



United Bank Limited
Performance Review (Consolidated)
3Q2007

October 30, 2007

Key Highlights

- During the current quarter, the bank has changed the method of computation of provisions in order to comply with the amendments made by the State Bank of Pakistan;
- Due to the withdrawal of collateral while calculating the provisioning requirements against non performing loans, there is an incremental provision full year impact of Rs. 3.95 billion on our total portfolio as at Sep 30, 2007;
- We will be recognizing Rs. 1.98 billion of this incremental provision in the current quarter with the remaining Rs. 1.97 billion to be taken next quarter;
- Keeping in line with our prudent corporate governance policies, UBL is the first bank to have taken this incremental charge on the books this quarter;
- While our risk management systems remain intact, our results for the quarter reflect our strategy of transparent and timely disclosure for the benefit of our shareholders

Summary

	Sep 2007	Dec 2006	% Change
Assets (PKR mm)	498,680	435,993	+14%
Advances (PKR mm)	288,781	254,670	+13%
Market Share-Advances	9.6%	9.2%	-
Deposits (PKR mm)	391,803	343,805	+14%
Market Share-Deposits	8.8%	9.1%	-
Branches	1,072	1,059	-
ATMs	307	210	+46%
ROAA ¹	2.5%	2.4%	-
ROAE ¹	32%	34%	-
Credit Rating (JCR-VIS)	AA+/A-1+	AA/A-1+	-

*1- These ratios have been calculated before the incremental provision charge explained in slide 2;
For actual ratios see slide 7*

Share Info

	Sep 2007	Dec 2006
EPS (Rs/share - annualized) ¹	11.0	11.8
BV/share (Rs/share)	47.8	41.0
Price* - (Rs /share)	192.0	153.2*
P/E	17.5x	13.0x
P/BV	4.0x	3.7x
# of shares	809M	809M

* Share price (Dec'06) after announcement of results

September price at 22 October'07

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

1. *EPS annualized taking into account the full year provision impact of Rs. 3.95 billion*

Income Statement (PKR bn)

	QTD Sep'07	QTD Jun'07	% Change	9 month Sep'07	9 month Sep'06	% Change	Full year Dec'06
Net Interest Income	6.36	6.23	+2%	18.57	15.60	+19%	21.37
Non Interest Income	2.40	2.27	+6%	6.86	4.84	+42%	7.26
Operating Revenue	8.76	8.49	+3%	25.44	20.44	+24%	28.63
Operating Expense	(3.63)	(3.65)	-1%	(10.44)	(8.06)	+30%	(11.89)
Pre-Provision Oper.Profit	5.13	4.84	+6%	15.00	12.38	+21%	16.74
Provision Expenses	(2.86)	(0.38)	+644%	(3.60)	(1.81)	+99%	(2.24)
Profit before Tax	2.26	4.46	-49%	11.40	10.57	+8%	14.50
Profit after Tax	1.60	2.60	-38%	7.38	6.99	+6%	9.67

Note:

An incremental provisioning of Rs. 2.0bn was recognized this quarter due to withdrawal of collateral (Forced Sales Valuation – FSV) while calculating the provisioning requirements against non performing loans which was advised by State Bank of Pakistan on October 17, 2007

PBT (before FSV)	4.24	4.46	-5%	13.37	10.57	+27%	14.50
PAT (before FSV)	2.88	2.60	+11%	8.66	6.99	+24%	9.67

Balance Sheet (PKR bn)

	Sep'07	Jun'07	% Change	Sep'07	Dec'06	% Change
Cash and bal.with tr.banks	39.1	47.6	-18%	39.1	49.0	-20%
Investments	114.5	105.1	+9%	114.5	65.9	+74%
Advances	288.8	287.5	+0%	288.8	254.7	+13%
Total Assets	498.7	514.6	-3%	498.7	436.0	+14%
Deposits	391.8	414.1	-5%	391.8	343.8	+14%
Total Liabilities	460.0	477.4	-4%	460.0	402.7	+14%
Equity	38.7	37.2	+4%	38.7	33.3	+16%

Financial Ratios

	QTD Sep'07	QTD Jun'07	9 month Sep'07	9 month Sep'06	Full year Dec'06
Loan/Deposits	73.7%	69.4%	73.7%	76.0%	74.1%
ROAE	16.9%	29.5%	27.3%	34.3%	33.7%
ROAA	1.3%	2.2%	2.1%	2.5%	2.4%
Cost/Income Ratio	61.6%	45.0%	47.8%	43.3%	45.1%
Gross NPLs/Gross Advances ¹	7.9%	6.1%	7.9%	7.1%	6.8%
Net NPLs/Gross Advances ²	3.2%	2.0%	3.2%	2.1%	1.9%
Coverage Ratio	66.0%	74.7%	66.0%	79.7%	79.7%
CAR Ratio	12.1%	12.4%	12.1%	12.0%	12.2%
Tier 1 CAR Ratio	9.3%	9.3%	9.3%	8.4%	8.9%

1. Our gross NPLs at Sep 30, 2007 include *Rs 3.6bn* of loans which have been subjectively classified by SBP
2. Our net NPLS at Sep 30, 2007 include *Rs 2.3bn* of loans which have been subjectively classified by SBP

Deposits Structure

Deposit Mix - Bank

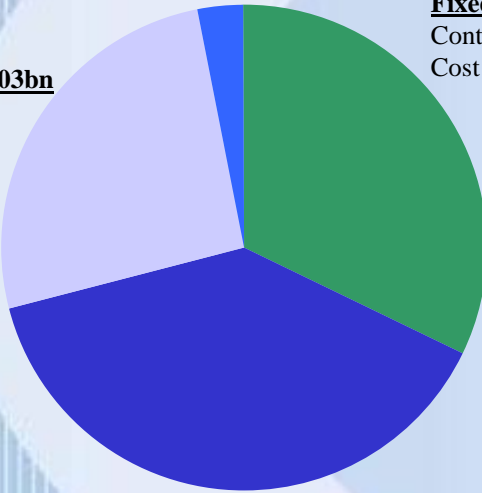
Fixed Deposits ⁽¹⁾

Other Deposits – PKR 11bn

Contribution 3%
Cost 0.1%

Fixed Deposits – PKR 127bn

Contribution 32%
Cost 7.5%



Current Deposits – PKR 103bn

Contribution 26%
Cost 0%

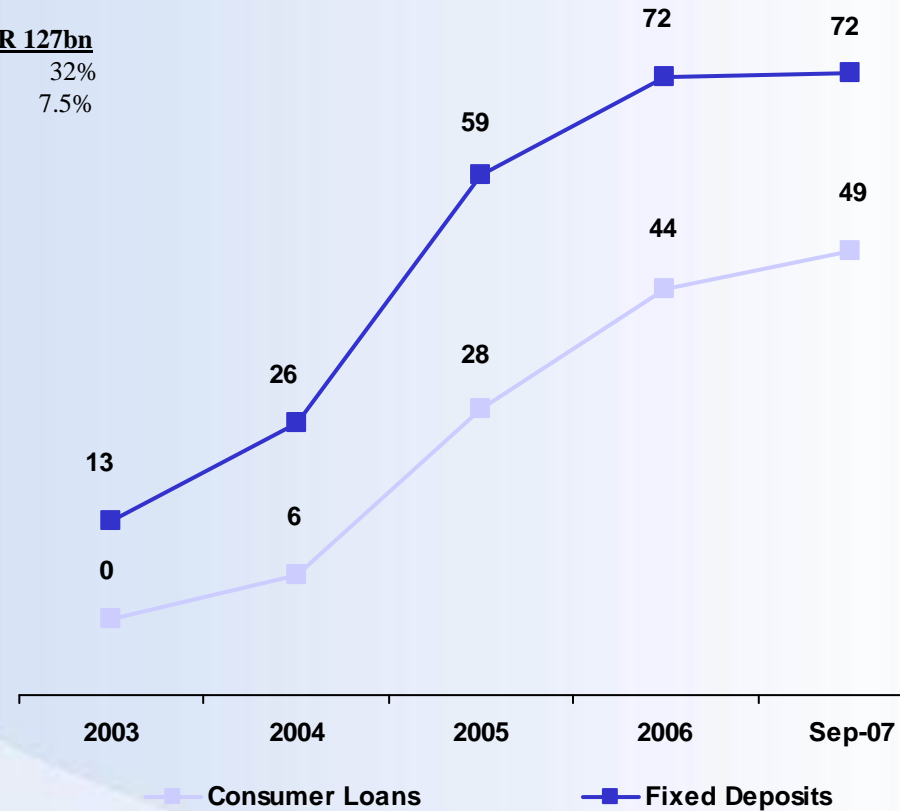
Saving Deposits – PKR 151bn

Contribution 38%
Cost 2.5%

Total Deposits = PKR 392 bn

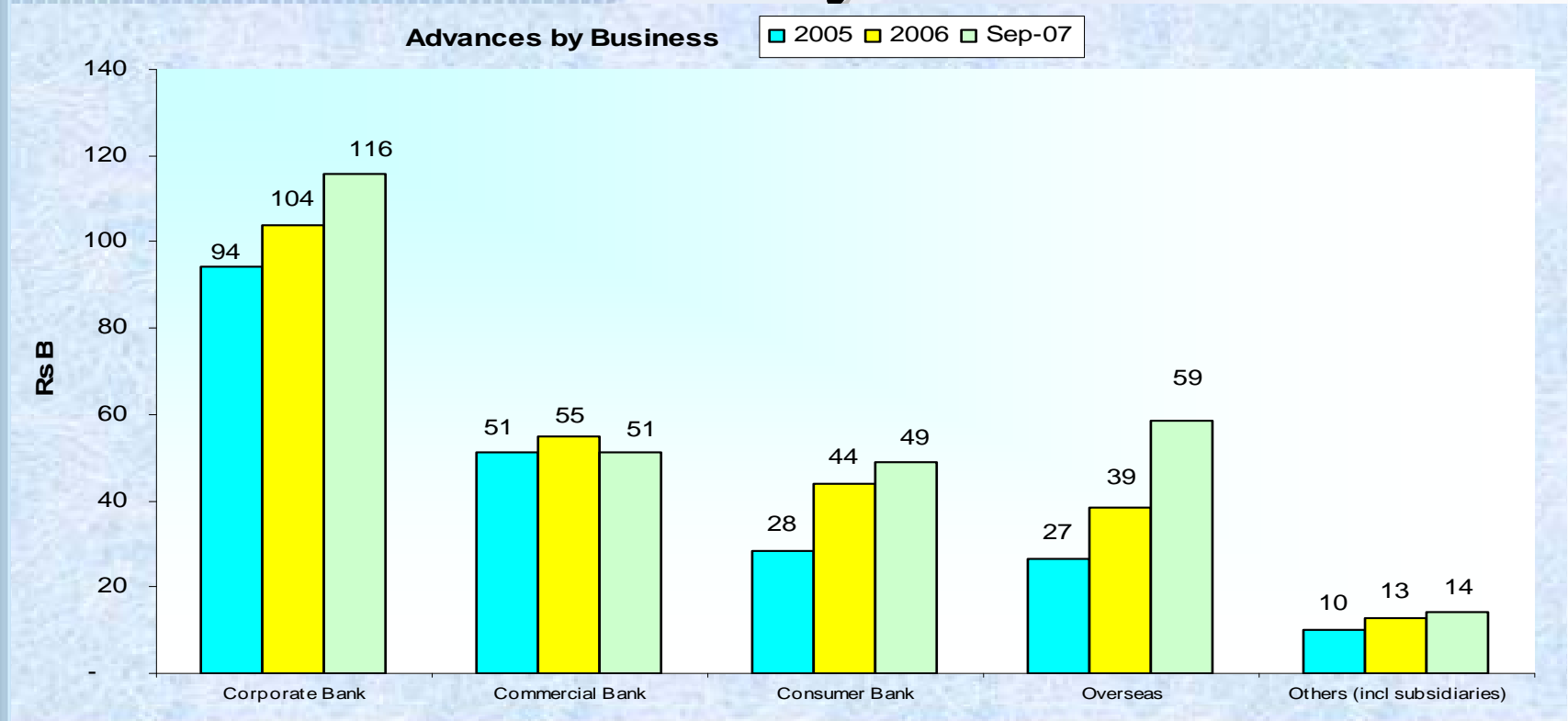
Cost of Deposits = 3.6%

CASA = 64%



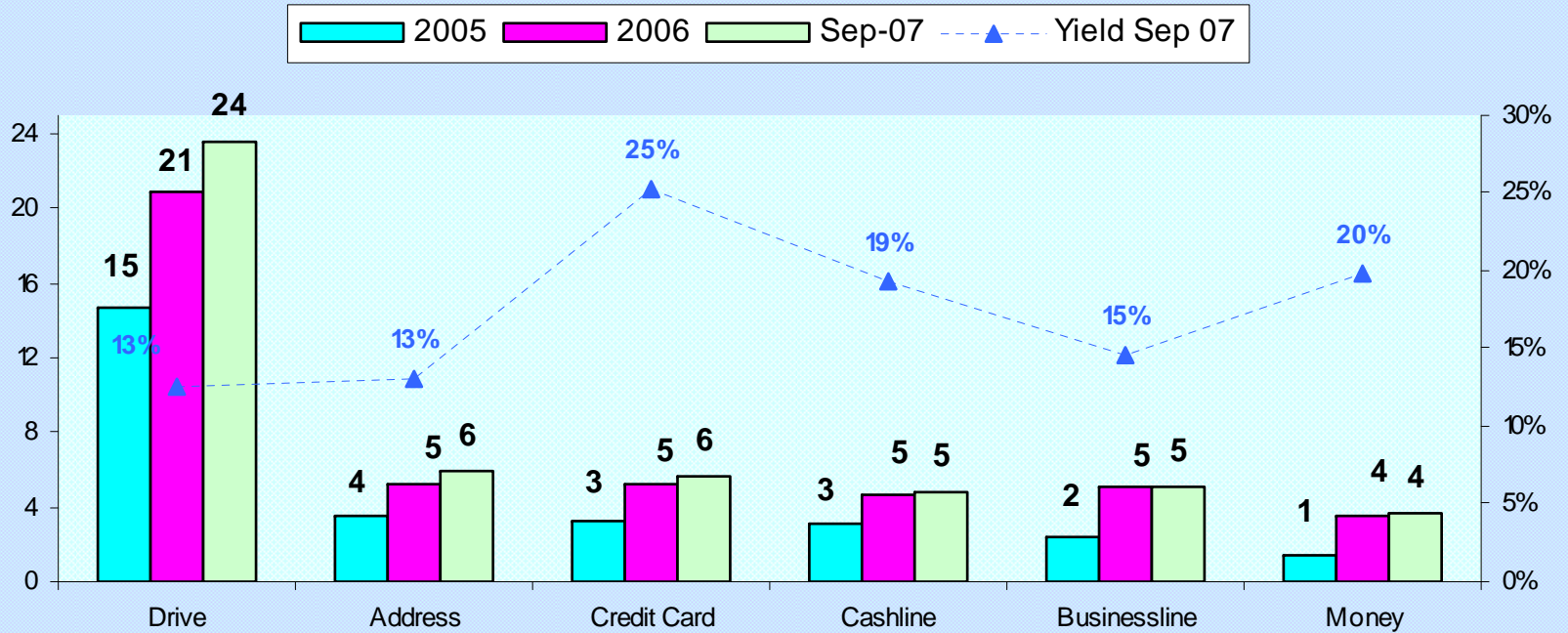
(1) Includes domestic fixed deposits only

Advances by Business



	Sep'07	Dec'06	% Change
Corporate Bank	116.0	104.1	+11.4%
Commercial Bank	51.3	54.9	-6.6%
Consumer Bank	48.7	43.8	+11.3%
Overseas	58.7	38.5	+52.4%
Others (incl. subsidiaries)	14.1	13.3	+5.3%
Total	288.8	254.7	+13.4%

Consumer Advances by Product



	Sep'07	Dec'06	% Change	Loan yield- Sep'07
Drive	23.6	20.7	+14.2%	12.6%
Address	6.0	5.2	+13.6%	13.1%
Credit Card	5.6	5.0	+12.3%	25.3%
Cashline	4.9	4.5	+8.2%	19.4%
Businessline	5.1	5.0	+2.3%	14.5%
Money	3.6	3.4	+6.3%	19.8%
Total	48.7	43.8	+11.3%	15.6%

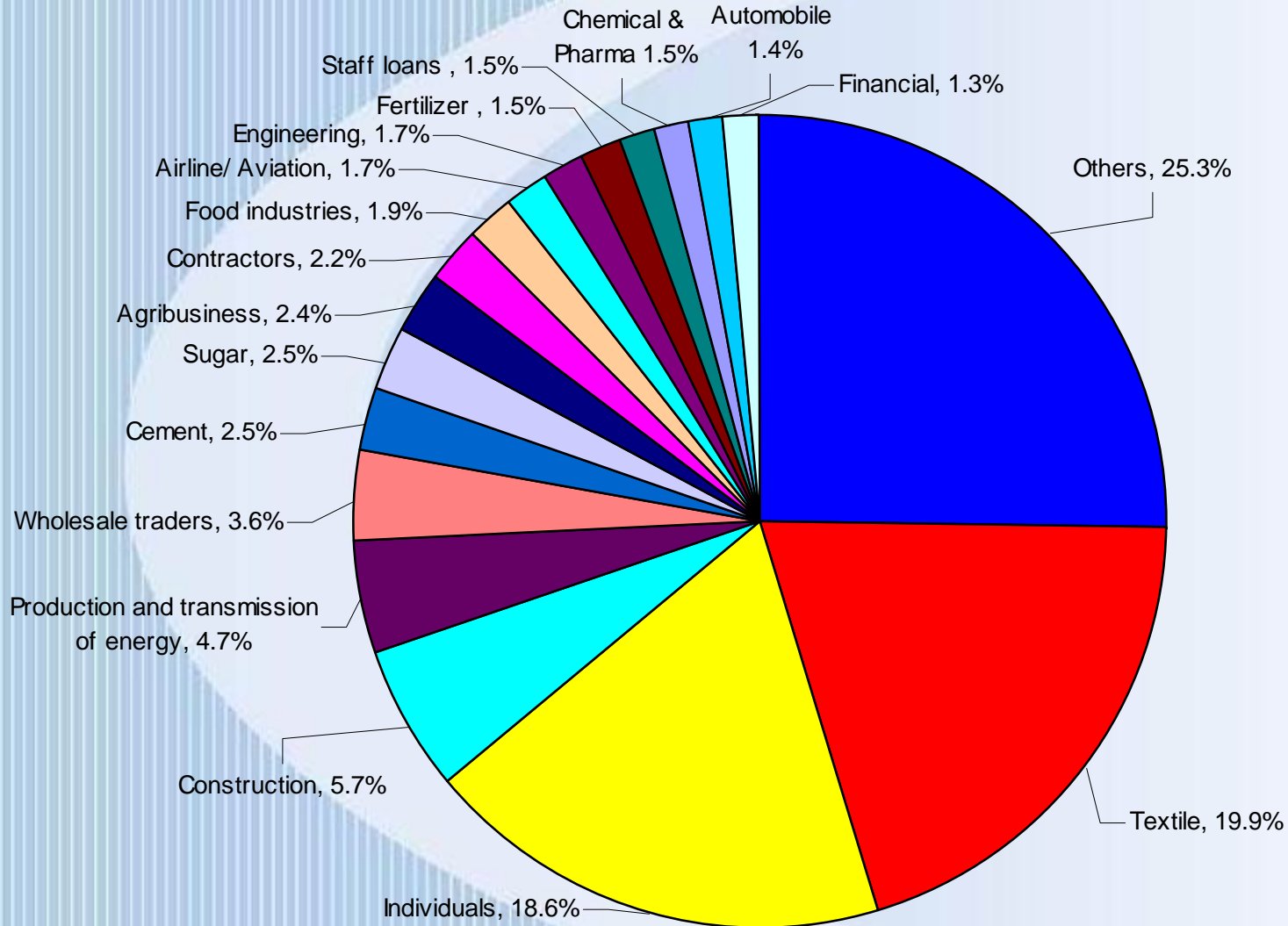
Consumer Drivers

	Advances (PKR mm)			# of Accounts		
	Sep-07	Dec-06	% Change	Sep-07	Dec-06	% Change
Drive	23,596	20,660	+14%	65,007	52,887	+23%
Credit Card	5,628	5,011	+12%	164,579	157,725	+4%
Businessline	5,106	4,992	+2%	1,403	1,233	+14%
Address	5,952	5,238	+14%	1,277	1,253	+2%
Money	3,611	3,397	+6%	32,594	27,378	+19%
Cashline	4,850	4,482	+8%	68,444	61,141	+12%
Total	48,743	43,781	+11%			

Spread Analysis (bank level)

	Full Year 2006			YTD September 2006			YTD September 2007		
	Average Balances	Interest income / (expense)	Avg.Yield /Cost	Average Balances	Interest income / (expense)	Avg.Yield /Cost	Average Balances	Interest income / (expense)	Avg.Yield /Cost
Interest Earning Assets									
Performing Advances	221,627	24,556	11.1%	218,203	17,531	10.7%	262,463	21,875	11.1%
Investments	60,472	5,150	8.5%	60,074	3,844	8.6%	87,139	5,891	9.0%
Others	49,452	3,286	6.6%	37,174	2,314	8.3%	44,208	2,399	7.3%
Total interest earning assets (a)	331,551	32,992	10.0%	315,451	23,689	10.0%	393,810	30,165	10.2%
Non Interest Earning Assets									
Non -performing Advances	4,002	-	-	2,285	-	-	3,604	-	-
Non- interest bearing Investments	5,475	-	-	5,289	-	-	7,991	-	-
Fixed Assets	4,775	-	-	4,688	-	-	5,563	-	-
Other Assets	28,366	-	-	32,974	-	-	39,683	-	-
Total Assets (A)	374,169	32,992	8.8%	360,687	23,689	8.8%	450,651	30,165	8.9%
Interest bearing liabilities									
Saving deposits	127,958	(2,665)	2.1%	129,720	(2,007)	2.1%	136,363	(2,590)	2.5%
Current deposits	78,612	(83)	0.1%	79,222	-	0.0%	91,810	-	0.0%
Term deposits	89,515	(6,606)	7.4%	82,775	(4,401)	7.1%	125,984	(7,072)	7.5%
Other deposits	8,728	-	0.0%	7,541	(57)	1.0%	8,235	(8)	0.1%
Total deposits	304,813	(9,354)	3.1%	299,258	(6,465)	2.9%	362,392	(9,670)	3.6%
Sub-ordinated loan	4,609	(472)	10.2%	4,224	(321)	10.2%	5,998	(447)	10.0%
Borrowings	26,538	(2,301)	8.7%	25,856	(1,665)	8.6%	32,235	(1,956)	8.1%
Total interest bearing liabilities (b)	335,961	(12,127)	3.6%	329,338	(8,451)	3.4%	400,625	(12,073)	4.0%
Non Interest bearing liabilities									
Equity	20,171	-		20,147			27,956		
Bills Payable	5,390	-		5,337			5,337		
Other liabilities	12,648	-		5,865			16,733		
Total non interest bearing liabilities	38,209	-		31,349	-		50,026	-	
Total Liabilities (B)	374,169	(12,127)	3.2%	360,687	(8,451)	3.1%	450,651	(12,073)	3.6%
Net Interest Margin (a-b)	-	-	6.3%	-	-	6.6%	-	-	6.2%
Spread (A-B)			5.6%			5.6%			5.4%

Concentration of Advances



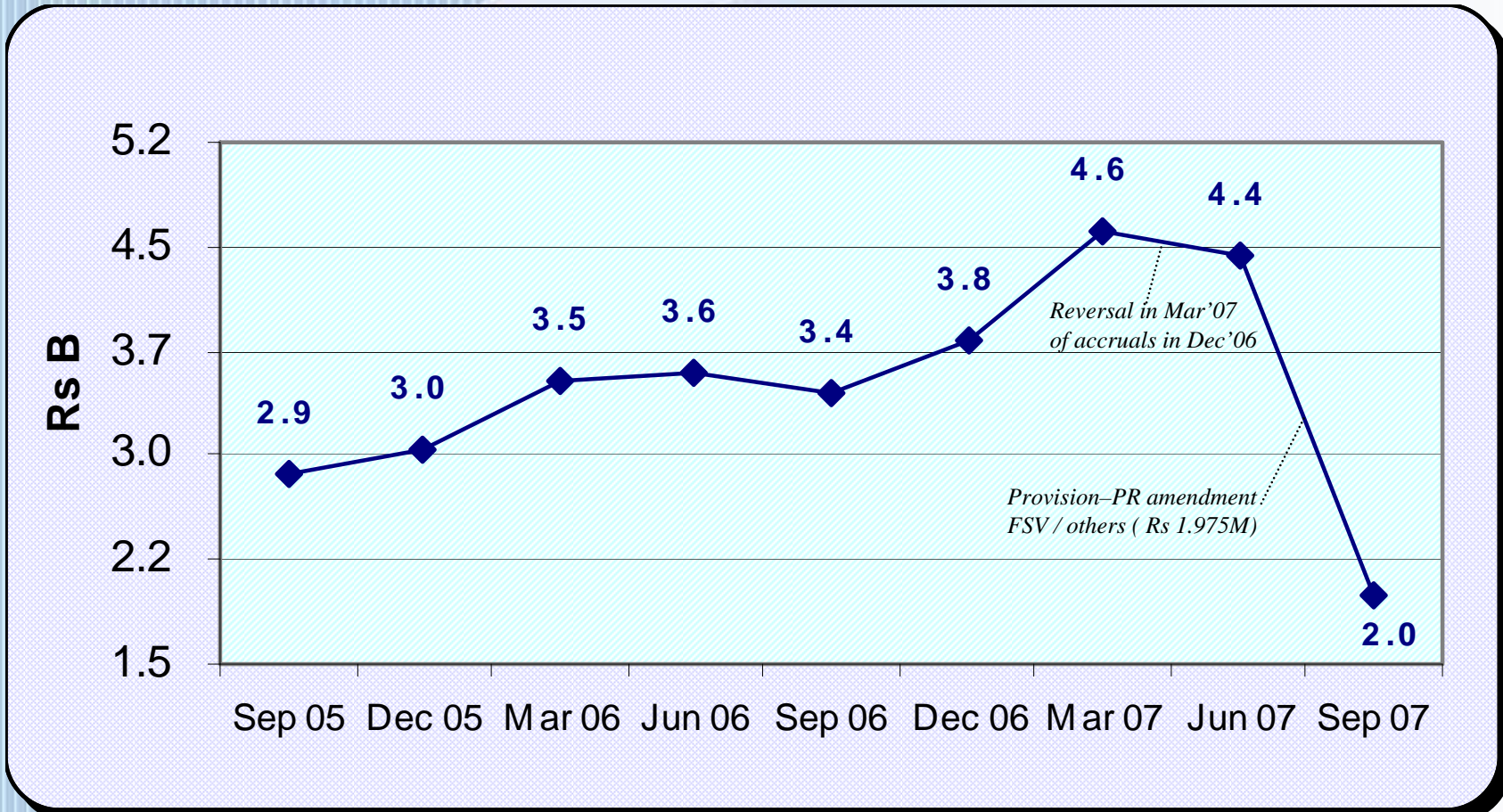
Non Interest Income

	QTD Sep'07	QTD Jun'07	% Change	9 month Sep'07	9 month Sep'06	% Change	Full year Dec'06
Commission on consumer loan	376	380	-1%	1,125	863	+30%	1,181
Minimum balance charges	112	147	-23%	371	398	-7%	559
Commission on trade	263	238	+11%	758	605	+25%	847
Commission on remittances/uniremote	113	107	+6%	316	307	+3%	395
Commission on utility bills	52	57	-8%	166	217	-24%	275
Commission on ATM/debit card	34	39	-13%	104	73	+42%	101
FIG commission	47	56	-17%	143	113	+26%	188
Corporate finance fee	81	120	-33%	225	111	+103%	231
Other commission	192	202	-5%	559	441	+27%	101
Sub total - fee, commission income	1,270	1,346	-6%	3,769	3,129	+20%	3,877
Capital gain	136	194	-30%	650	302	+115%	278
Dividend income	125	210	-40%	465	257	+81%	837
Exchange income	218	196	-11%	642	426	+51%	660
Rent - properties & lockers	30	30	0%	85	67	+27%	92
Recoveries from client	138	147	-6%	402	351	+15%	468
Other income	248	33	+647%	366	118	+211%	737
Total non funded income	2,165	2,156	0%	6,379	4,650	+37%	6,948
Subsidiaries	235	111	+113%	486	192	+153%	314
Total non funded income-Consol.	2,400	2,267	+12%	6,865	4,842	+40%	7,262

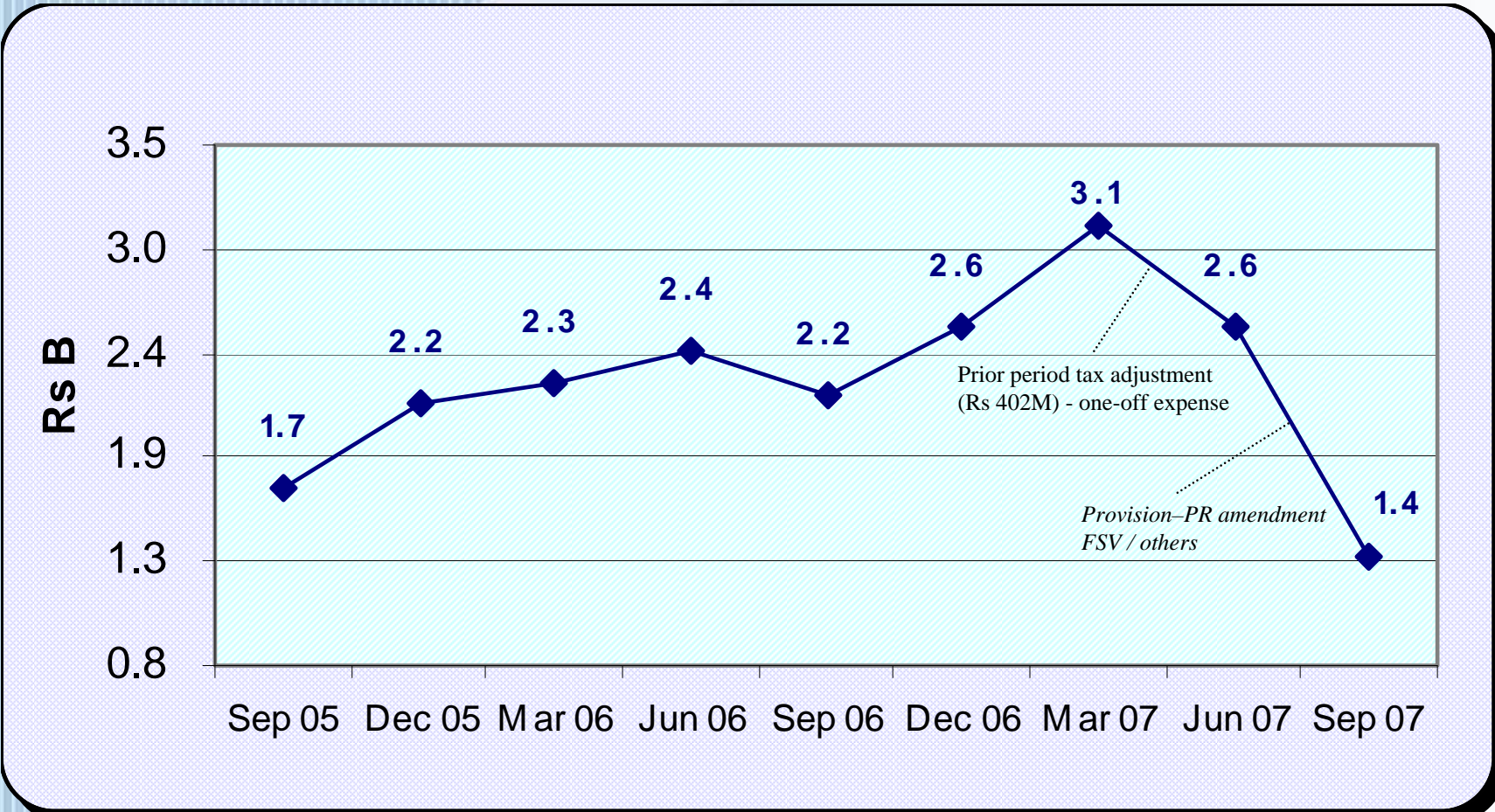
Quarterly Trend Analysis

Bank Level

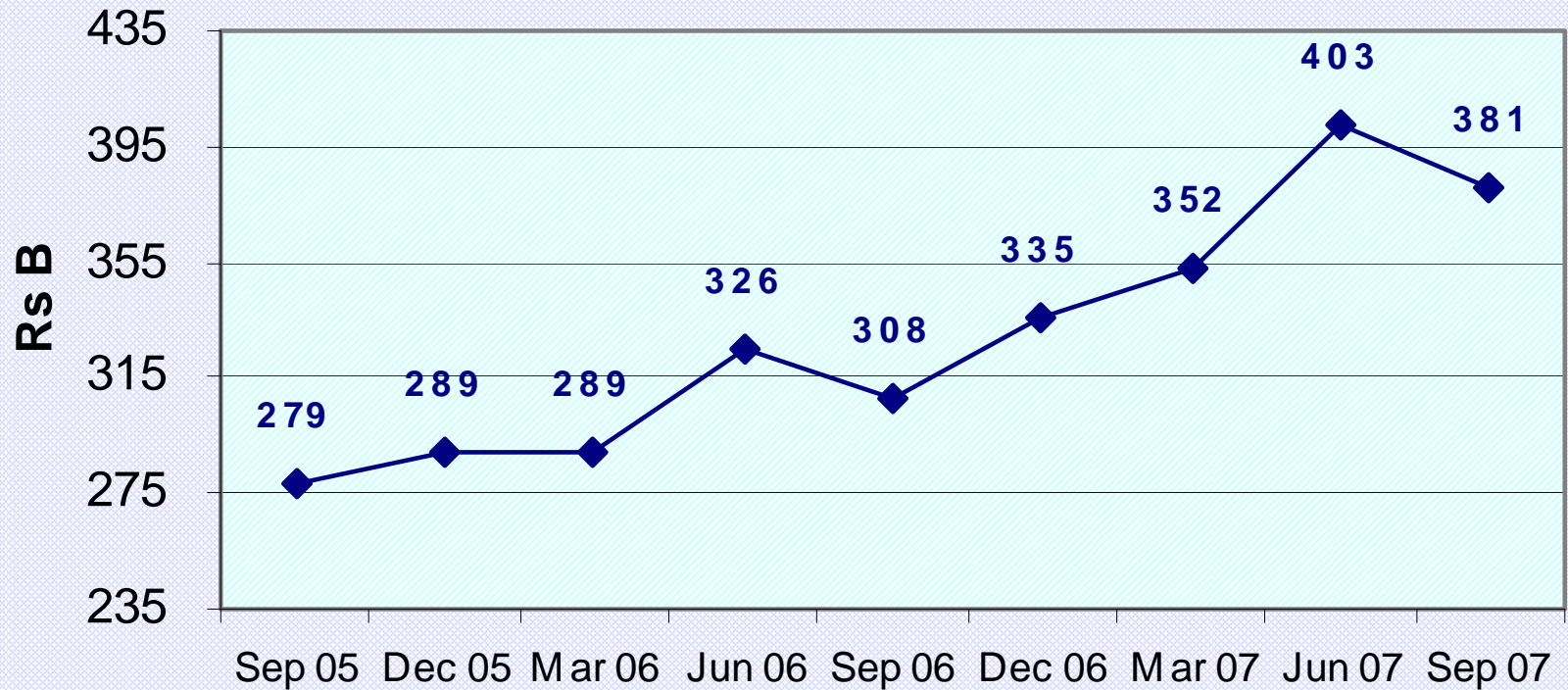
Profit Before Tax



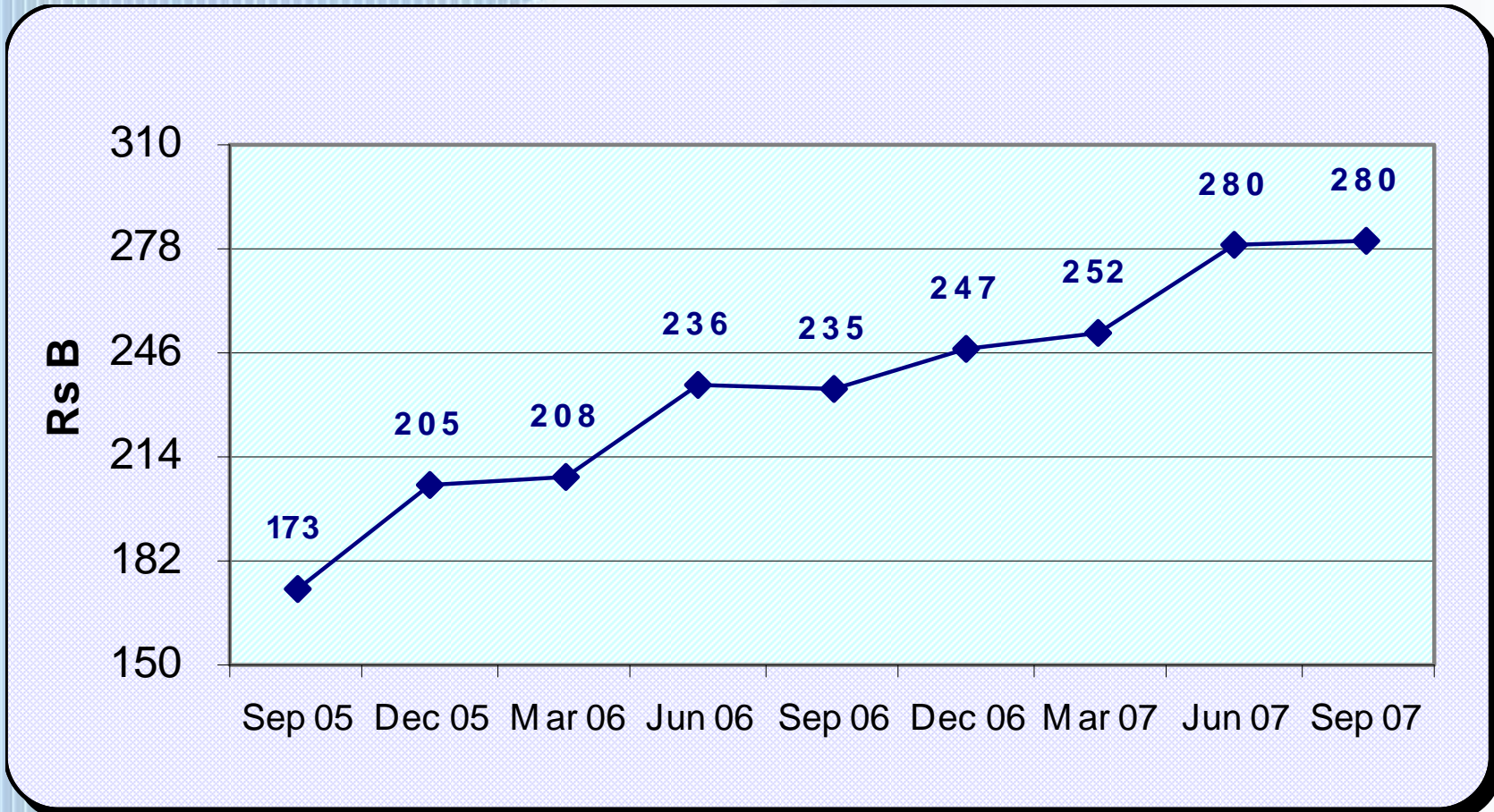
Profit after Tax



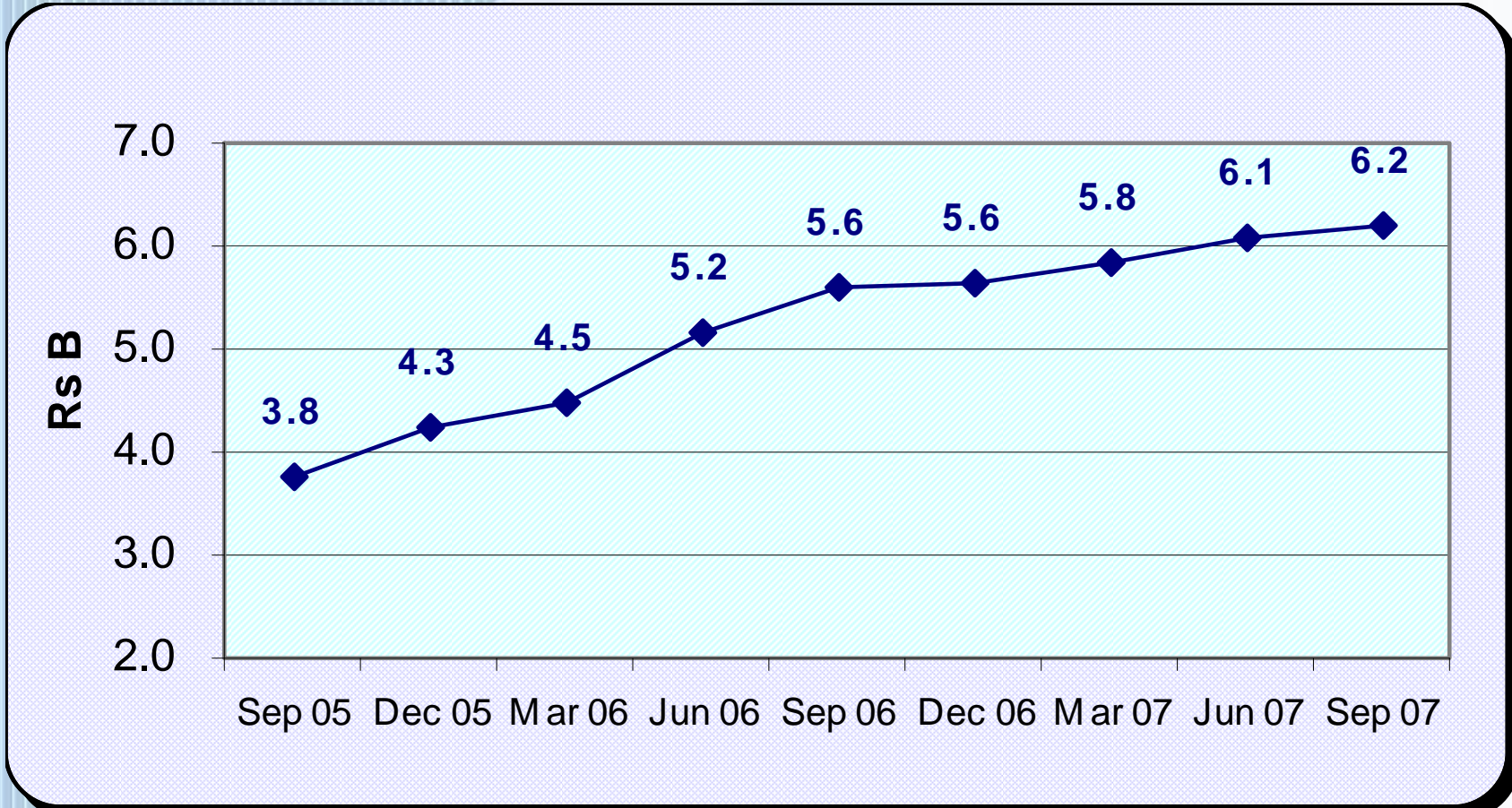
Deposits



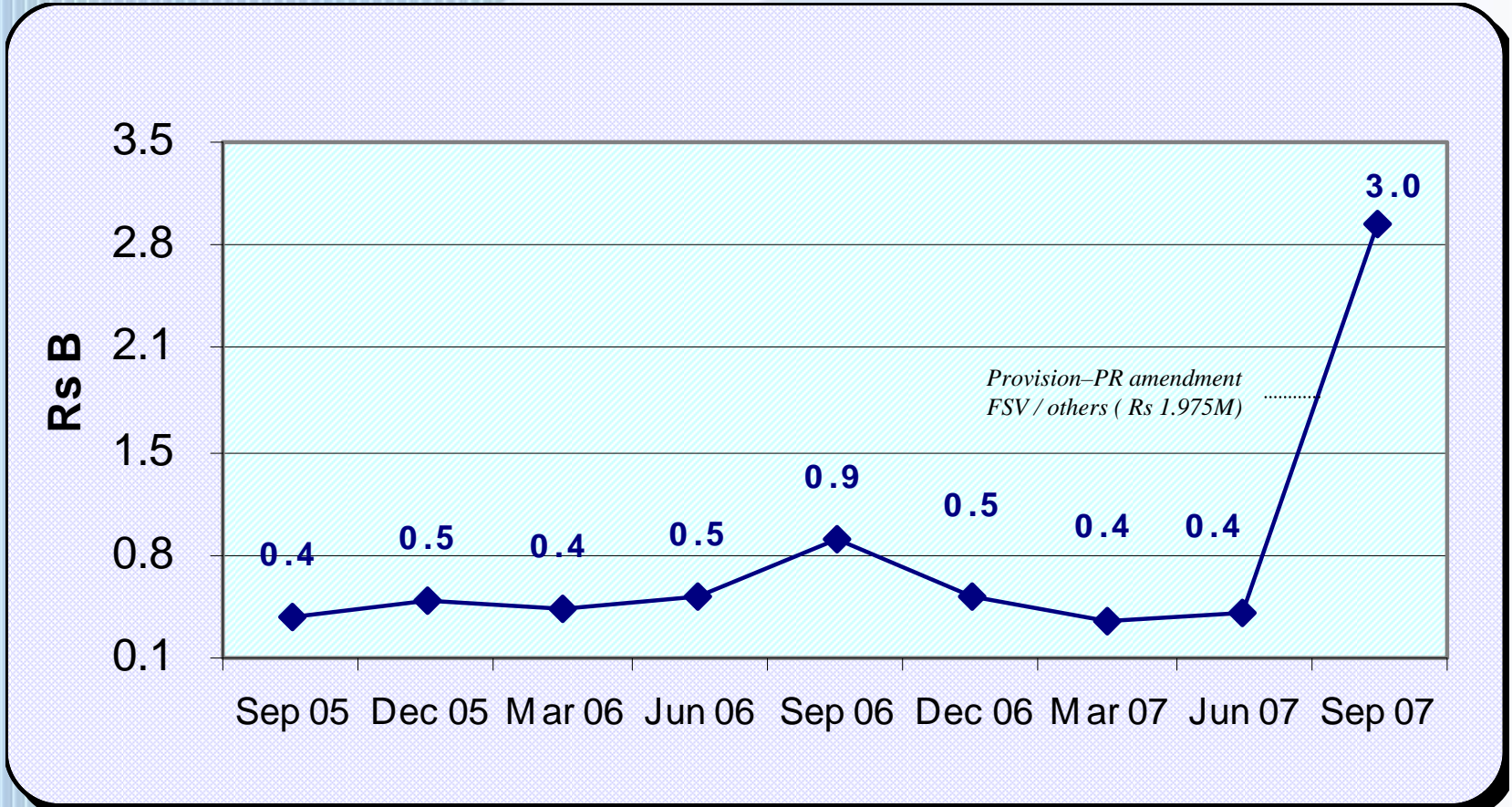
Advances



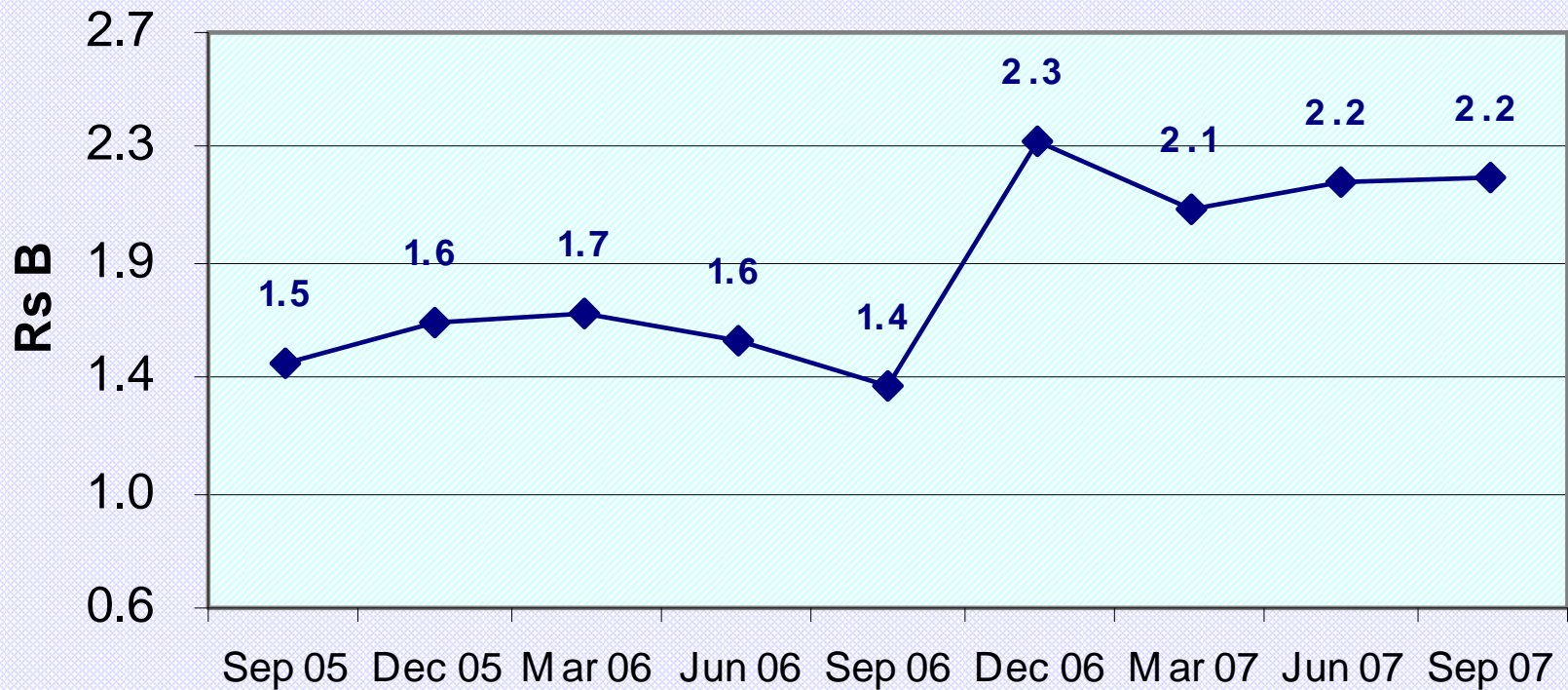
Net Interest Income



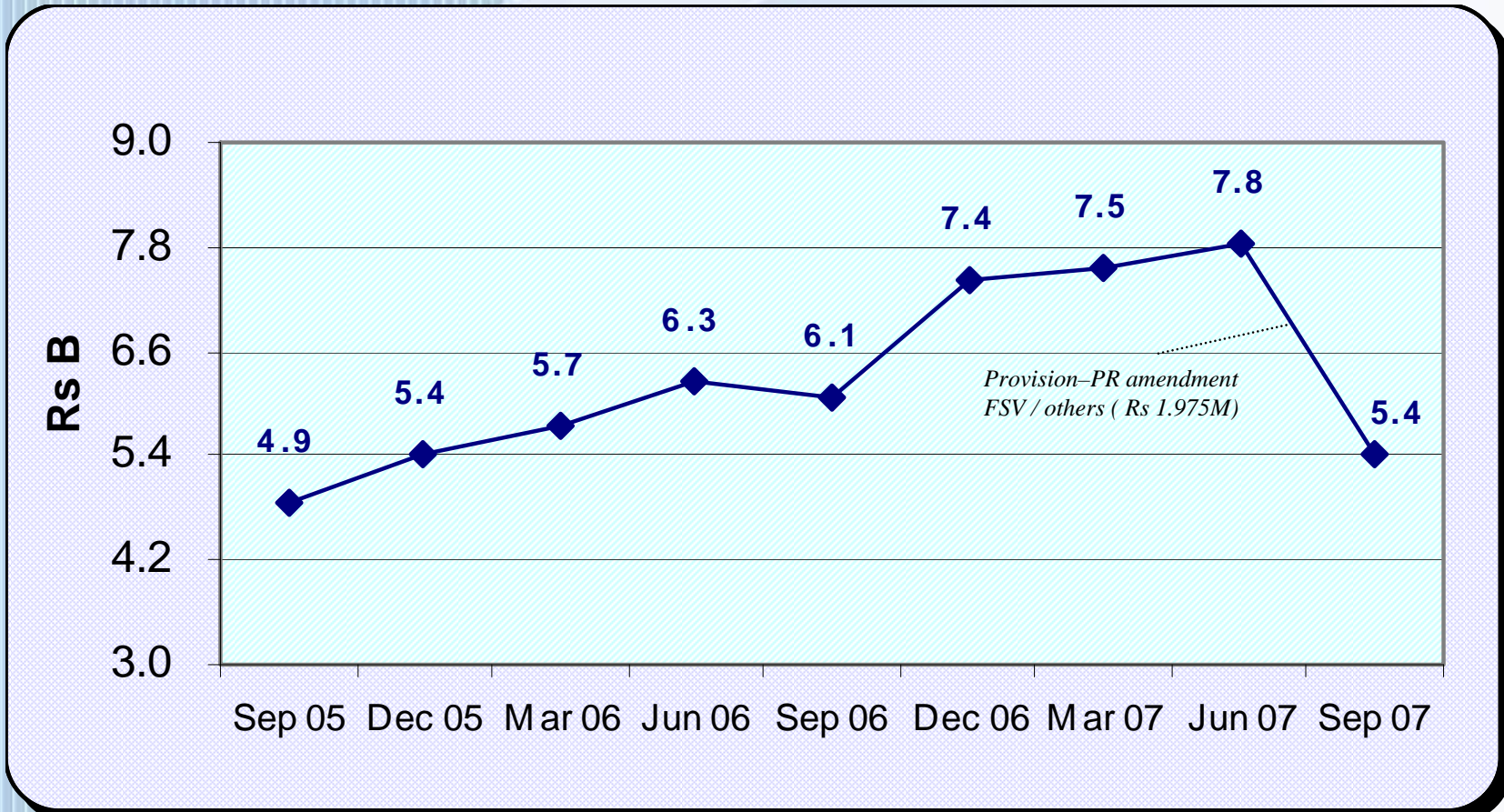
Net Provision



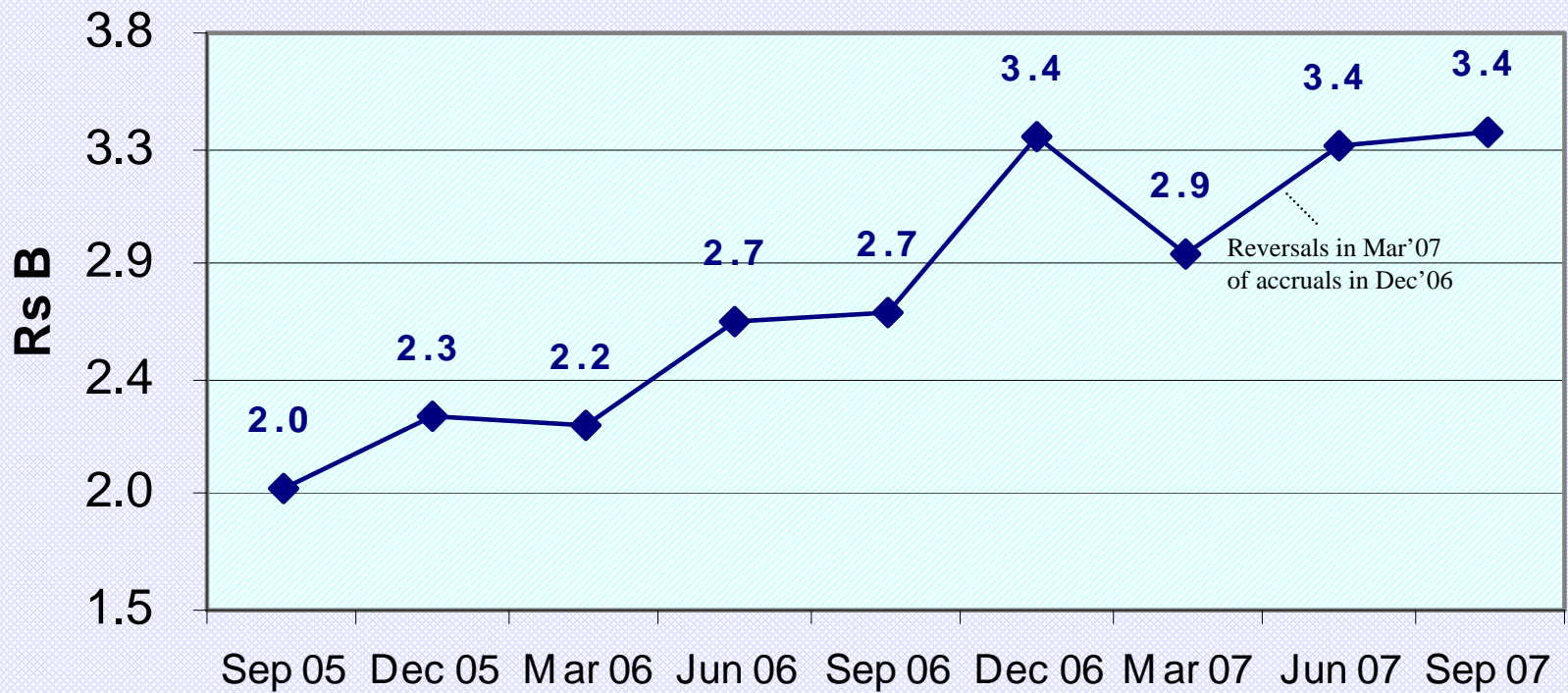
Non-Funded Income



Total Revenue



Administrative Expenses



The information contained herein reflects our latest business statement as at September 30, 2007

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