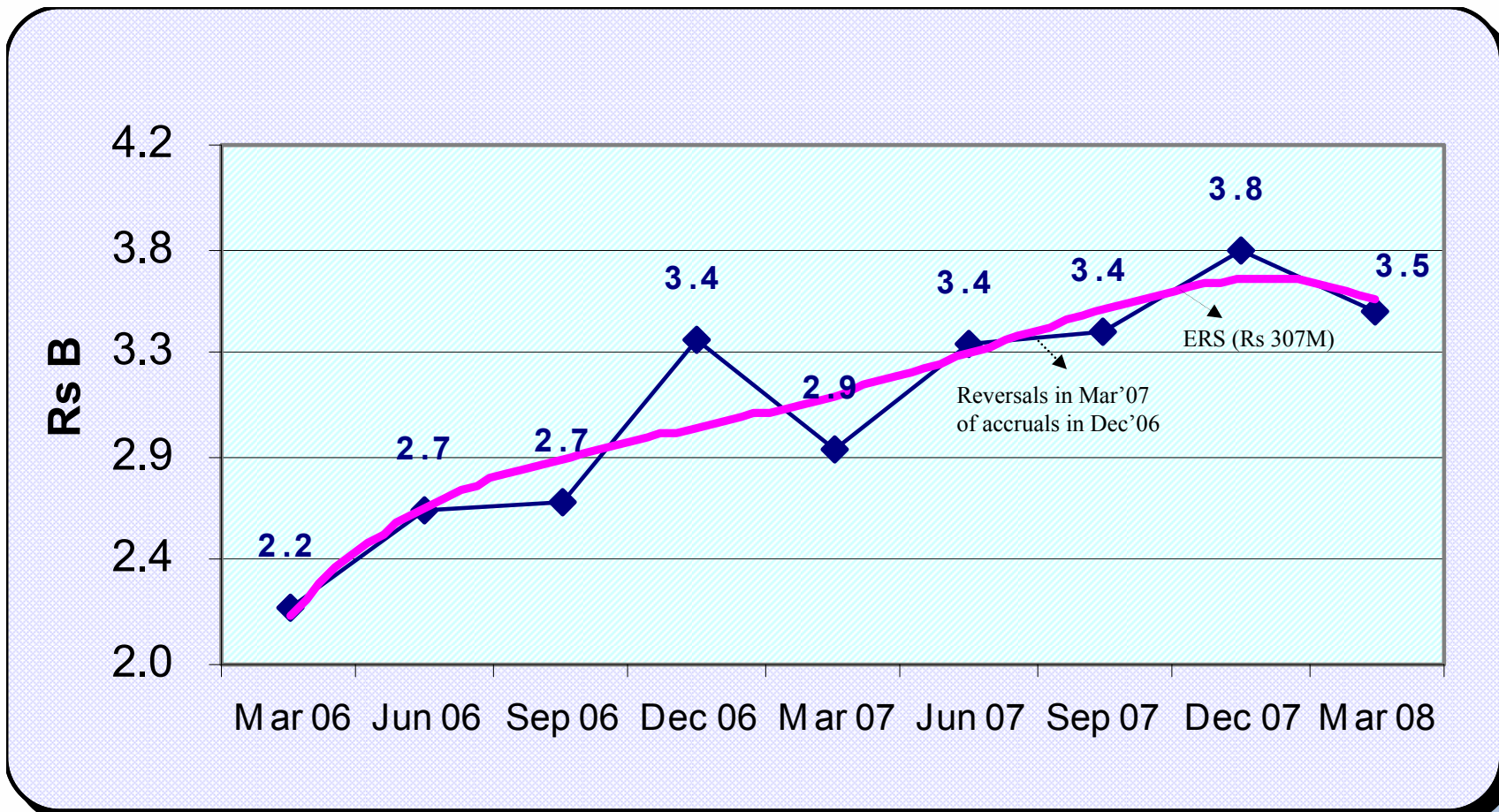
Non-Funded Income



Total Revenue



Administrative Expenses



The information contained herein reflects our latest business statement as at March 31, 2008

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