

United Bank Limited Performance Review June 2015

Key Highlights – (1 of 3)

Standalone PBT up 40% to Rs. 22.1Bn, PAT up 21% YoY to Rs. 12.7Bn,

Consolidated PAT up 18% YoY to Rs. 13.4Bn

Net Interest income has increased significantly by 29% to reach Rs. 27.3Bn

- Overall margins expand by 46bps to 5.9% despite 215bps decline in average KIBOR, HY'15 vs HY'14
- Loan growth of 10% and strong build up in PIBs builds revenue despite lower rate environment
- Overall COD reduced by 63bps to 3.4% in HY'15

Non markup income at Rs. 12.4Bn up by 23%

- Fees and Commissions have grown to Rs. 6.2Bn, a 11% YoY increase over Jun'14
- Home remittances volume increased resulting in higher Fee income by 24%
- Dividend income of Rs. 2.0Bn in HY'15 vs Rs. 1.0Bn in corresponding period (Rs. 1.5Bn in Q2'15)
- FX income down by 14% to Rs. 1.2Bn on YoY basis , stable exchange rate impacts trading opportunities

EPS up 21%, Break up value per share is Rs. 110.4/-

Key Highlights - (2 of 3)

Provisions up by Rs. 1Bn YoY to Rs. 2.1Bn in HY'15

- Cash recoveries of Rs. 2.2Bn within domestic and Rs. 0.4Bn within International
- Overall NPLs reduced by 1% over Dec'14 to Rs. 53.3Bn
- Asset quality at 11.2% in Jun'15 (11.2% as at Dec'14)
- Coverage ratio at 81.2% in June 2015 maintained at Dec'14 levels

Administrative expenses are up 7% to Rs. 14.2Bn

- Cost to income ratio has improved to 37.6% in HY'15 (HY'14: 44.6%)
- Staff costs increased by 5% YoY mainly due to impact of last increment cycle
- Premises related expenses up 5% mainly due to rising cost of utilities

Key Highlights - (3 of 3)

Retail Bank funding balance sheet expansion

- 11% growth in the total deposits ahead of market growth of 9.6% in HY'15
- Current Accounts remains core focus for retail distribution – with 15% YoY average growth
- Domestic cost of deposits at 3.8% in HY'15 vs 4.5% in HY'14

Net Advances marginally decreased by Rs. 4Bn to Rs. 430Bn as at Jun 30, 2015

- CBG portfolio up by 1% to Rs. 261 Bn as at Jun'15
- Overall International loan book down by 5%, with repayments mainly in the UAE

Income Statement - Standalone

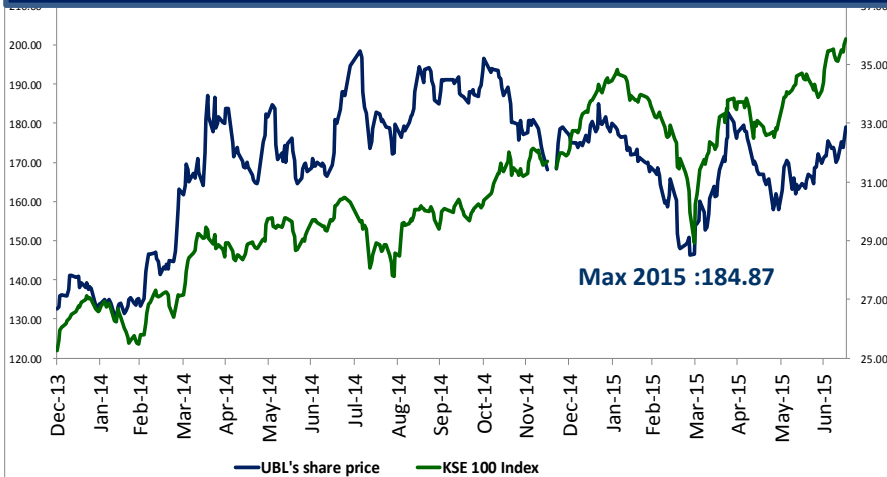
PKR Bn	HY'15	HY'14	Var %	Q2'15	Q1'15	Var %
Interest Earned	46.42	40.30	+15%	23.51	22.91	+3%
Interest Expensed	(19.13)	(19.13)	+0%	(9.33)	(9.80)	+5%
Net Interest Income	27.29	21.16	+29%	14.18	13.11	+8%
Non Interest Income	12.39	10.04	+23%	6.16	6.23	-1%
Total Revenue	39.68	31.20	+27%	20.34	19.34	+5%
Admin. Expenses	(14.94)	(13.91)	-7%	(7.61)	(7.32)	-4%
Operating Expenses	(15.45)	(14.24)	-8%	(7.84)	(7.62)	-3%
Pre Prov. Operating Profit	24.22	16.96	+43%	12.50	11.72	+7%
Provision Exp./Other writeoffs	(2.09)	(1.11)	-88%	(1.29)	(0.80)	-61%
Profit Before Tax	22.13	15.85	+40%	11.22	10.92	+3%
Profit After Tax	12.72	10.53	+21%	5.60	7.13	-21%

Income Statement – Consolidated

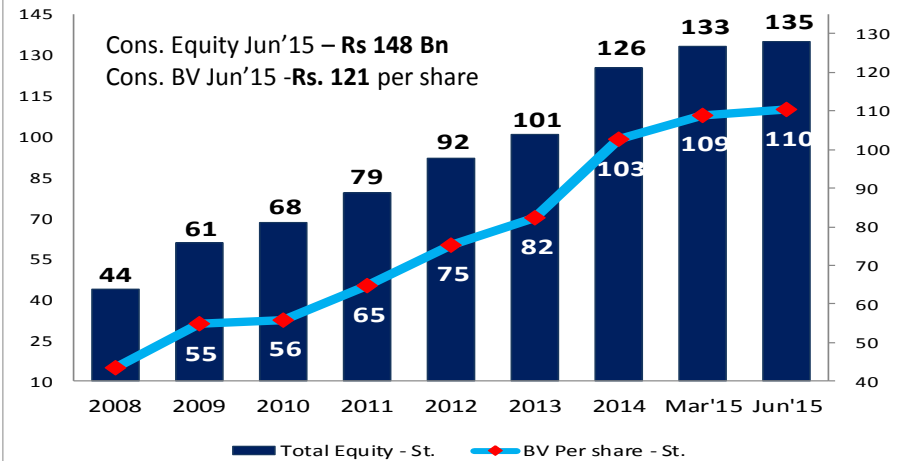
PKR Bn	HY'15	HY'14	Var %	Q2'15	Q1'15	Var %
Interest Earned	47.93	41.74	+15%	24.29	23.64	+3%
Interest Expensed	(19.69)	(19.69)	-0%	(9.62)	(10.06)	+4%
Net Interest Income	28.24	22.05	+28%	14.66	13.58	+8%
Non Interest Income	13.81	11.64	+19%	6.71	7.10	-6%
Total Revenue	42.05	33.70	+25%	21.37	20.68	+3%
Admin. Expenses	(16.40)	(15.26)	-7%	(8.37)	(8.03)	-4%
Operating Expenses	(16.92)	(15.60)	-8%	(8.60)	(8.32)	-3%
Pre Prov. Operating Profit	25.13	18.10	+39%	12.77	12.36	+3%
Provision Exp./Other writeoffs	(2.16)	(1.40)	-54%	(1.33)	(0.83)	-60%
Profit Before Tax	22.98	16.70	+38%	11.45	11.53	-1%
Profit After Tax	13.42	11.32	+18%	5.71	7.70	-26%

Share Info

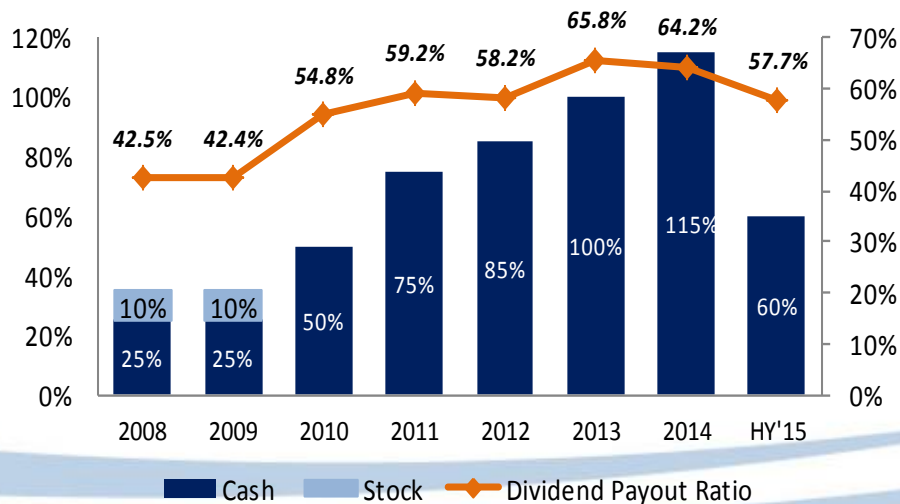
Trends – KSE 100 Index and UBL's Share Price



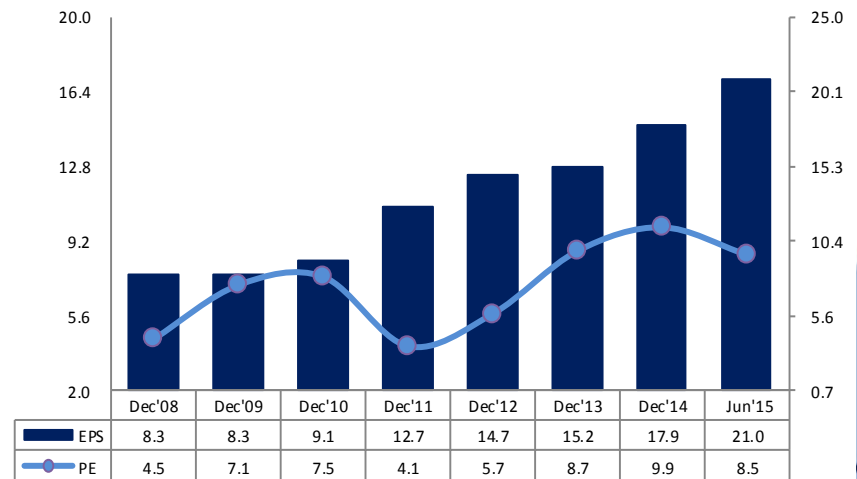
Growth in Book Value Per Share by 8% in HY'15



Cash and Stock Payout



EPS & PE



Key Ratios – Bank (Standalone)

Balance Sheet Ratios	Jun-15	Dec-14
Advances / Deposits	46.1%	51.3%
Asset Quality	11.2%	11.2%
Coverage	81.2%	81.2%

Financial Ratios	HY'15	HY'14	Q2'15	Q1'15
Yield on P. Advances	8.9%	9.4%	8.4%	9.4%
Cost of Deposits - Bank	3.4%	4.0%	3.1%	3.7%
Cost of Deposits - Domestic	3.8%	4.5%	3.4%	4.1%
Net Interest Margin	5.9%	5.5%	5.9%	5.9%
NCL Ratio	1.0%	0.4%	1.3%	0.7%
ROA	2.1%	2.1%	1.8%	2.5%
ROE	26.5%	23.9%	22.8%	30.1%

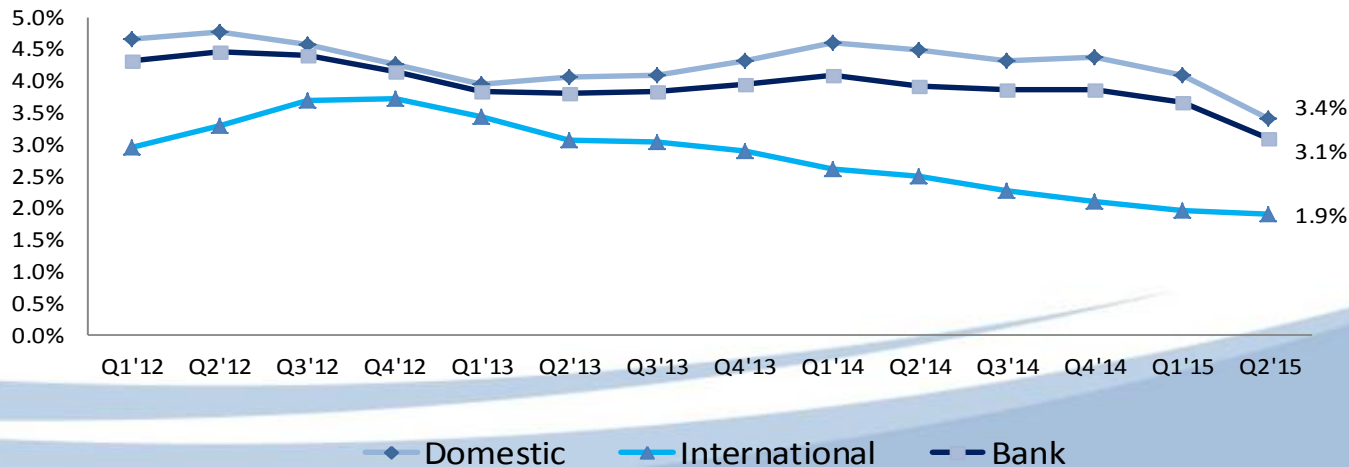
P/L Ratios	HY'15	HY'14	Q2'15	Q1'15
Cost to Income Ratio	37.6%	44.6%	37.4%	37.9%
Non Fund Inc. / Total Revenue	31.2%	32.2%	30.3%	32.2%

Deposits Structure

Deposits - Bank

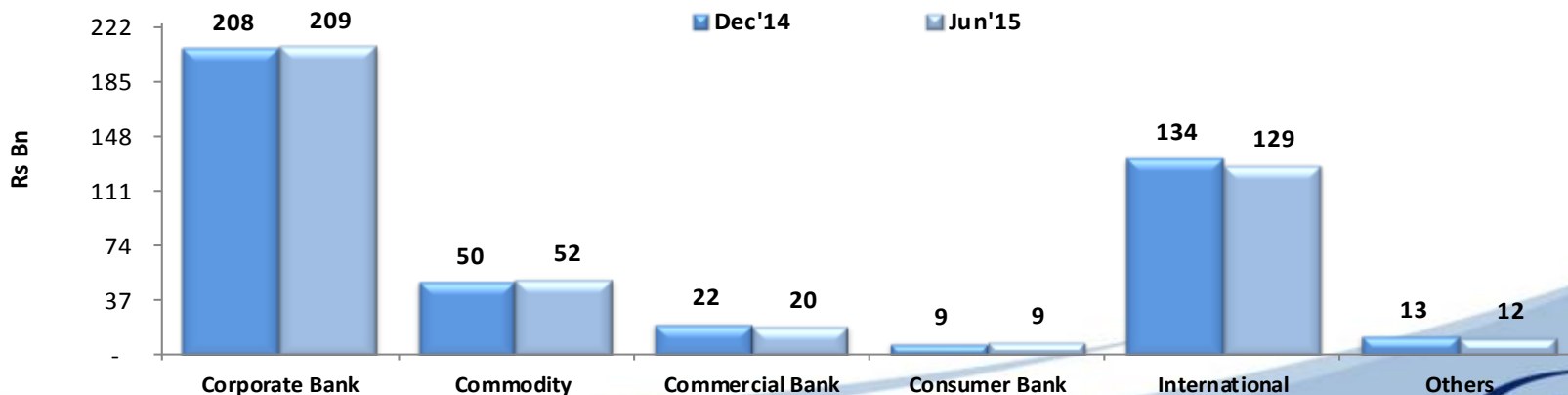
Bank Rs Bn	Dec'14		Jun'15	
	PE	COF %	PE	COF %
Domestic deposits	697	4.4%	788	3.8%
International deposits	198	2.4%	204	1.9%
Total Bank	895	3.9%	992	3.4%
International \$ Mn	1,967	2.4%	2,006	1.9%
Domestic CASA	85.8%		85.6%	

Cost of Deposits



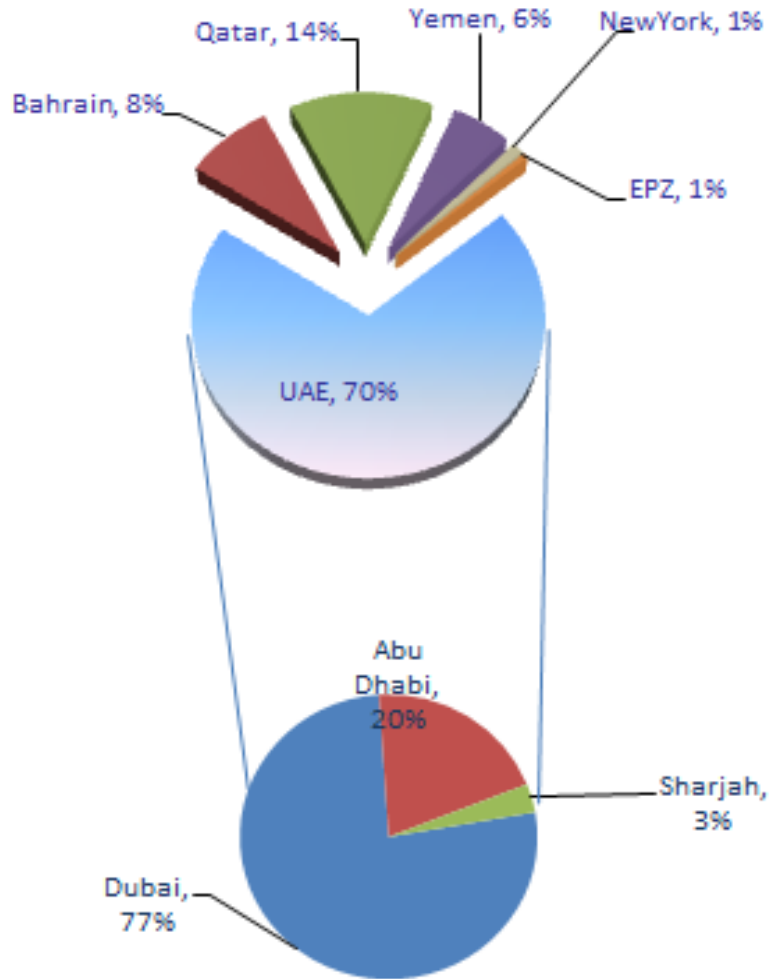
Net Advances

Net Advances - Rs. Bn	Dec'14	Jun'15	Jun'15 vs Dec'15
Corporate Bank	208	209	1%
Commodity	50	52	4%
Commercial	22	20	-7%
Consumer	9	9	5%
Others	13	12	-6%
Total Domestic	300	302	0%
International	134	129	-4%
Bank	434	430	-1%
International US\$ Mn	1,332	1,230	-8%

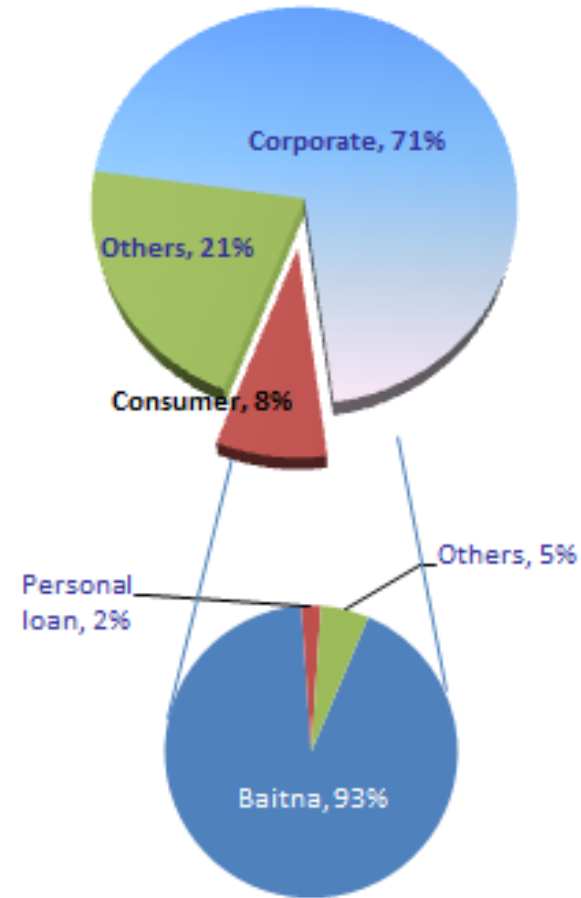


International Advances Jun-15

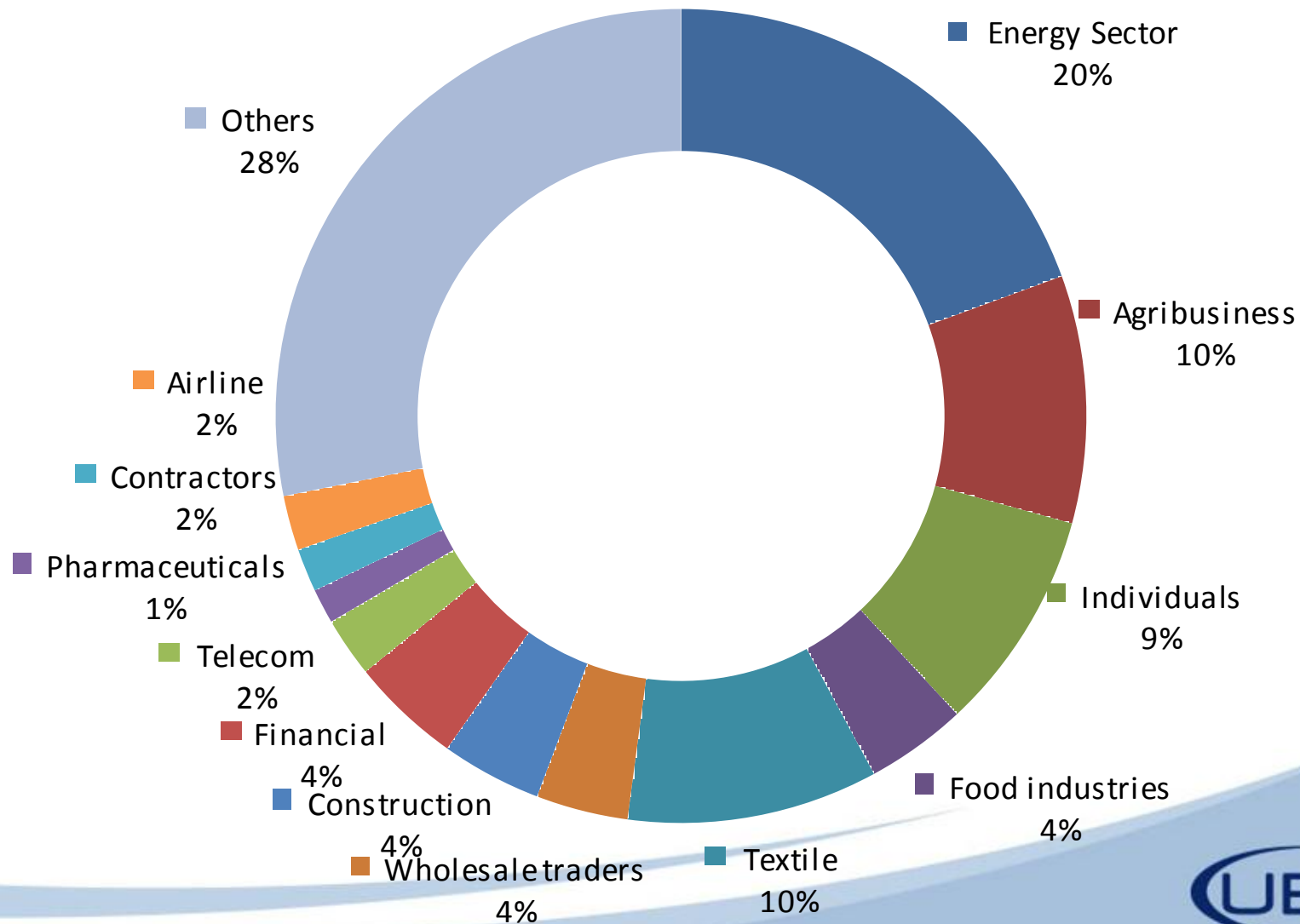
By Geography



By Business - UAE



Concentration of Advances – Consolidated (Jun'15)



Non Fund Income - Standalone

Non Fund Income - Rs. Mn	HY'15	HY'14	Var %	Q2'15	Q1'15	Var %
Fee, commission and brokerage income	6,167	5,548	11%	3,348	2,819	19%
Dividend income	2,023	1,039	95%	1,529	494	209%
Income from dealing in foreign currencies	1,233	1,426	-14%	528	705	-25%
Gain / (loss) on sale of securities	2,234	1,355	65%	382	1,851	-79%
Derivatives Income	132	246	-46%	92	41	126%
Other income	600	427	40%	283	317	-11%
Total Non Fund Income	12,389	10,040	23%	6,163	6,226	-1%

Fee Commission and Brokerage Income - Standalone

Fee Commission Income - Rs. Mn	HY'15	HY'14	Var %	Q2'15	Q1'15	Var %
Commission on trade	825	874	-6%	426	399	7%
Commission on consumer loan	341	318	7%	167	173	-4%
Commission on remittance / uniremote	1,028	1,022	1%	538	490	10%
Corporate service chgs/finance fee/FI inc.	808	575	41%	537	271	99%
General banking service charges	1,037	921	13%	596	441	35%
Commission on cash management	203	251	-19%	114	89	28%
Commission on home remittance	862	697	24%	442	420	5%
Commission income - Bancassurance	317	313	1%	143	174	-18%
Commission others	746	575	30%	385	361	7%
Total	6,167	5,548	11%	3,348	2,819	19%

Administrative Expenses - Standalone

Administrative Expenses - Rs. Mn	HY'15	HY'14	Var %	Q2'15	Q1'15	Var %
Personnel Cost	5,928	5,643	-5%	2,973	2,956	-1%
Premises Cost	1,948	1,857	-5%	1,017	930	-9%
Outsourced service charges including sales commission	2,130	1,785	-19%	1,149	981	-17%
Advertisement and publicity	243	385	37%	99	145	32%
Communications	591	548	-8%	293	297	1%
Depreciation / Amortization	1,058	1,012	-5%	536	522	-3%
Legal and professional charges	144	79	-82%	79	66	-20%
Banking service charges	496	467	-6%	248	248	0%
Stationery and printing	304	280	-9%	171	133	-29%
Travelling	137	121	-13%	73	64	-14%
Cash transportation charges	281	252	-12%	146	134	-9%
Repairs and maintenance	773	619	-25%	362	411	12%
Vehicle expenses	90	104	13%	45	44	-2%
Office running expenses	295	264	-12%	155	140	-11%
Insurance expense	21	41	49%	12	9	-41%
Others	497	449	-11%	252	245	-3%
Total	14,935	13,905	-7%	7,611	7,325	-4%

UBL OMNI – Branchless Banking

- UBL Omni launched mobile merchant payments in 2015 via which customers and merchants can use Omni mobile app to make payments for purchases – A first in Pakistan. Biometric account opening also launched.
- Winner of GSMA International Mobile Award 2012 for “Best Use of Mobile in Humanitarian Initiatives” and recipient of Financial Insights Innovation Award 2012, Singapore. Nominated again for GSMA Mobile Award 2013.
- Recognized globally as one of the 14 “Sprinters” by the GSMA’s Mobile Money for the Unbanked (MMU) program, the only Bank out of the 150 worldwide branchless implementation surveyed
- Menu of services includes: account opening, instant debit card issuance, cash deposit/withdrawal, funds transfer, bill payments, and airtime purchase etc.
- Diversified distribution model with franchise partners.
- UBL Omni was recognized during the World Marketing Summit Malaysia 2013 for focusing on attaining the UN’s 8 Millennium Development Goals.
- UBL Omni platform achieved Payment Application – Data Security Standards (PA DSS) Certification
- UBL Omni’s proprietary platform remains a key competitive advantage. Omni has also been implemented in the UK for remittances to Pakistan.

UBL OMNI

Commercial Launch:	April 2010
No of Accounts:	1.81 Million
No of Agents:	27,800+
No of cities/towns:	1700+
No of transactions	189.5 Million
Transaction volume	PKR 855.6 Billion
Grant Received:	US\$ 6.9 Million from Bill & Melinda Gates Foundation

Benazir Income Support Program

Purpose:	Cash subsidy for the poor
Current beneficiaries:	1.2 Million
Funds disbursed:	PKR 58.34 Billion

WATAN/PAKISTAN CARDS

Purpose:	G2P aid for the flood affectees
Watan cards issued:	1.4 Million
Funds disbursed:	PKR 59 Billion
Grant received:	US\$ 1.5 Million from Bill & Melinda Gates Foundation

World Food Program & World Health Organization

Purpose:	Cash in lieu of food, Payments to polio workers
Beneficiaries:	145,000+
Funds disbursed:	PKR 2.32 Billion

CASH MANAGEMENT SERVICES

Microfinance, FMCG clients, Schools, Collections	
No of transactions:	6.08 Million+
Transaction volume:	PKR 25.0 Billion+

Financial ratios – Consolidated (1/3)

DuPont	Full Year					QTD (Annualized)	
	2010	2011	2012	2013	2014	Mar-15	Jun-15
Spread (Standalone) ¹	5.5%	5.6%	4.7%	4.0%	4.4%	4.6%	4.6%
Net Interest Margin (Standalone) ²	7.0%	7.2%	6.4%	5.4%	5.7%	5.9%	5.9%
Non Interest Yield ³	1.6%	1.7%	2.2%	2.0%	2.0%	2.3%	2.0%
Admin Exp./Avg Assets	2.8%	2.8%	2.9%	2.8%	2.8%	2.6%	2.5%
Cost Income Ratio	41.7%	40.1%	43.2%	47.5%	45.6%	38.8%	39.2%
Loan Loss / Avg Assets	1.1%	0.9%	0.4%	0.2%	0.1%	0.3%	0.4%
Loan Loss / Avg RWA ⁴	1.5%	1.2%	0.6%	0.2%	0.1%	0.4%	0.6%
Effective Tax Rate	37.7%	37.0%	32.0%	31.9%	32.5%	33.2%	50.1%
ROA	1.6%	1.9%	2.2%	1.9%	2.1%	2.5%	1.7%
ROE	17.7%	20.7%	23.4%	21.3%	23.4%	28.5%	20.6%

Formulas

1. *Net interest income / average assets*

2. *Net interest income / average earning assets*

3. *Non interest income / average assets*

4. *Risk weighted assets*

Financial ratios – Consolidated (2/3)

Asset Quality	Full Year					QTD (Annualized)	
	2010	2011	2012	2013	2014	Mar-15	Jun-15
Gross NPLs / Gross Loan	12.9%	13.4%	13.6%	11.9%	11.1%	11.4%	10.9%
Net NPLs / Gross Loan	3.6%	2.9%	3.4%	2.2%	2.4%	2.3%	2.2%
Coverage Ratio	69.0%	78.1%	74.6%	81.1%	78.5%	79.5%	79.8%
Prov. held / Gross loan	8.9%	10.5%	10.1%	9.6%	8.7%	9.0%	8.7%
Net Credit Loss ratio	2.2%	2.0%	1.1%	0.4%	0.2%	0.7%	1.1%

Growth	Full Year					QTD (Annualized)	
	2010	2011	2012	2013	2014	Mar-15	Jun-15
Growth in Loan Book	-5.7%	-0.1%	13.1%	7.6%	12.5%	-3.5%	2.7%
Growth in Deposits	12.7%	11.8%	18.6%	18.2%	7.0%	5.6%	5.3%
Operating Revenue	-1.4%	16.3%	11.8%	1.7%	15.7%	29.2%	20.8%
Operating Expense	7.6%	11.3%	19.6%	12.1%	10.6%	10.5%	6.6%
Pre-provision Oper.Profit	-7.2%	20.1%	6.3%	-6.6%	20.5%	45.8%	32.8%
Provision exp.+ Other prov.	-39.2%	-9.1%	-36.6%	-59.5%	-16.0%	158.1%	23.1%
Profit After Tax	16.1%	35.1%	29.3%	2.5%	21.8%	39.5%	-1.5%

Financial ratios – Consolidated (3/3)

Other Metrics	Full Year						QTD (Annualized)	
	2009	2010	2011	2012	2013	2014	Mar-15	Jun-15
Capital Adequacy Ratio	14.0%	15.0%	14.9%	14.8%	13.3%	14.3%	14.6%	14.8%
Loan / Deposits	73.7%	62.8%	57.5%	55.0%	50.0%	51.8%	47.6%	46.5%
Net Loans / Assets	56.5%	47.1%	42.2%	40.1%	38.3%	39.5%	35.5%	33.7%
RWA / Assets	75.9%	72.7%	72.8%	70.3%	71.3%	70.7%	67.2%	63.7%
Average Headcount (St) ¹	8,639	8,474	8,655	8,934	9,021	9,033	9,001	8,971
Personnel cost (St) / Headcount (000)	863.9	879.3	988.8	1,091.8	1,167.6	1,239.2	1,341.7	1,358.5
Yield on Earning Assets (St) ²	12.3%	11.7%	12.3%	11.3%	9.7%	10.0%	10.0%	9.5%
Cost of Funds (St) ³	5.4%	4.7%	5.1%	4.9%	4.4%	4.2%	4.0%	3.6%
Yield on Performing Adv (St)	13.4%	12.4%	13.1%	11.7%	9.7%	9.5%	9.4%	8.4%
Cost of Deposits (St)	4.8%	4.0%	4.3%	4.3%	3.9%	3.9%	3.7%	3.1%

St - Standalone

1. Permanent Staff

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

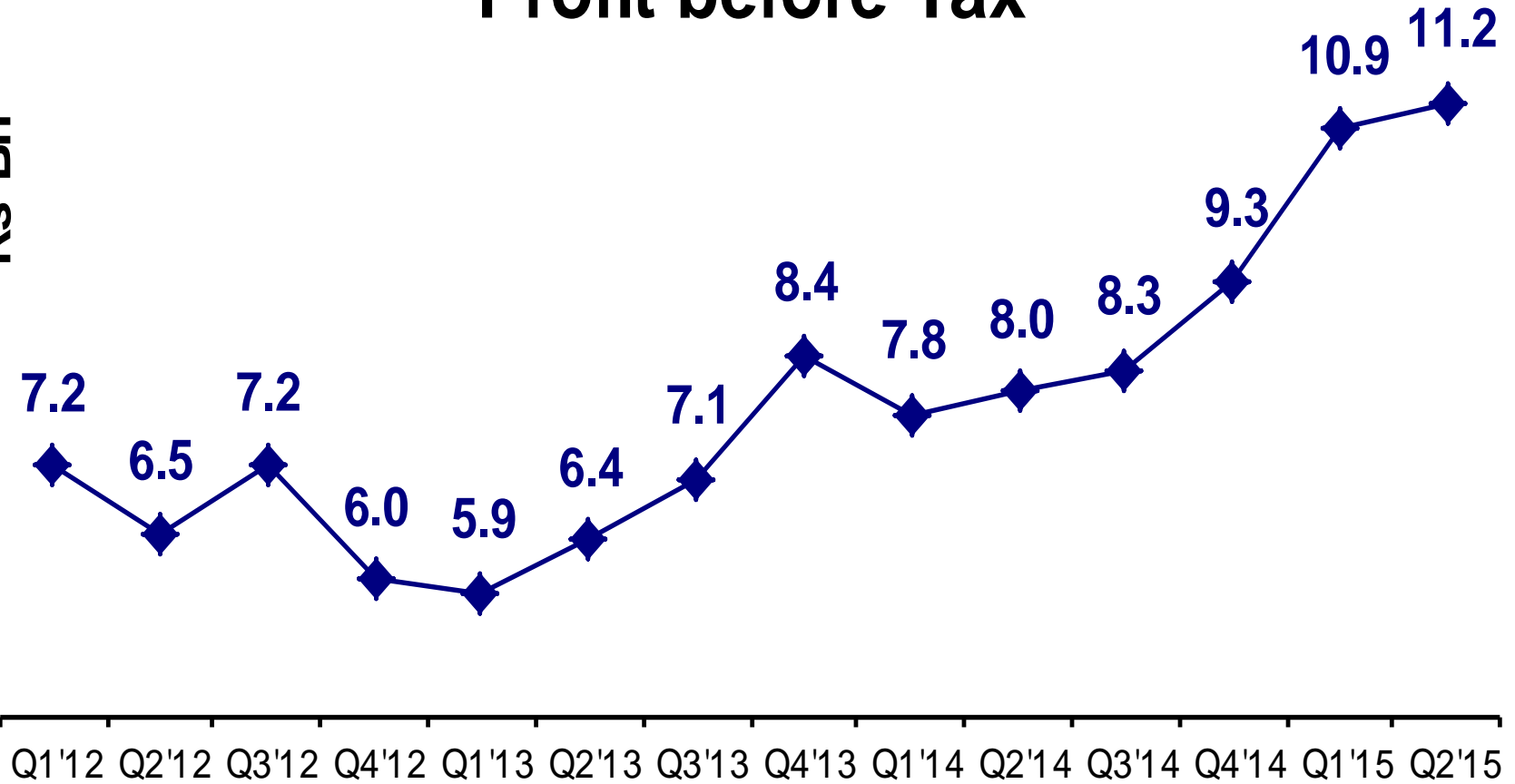
3. Funds includes deposits, borrowings & sub-ordinated loans

Quarterly Trend Analysis

Bank Level
(Stand Alone)

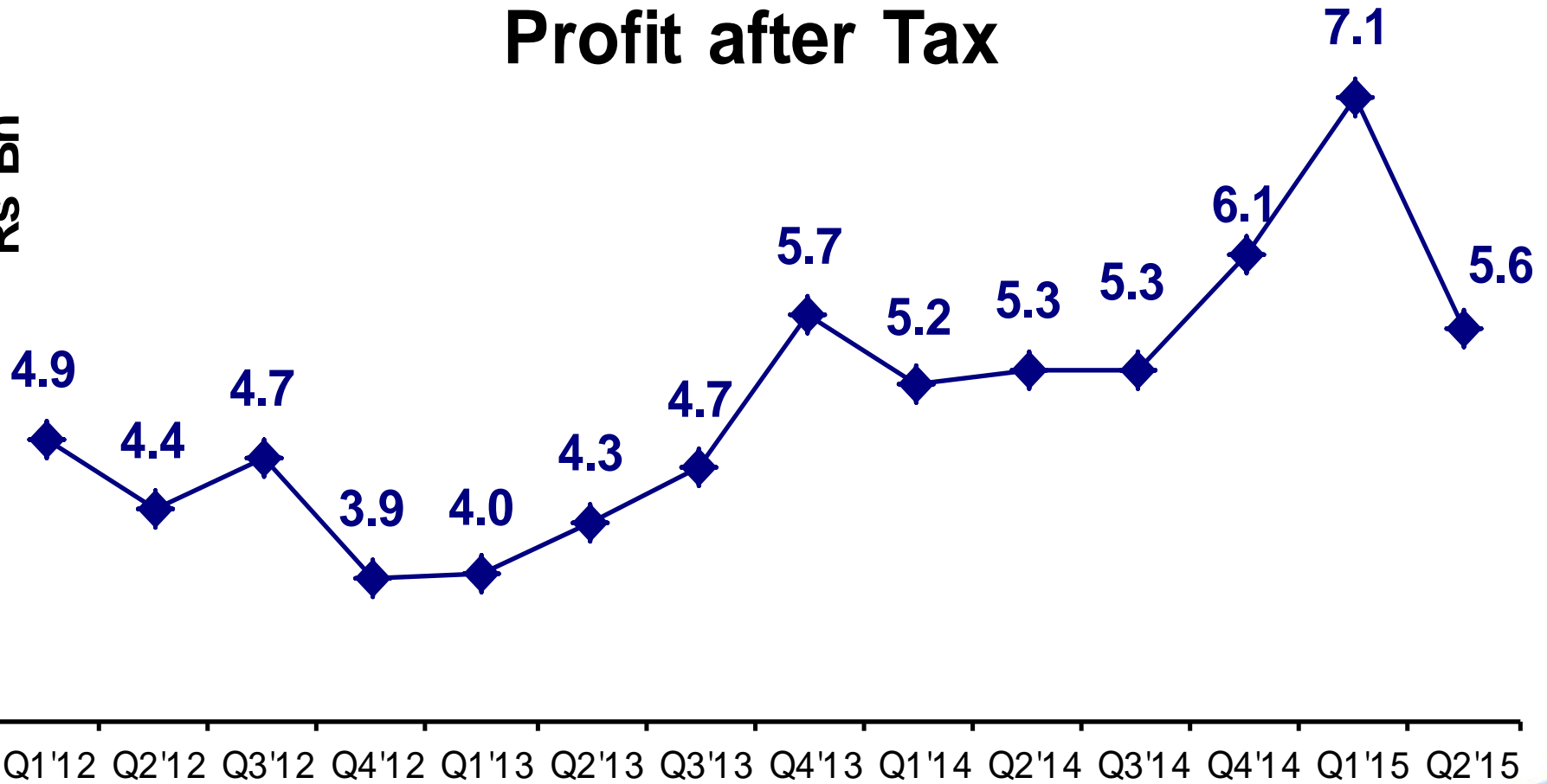
Profit before Tax

Rs Bn



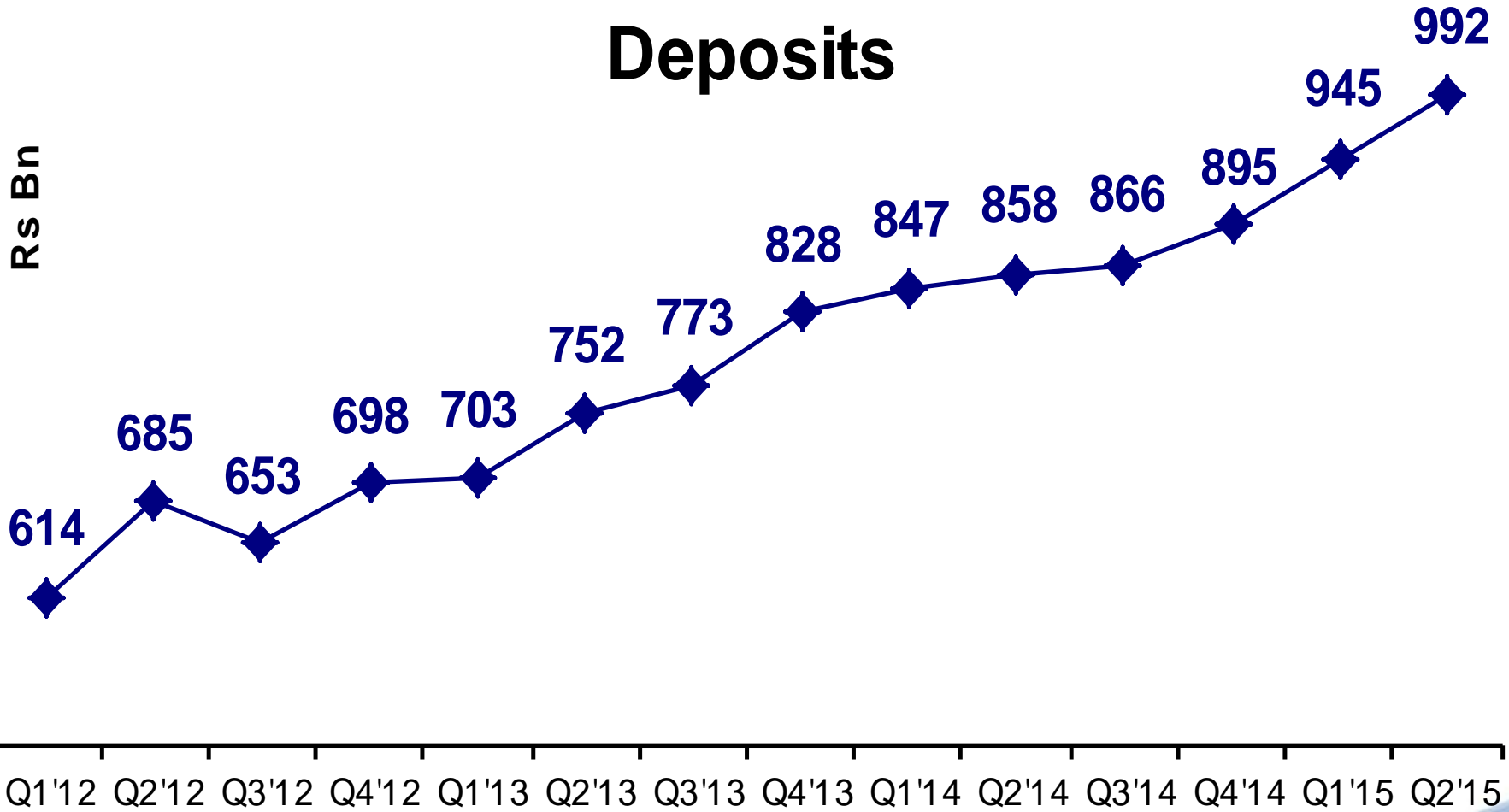
Profit after Tax

Rs Bn



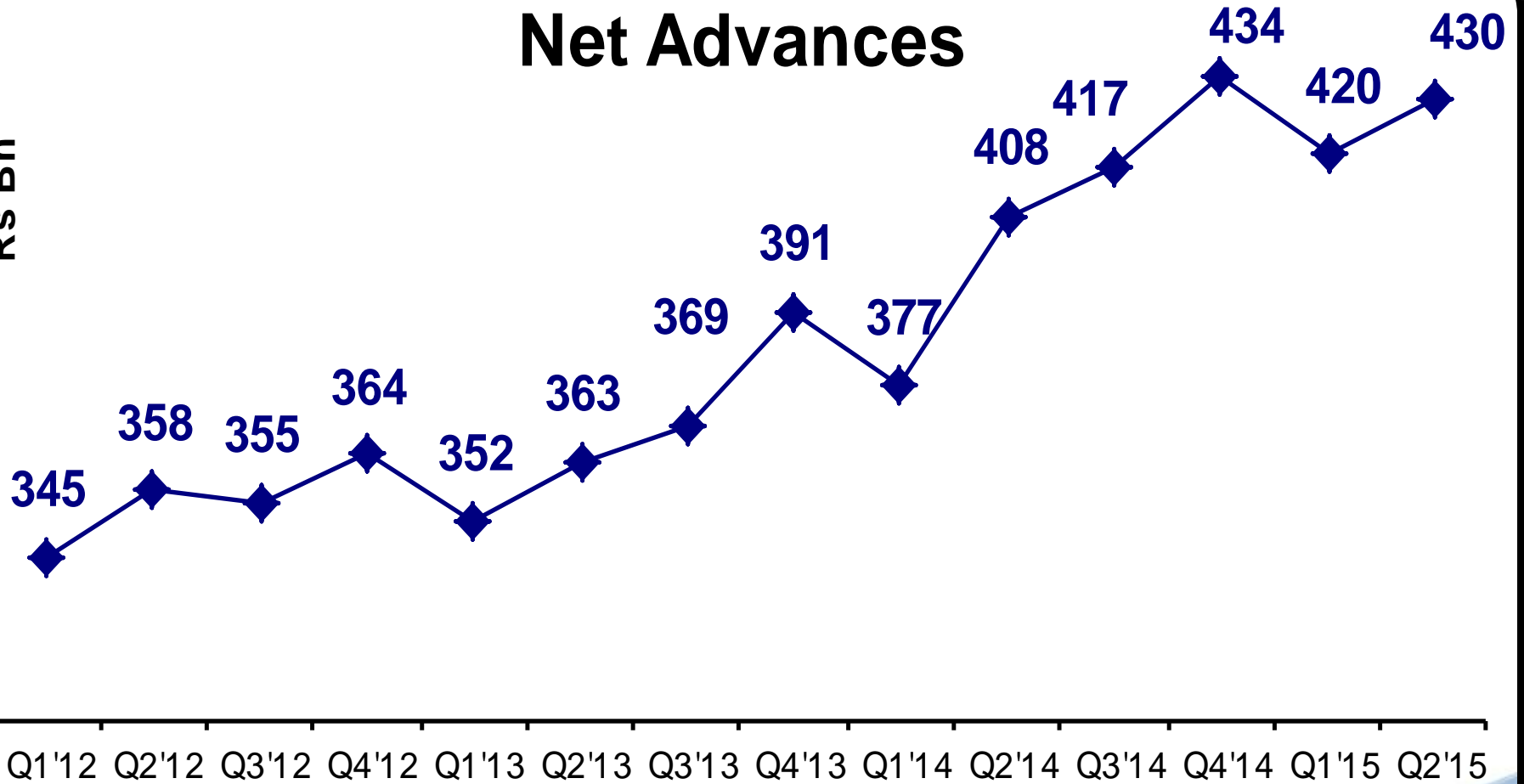
Deposits

Rs Bn



Net Advances

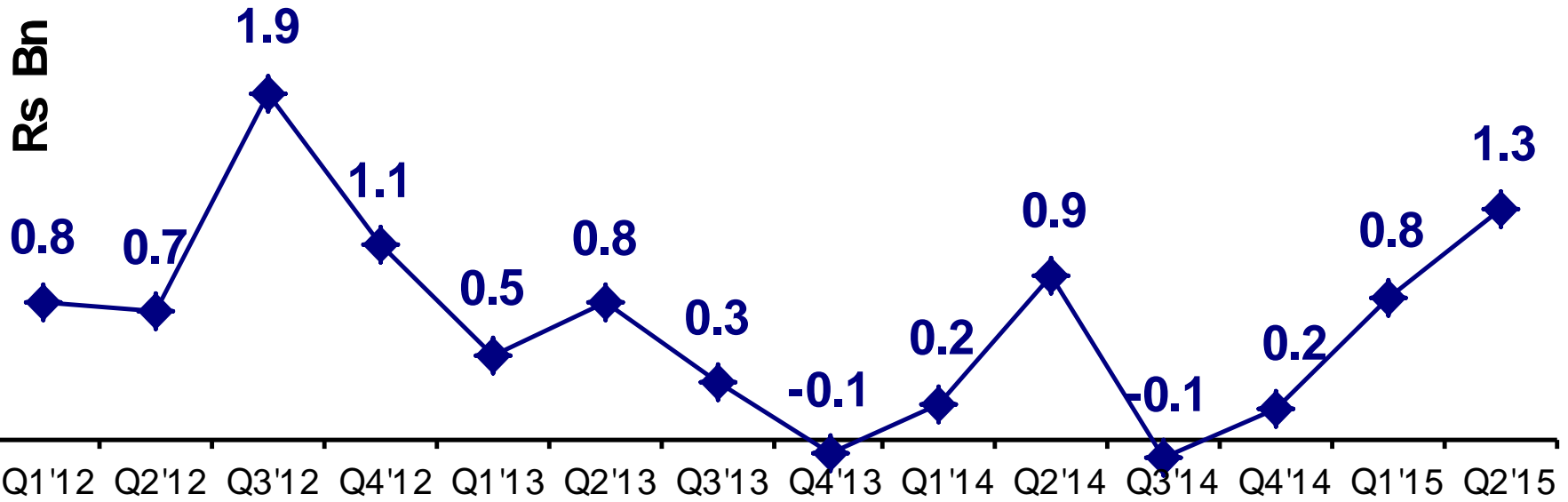
Rs Bn



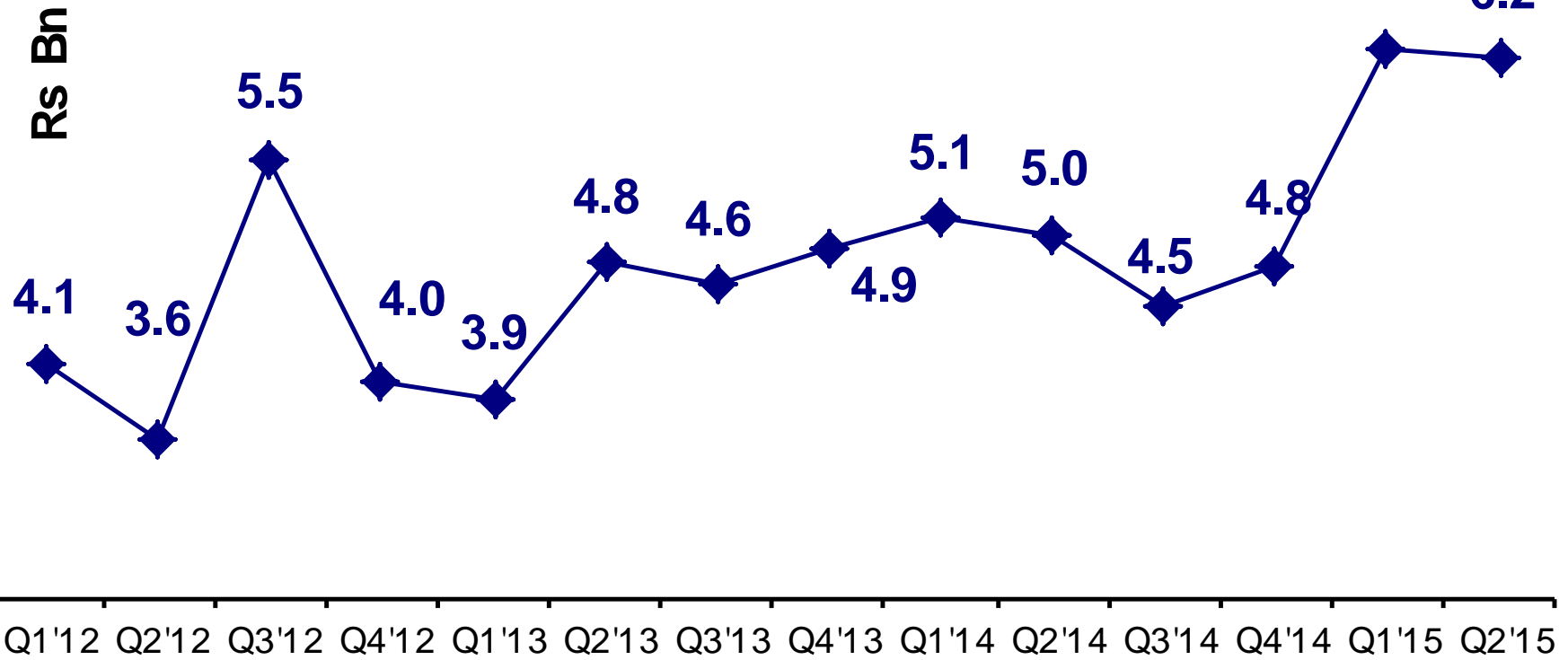
Net Interest Income



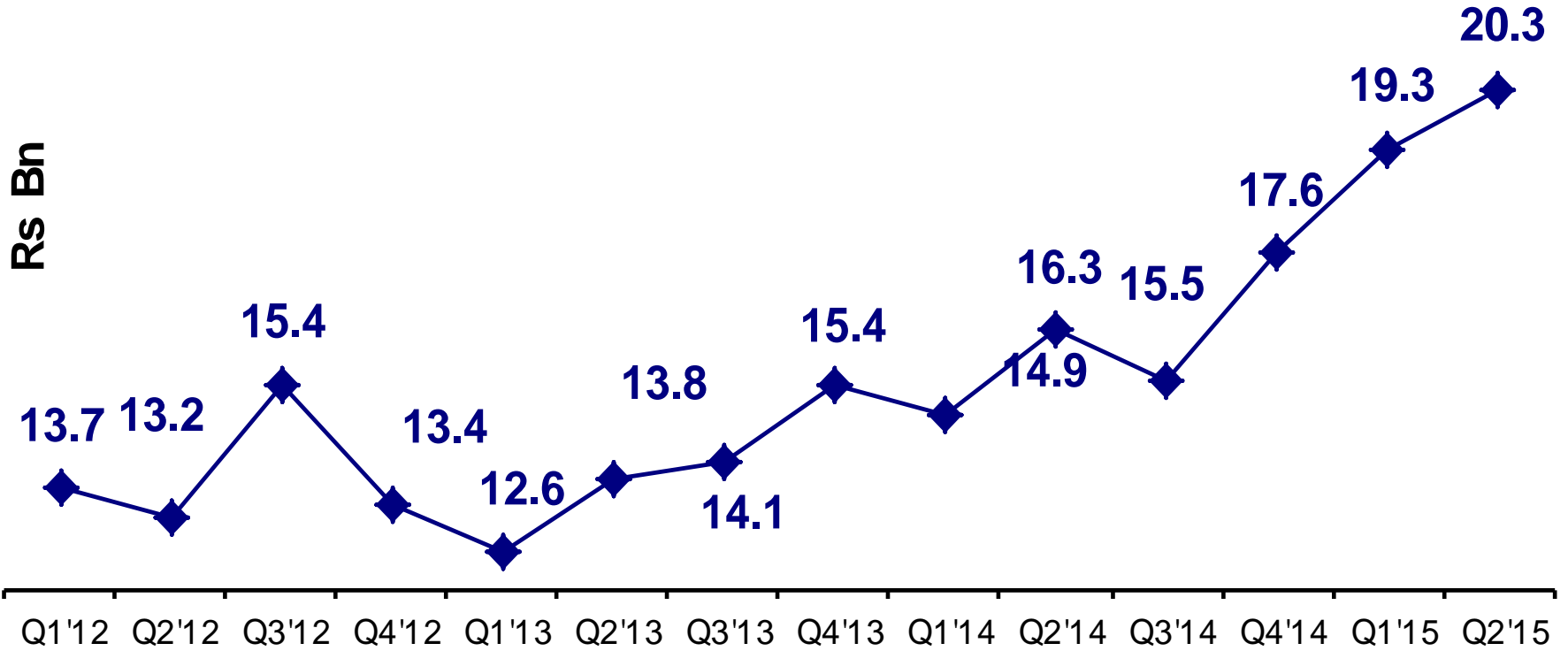
Provisions



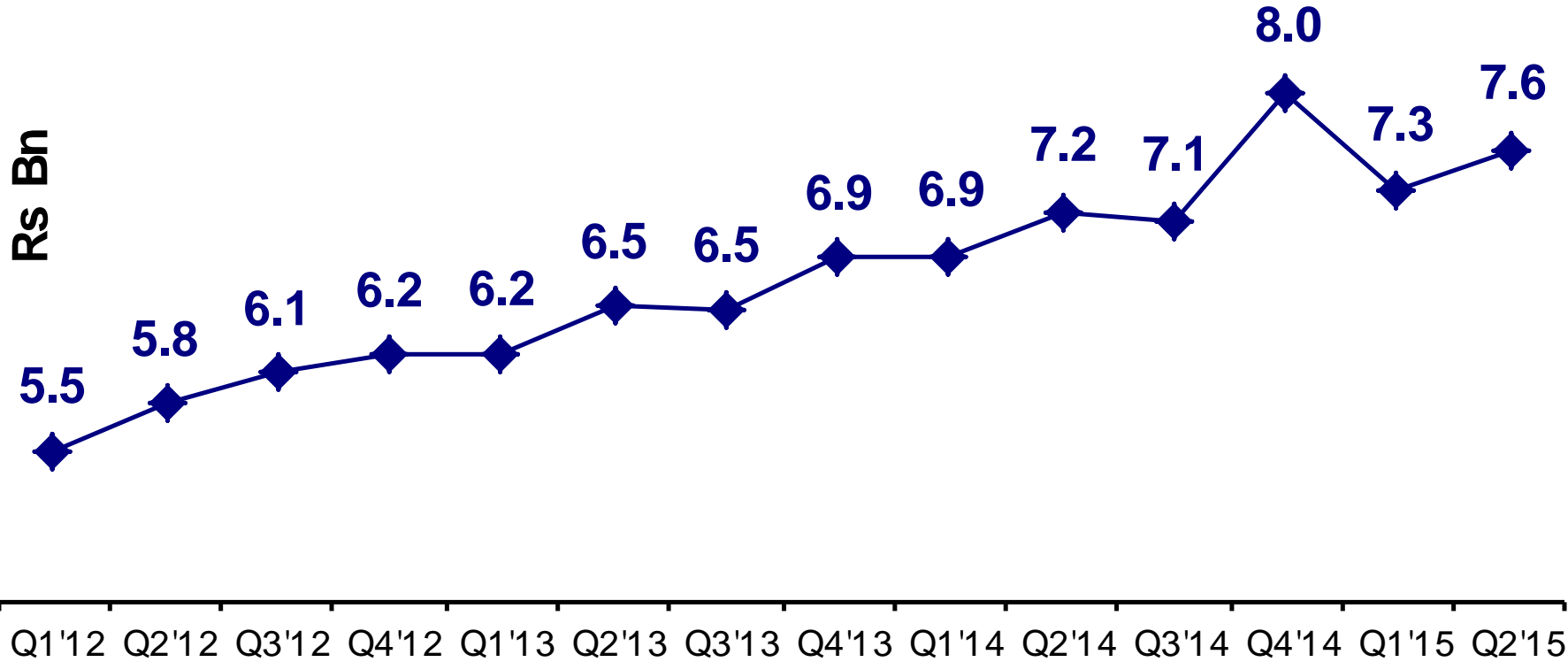
Non Funded Income



Revenue



Administrative Expenses



The information contained herein reflects our latest business statement as at Jun 30, 2015.

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