

# United Bank Limited

## Performance Review: 1H 2007

August 06, 2007

# Summary

	<b>June 2007</b>	<b>Dec 2006</b>	<b>% Change</b>
Assets (PKR mm)	514,607	435,993	+18%
Advances (PKR mm)	287,456	254,670	+13%
Deposits (PKR mm)	414,119	343,805	+20%
Branches	1,062	1,059	-
ATMs	302	210	+44%
ROAA	2.4%	2.4%	-
ROAE	33%	34%	-
Credit Rating (JCR-VIS)	AA+/A-1+	AA/A-1+	-

# Share Info

	<b>June 2007</b>	<b>Dec 2006</b>
EPS (Rs/share - annualized)	14.1	11.8
BV/share (Rs/share)	45.9	41.0
Price* - (Rs /share)	196.4	153.2*
P/E	13.9x	13.0x
P/BV	4.3x	3.7x
# of shares	809M	809M

\* Share price after announcement of results

June price at 27 July'07

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

# Income Statement (PKR bn)

	<b>QTD Jun'07</b>	<b>QTD Mar'07</b>	<b>% Change</b>	<b>6 month Jun'07</b>	<b>6 month Dec'06</b>	<b>% Change</b>	<b>Full year Dec'06</b>
Net Interest Income	6.23	5.99	+4%	12.22	11.48	+6%	21.37
Non Interest Income	2.27	2.20	+3%	4.46	3.92	+14%	7.26
Operating Revenue	8.49	8.19	+4%	16.68	15.40	+8%	28.63
Operating Expense	(3.65)	(3.16)	+16%	(6.81)	(6.68)	+2%	(11.89)
Pre-Provision Oper.Profit	4.84	5.03	-4%	9.87	8.72	+13%	16.74
Provision Expenses	(0.38)	(0.35)	+9%	(0.74)	(1.32)	-44%	(2.24)
Profit before Tax	4.46	4.68	-5%	9.13	7.40	+23%	14.50
Profit after Tax	2.60	3.18	-18%	5.78	4.94	+17%	9.67

# Balance Sheet (PKR bn)

	<b>QTD Jun'07</b>	<b>QTD Mar'07</b>	<b>% Change</b>	<b>6 month Jun'07</b>	<b>6 month Dec'06</b>	<b>% Change</b>
Cash and bal.with tr.banks	47.6	48.0	-1%	47.6	49.0	-3%
Investments	105.1	88.6	+19%	105.1	65.7	+60%
Advances	287.5	259.3	+11%	287.5	254.7	+13%
<b>Total Assets</b>	<b>514.6</b>	<b>449.0</b>	<b>+15%</b>	<b>514.6</b>	<b>435.9</b>	<b>+18%</b>
Deposits	414.1	362.0	+14%	414.1	343.8	+20%
<b>Total Liabilities</b>	<b>477.4</b>	<b>414.8</b>	<b>+15%</b>	<b>477.4</b>	<b>402.7</b>	<b>+19%</b>
Equity	37.2	34.2	+9%	37.2	33.2	+12%

# Financial Ratios

	<b>QTD Jun'07</b>	<b>QTD Mar'07</b>	<b>6 month Jun'07</b>	<b>6 month Dec'06</b>	<b>Full year Dec'06</b>
Loan/Deposits	69.4%	71.6%	69.4%	74.1%	74.1%
ROAE	29.1%	37.7%	32.8%	32.5%	33.7%
ROAA	2.2%	2.9%	2.4%	2.4%	2.4%
Cost/Income Ratio	45.0%	40.3%	42.7%	47.4%	45.1%
Gross NPLs/Gross Advances	6.1%	6.4%	6.1%	6.2%	6.2%
Net NPLs/Gross Advances	2.0%	2.0%	2.0%	1.6%	1.6%
Coverage Ratio	74.7%	77.5%	74.7%	82.6%	82.6%
CAR Ratio	13.0%	13.1%	13.0%	12.2%	12.2%

# Deposits Structure

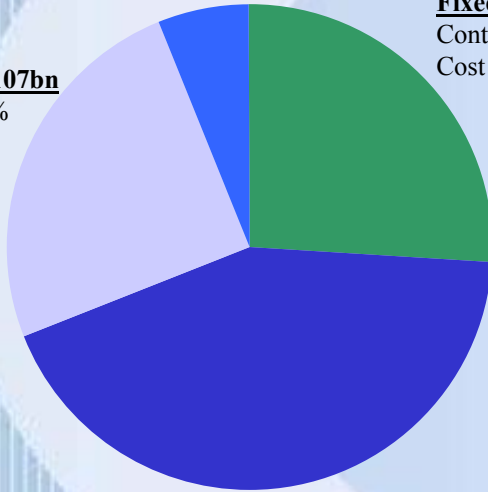
## Deposit Mix - Bank

## Fixed Deposits <sup>(1)</sup>

**Other Deposits – PKR 11bn**  
 Contribution 3%  
 Cost 0%

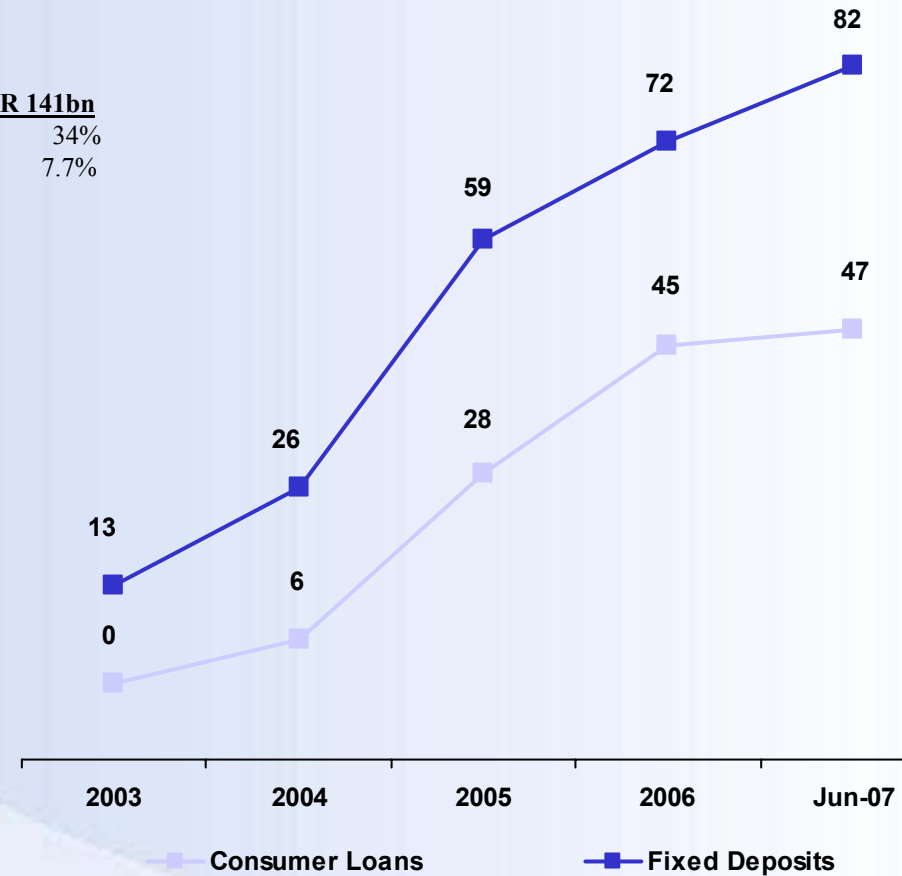
**Fixed Deposits – PKR 141bn**  
 Contribution 34%  
 Cost 7.7%

**Current Deposits – PKR 107bn**  
 Contribution 26%  
 Cost 0%



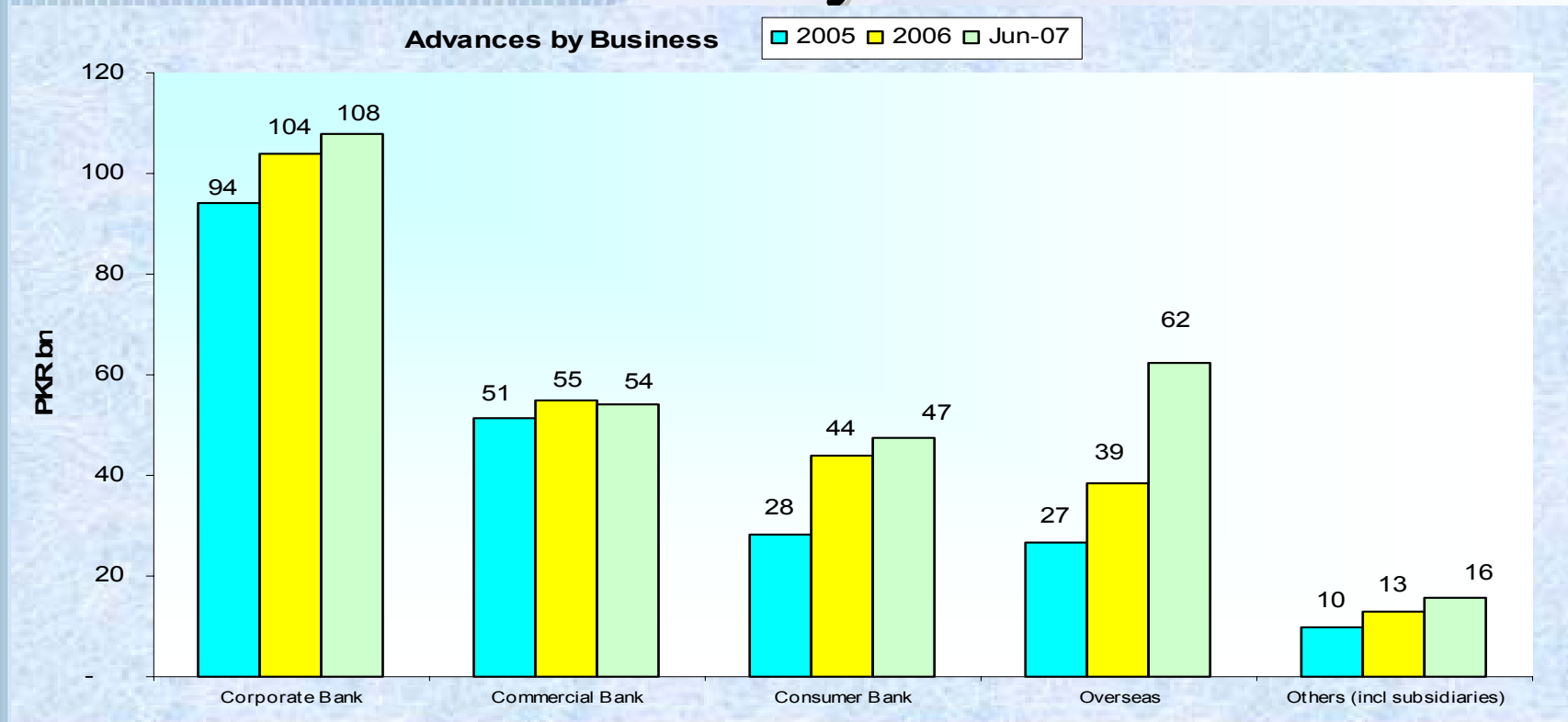
**Saving Deposits – PKR 155bn**  
 Contribution 37%  
 Cost 2.2%

**Total Deposits = PKR 414 bn**  
**Cost of Deposits = 3.5%**



(1) Includes domestic fixed deposits only

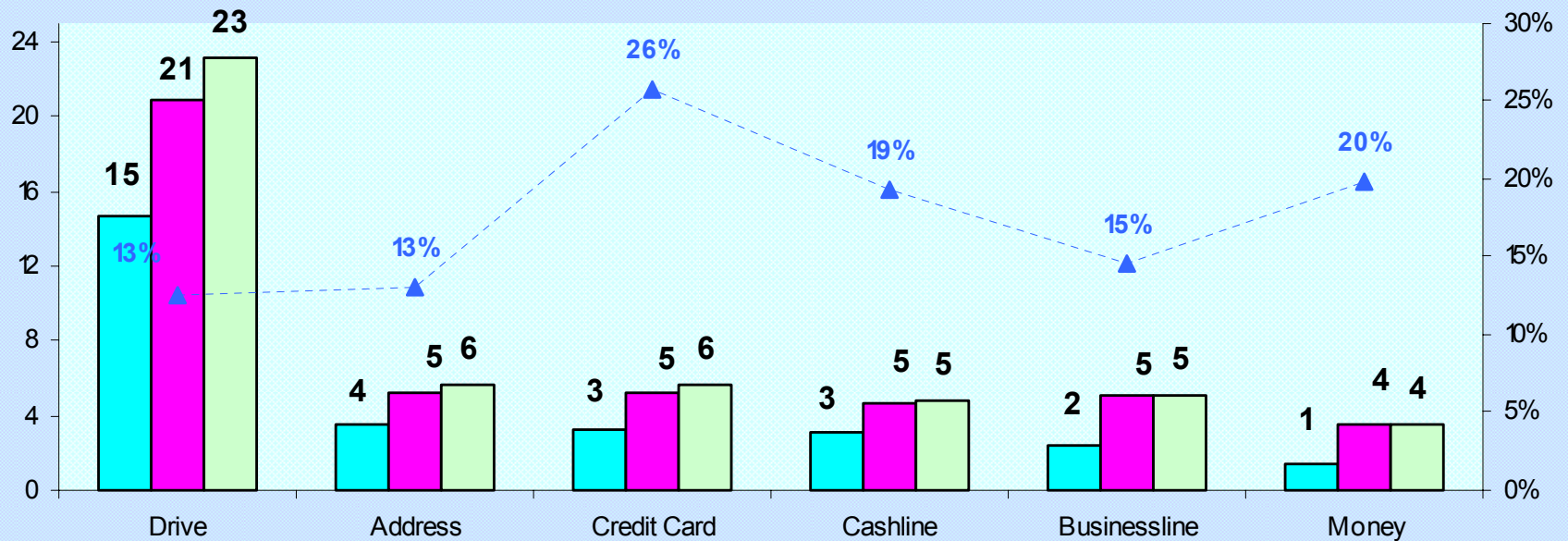
# Advances by Business



	Jun'07	Dec'06	% Change
Corporate Bank	107.9	104.1	+3.7%
Commercial Bank	54.3	54.9	-1.1%
Consumer Bank	47.4	43.8	+8.2%
Overseas	62.3	38.5	+61.7%
Others (incl. subsidiaries)	15.6	13.0	+19.6%
<b>Total</b>	<b>287.5</b>	<b>254.3</b>	<b>+13.0%</b>

# Consumer Advances by Product

█ 2005 
 █ 2006 
 █ Jun-07 
 -▲- Yield Jun 07



	Jun'07	Dec'06	% Change	Loan yield- Jun'07
Drive	23.0	20.7	+11.1%	12.5%
Address	5.8	5.2	+10.8%	13.0%
Credit Card	5.4	5.0	+8.0%	25.7%
Cashline	4.6	4.5	+3.6%	19.3%
Businessline	5.1	5.0	+2.6%	14.6%
Money	3.4	3.4	+1.5%	19.8%
<b>Total</b>	<b>47.4</b>	<b>43.8</b>	<b>+8.2%</b>	<b>15.6%</b>

# Consumer Drivers

	<b>Advances (PKR mm)</b>			<b># of Accounts</b>		
	<b>Jun-07</b>	<b>Dec-06</b>	<b>% Change</b>	<b>Jun-07</b>	<b>Dec-06</b>	<b>% Change</b>
Drive	22,959	20,660	+11%	61,740	52,887	+17%
Credit Card	5,413	5,011	+8%	167,635	157,725	+6%
Businessline	5,120	4,992	+3%	1,362	1,233	+10%
Address	5,802	5,238	+11%	1,282	1,253	+3%
Money	3,448	3,397	+1%	30,352	27,378	+11%
Cashline	4,643	4,482	+4%	65,322	61,141	+7%
<b>Total</b>	<b>47,385</b>	<b>43,781</b>	<b>+8%</b>			

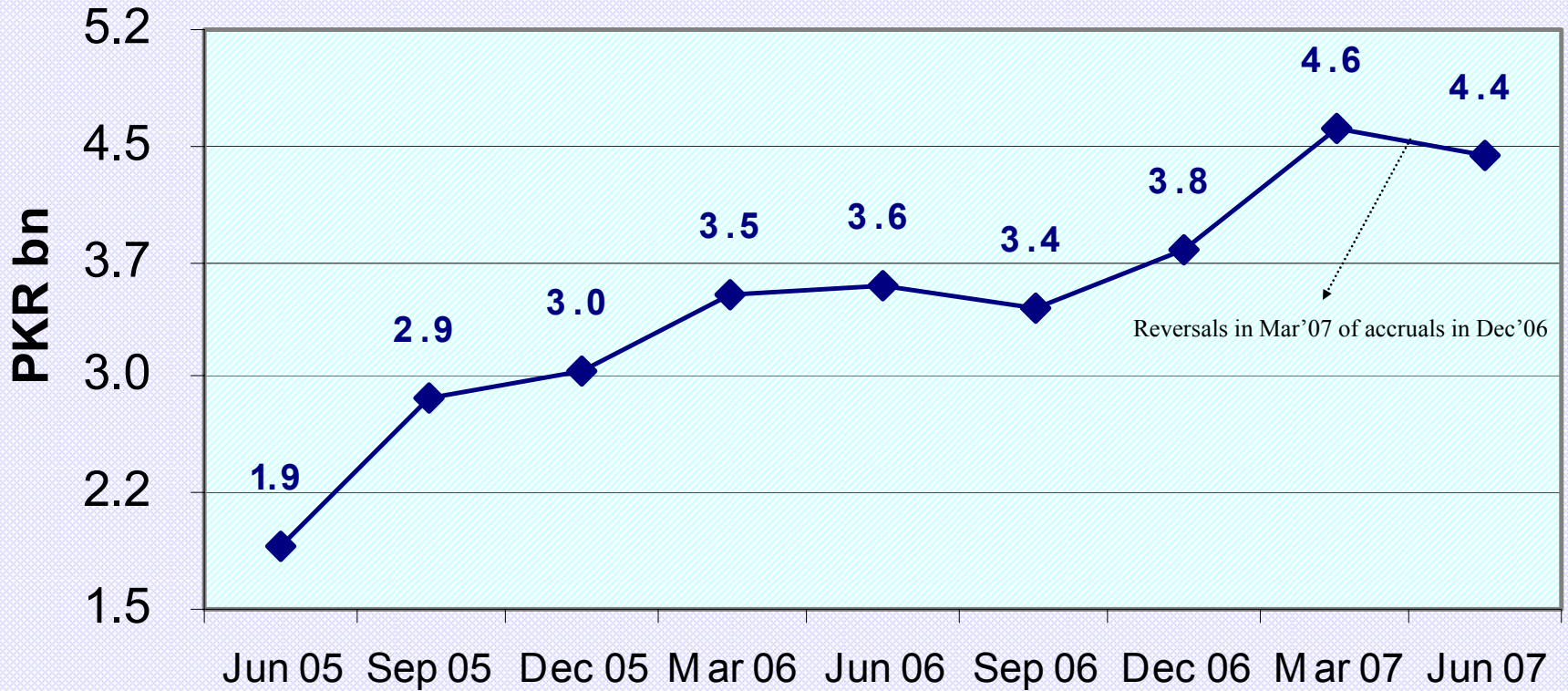
# Spread Analysis (Bank Level)

	Full Year 2006			YTD June 2006			YTD June 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
<b>Interest Earning Assets</b>									
Performing Advances	221,627	26,226	11.8%	208,811	11,845	11.4%	260,504	15,387	11.9%
Investments	60,472	5,181	8.6%	62,200	2,609	8.5%	79,002	3,554	9.1%
Others	49,452	1,584	3.2%	41,424	611	3.0%	47,545	790	3.4%
<b>Total interest earning assets (a)</b>	<b>331,551</b>	<b>32,991</b>	<b>10.0%</b>	<b>312,435</b>	<b>15,064</b>	<b>9.7%</b>	<b>387,051</b>	<b>19,731</b>	<b>10.3%</b>
<b>Non Interest Earning Assets</b>									
Non -performing Advances	4,002	-	-	3,488	-	-	4,602	-	-
Non- interest bearing Investments	5,475	-	-	4,970	-	-	7,185	-	-
Fixed Assets	4,775	-	-	4,579	-	-	5,341	-	-
Other Assets	28,366	-	-	27,419	-	-	32,397	-	-
<b>Total Assets (A)</b>	<b>374,169</b>	<b>32,991</b>	<b>8.8%</b>	<b>352,890</b>	<b>15,064</b>	<b>8.6%</b>	<b>436,575</b>	<b>19,731</b>	<b>9.1%</b>
<b>Interest bearing liabilities</b>									
Saving deposits	127,958	(2,665)	2.1%	130,470	(1,327)	2.1%	130,895	(1,397)	2.2%
Current deposits	78,612	(83)	0.1%	74,475	(42)	0.1%	87,262	(6)	0.0%
Term deposits	89,515	(6,606)	7.4%	79,060	(2,777)	7.1%	124,281	(4,731)	7.7%
Other deposits	8,728	-	0.0%	8,968	-	0.0%	8,357	-	0.0%
<b>Total deposits</b>	<b>304,813</b>	<b>(9,354)</b>	<b>3.1%</b>	<b>292,973</b>	<b>(4,146)</b>	<b>2.9%</b>	<b>350,795</b>	<b>(6,133)</b>	<b>3.5%</b>
Sub-ordinated loan	4,609	(472)	10.2%	3,999	(178)	9.0%	5,998	(297)	10.0%
Borrowings	26,538	(2,301)	8.7%	24,583	(1,072)	8.8%	34,264	(1,400)	8.2%
<b>Total interest bearing liabilities (b)</b>	<b>335,961</b>	<b>(12,127)</b>	<b>3.6%</b>	<b>321,555</b>	<b>(5,396)</b>	<b>3.4%</b>	<b>391,057</b>	<b>(7,830)</b>	<b>4.0%</b>
<b>Non Interest bearing liabilities</b>									
Equity	20,171	-		20,236			27,939		
Bills Payable	5,390	-		5,384			5,082		
Other liabilities	12,648	-		5,715			12,498		
<b>Total non interest bearing liabilities</b>	<b>38,209</b>	<b>-</b>		<b>31,335</b>	<b>-</b>		<b>45,518</b>	<b>-</b>	
<b>Total Liabilities (B)</b>	<b>374,169</b>	<b>(12,127)</b>	<b>3.2%</b>	<b>352,890</b>	<b>(5,396)</b>	<b>3.1%</b>	<b>436,575</b>	<b>(7,830)</b>	<b>3.6%</b>
<b>Net Interest Margin (a-b)</b>			<b>6.3%</b>			<b>6.3%</b>			<b>6.2%</b>
<b>Spread (A-B)</b>			<b>5.6%</b>			<b>5.5%</b>			<b>5.5%</b>

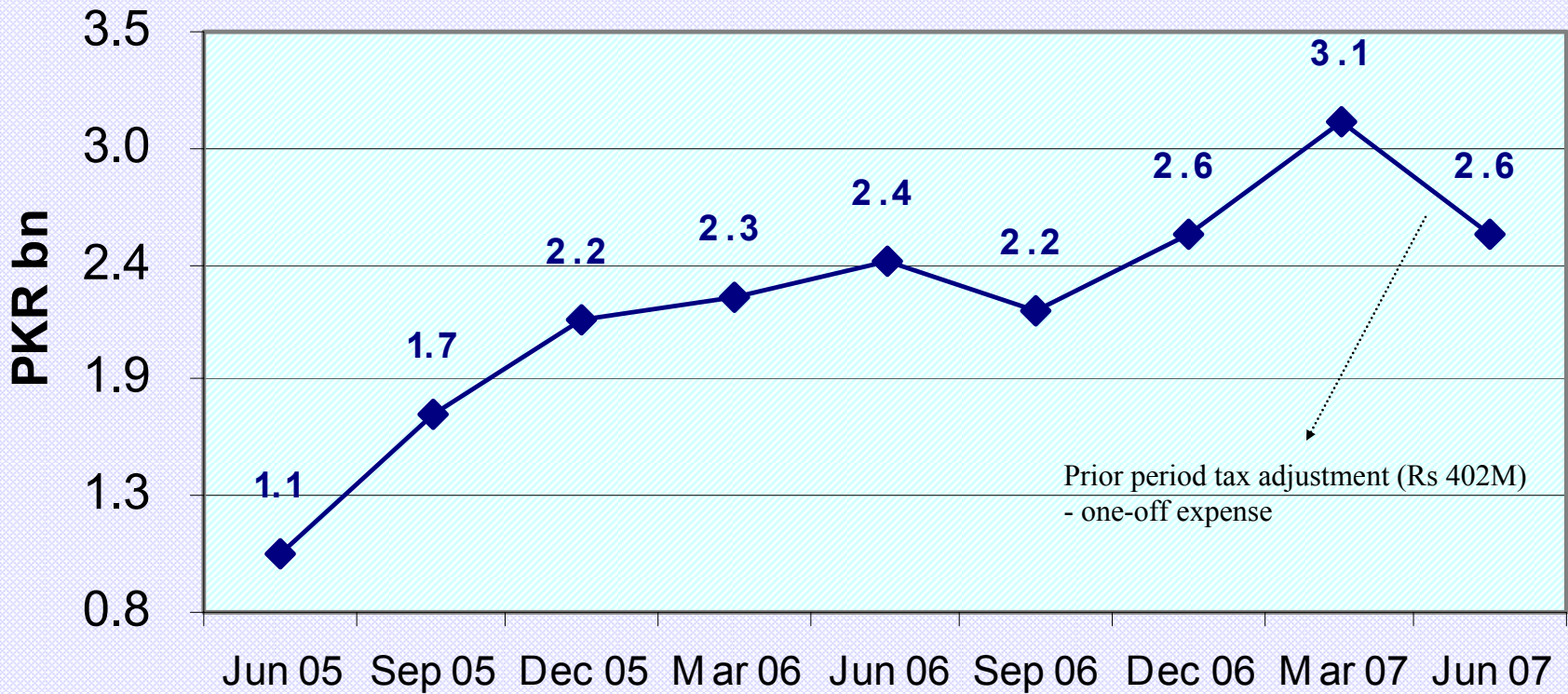
# Quarterly Trend Analysis

Bank Level

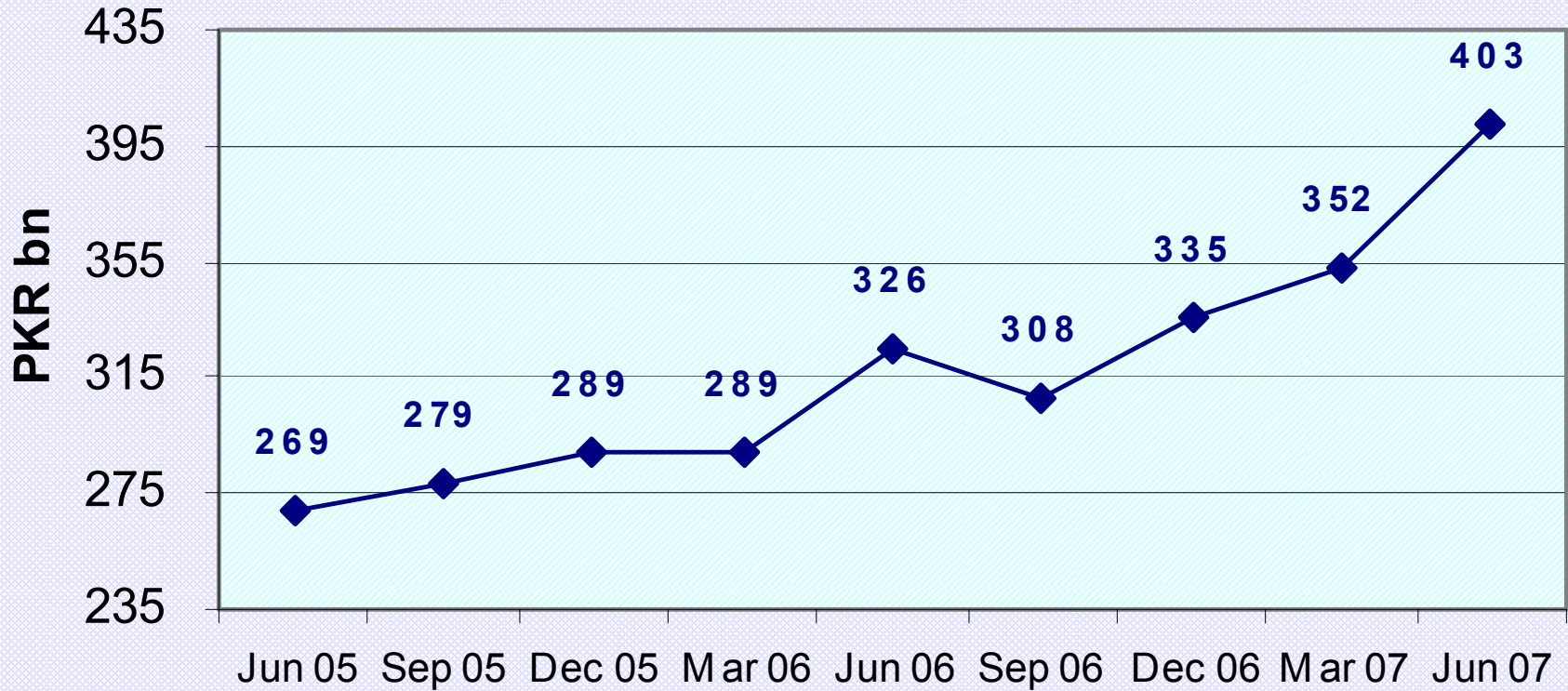
# Profit Before Tax



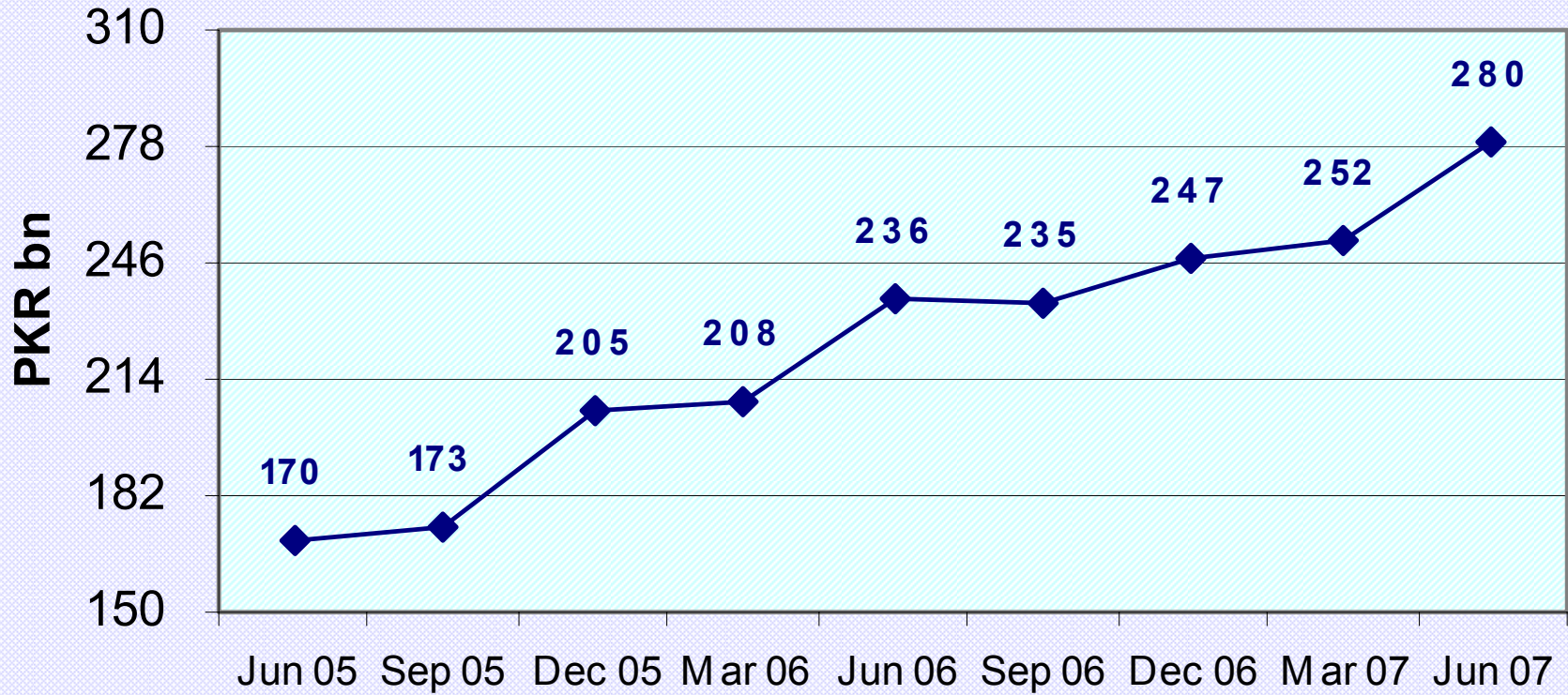
# Profit after Tax



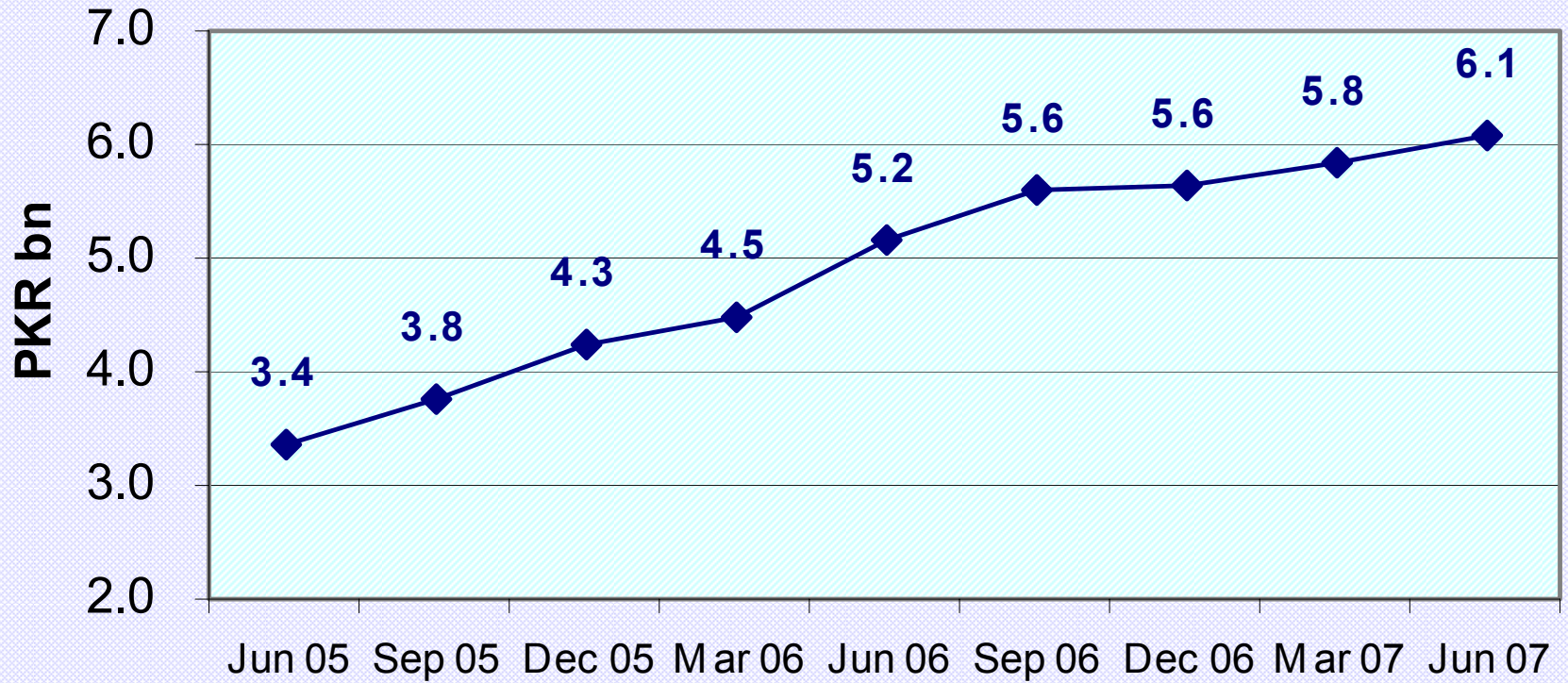
# Deposits



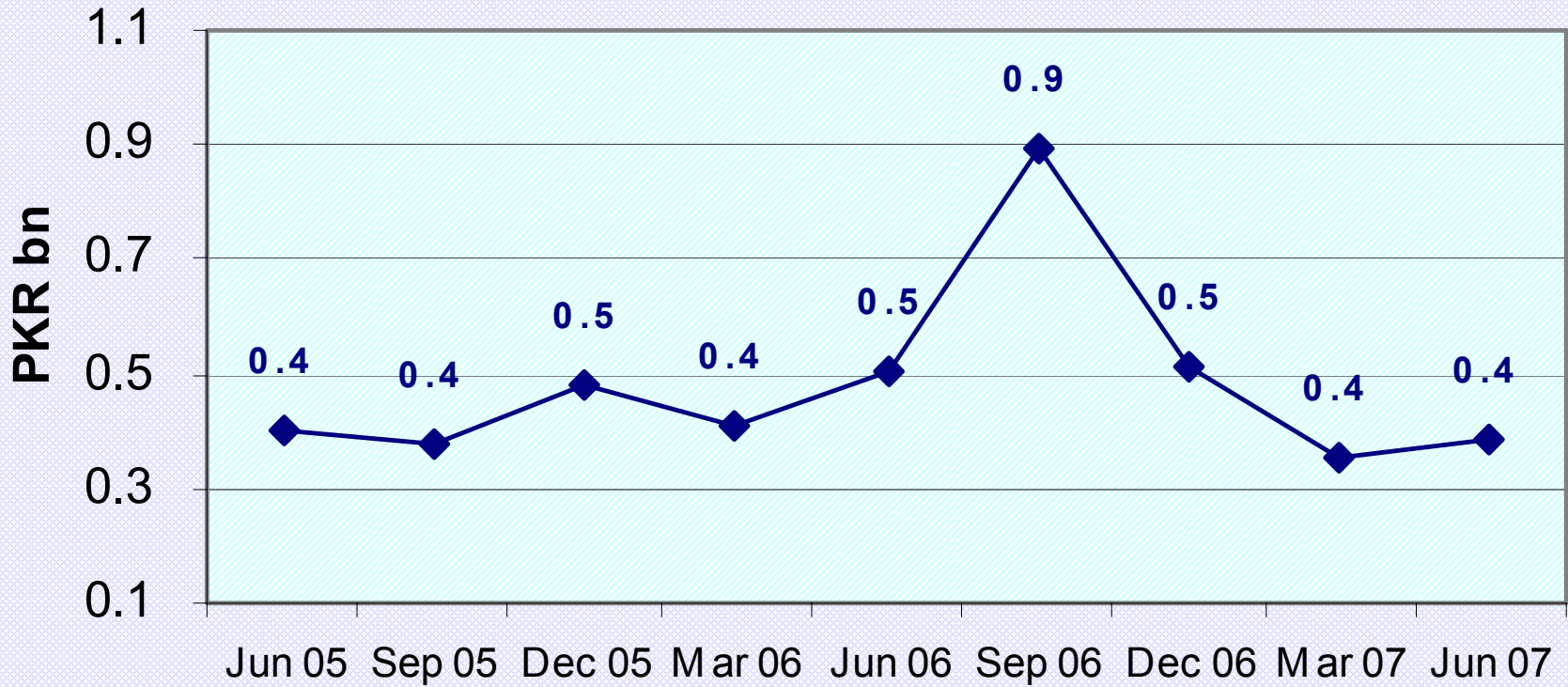
# Advances



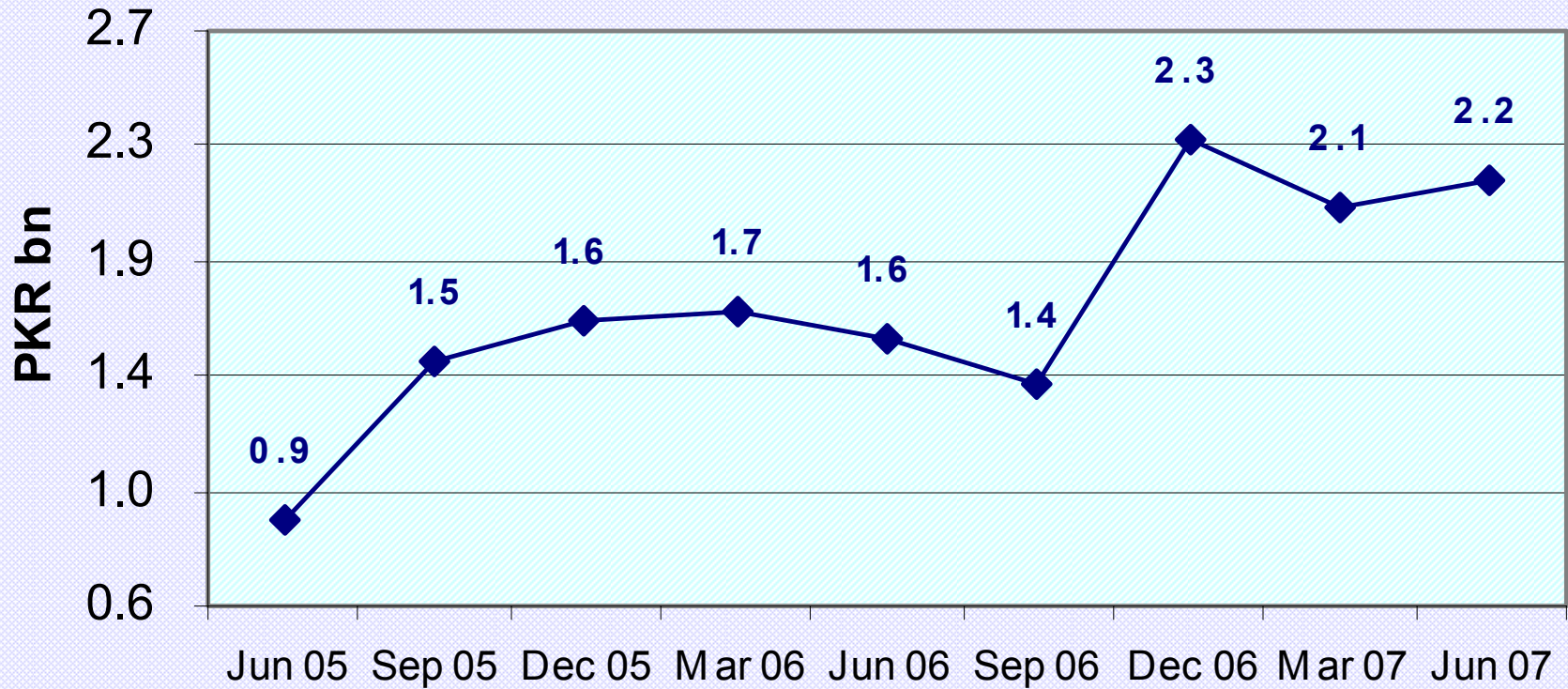
# Net Interest Income



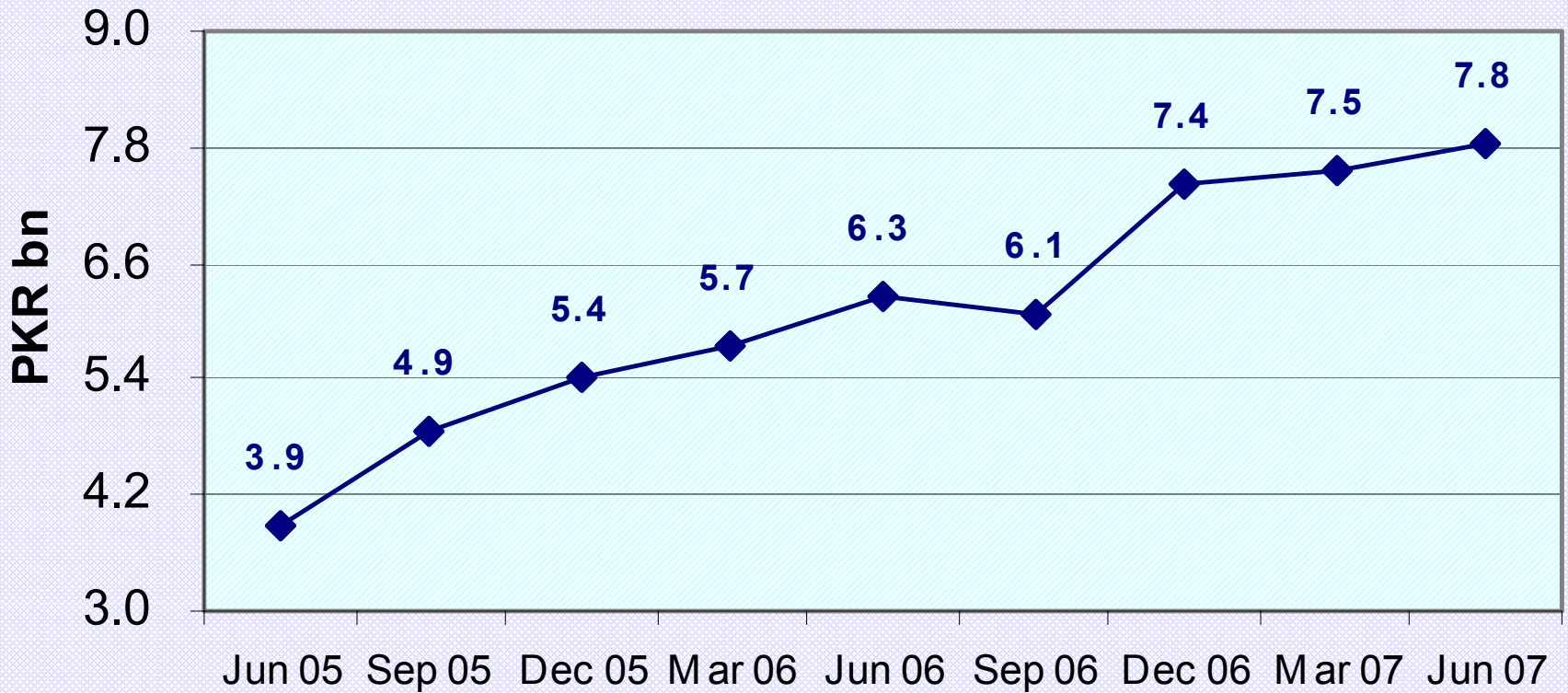
# Net Provision



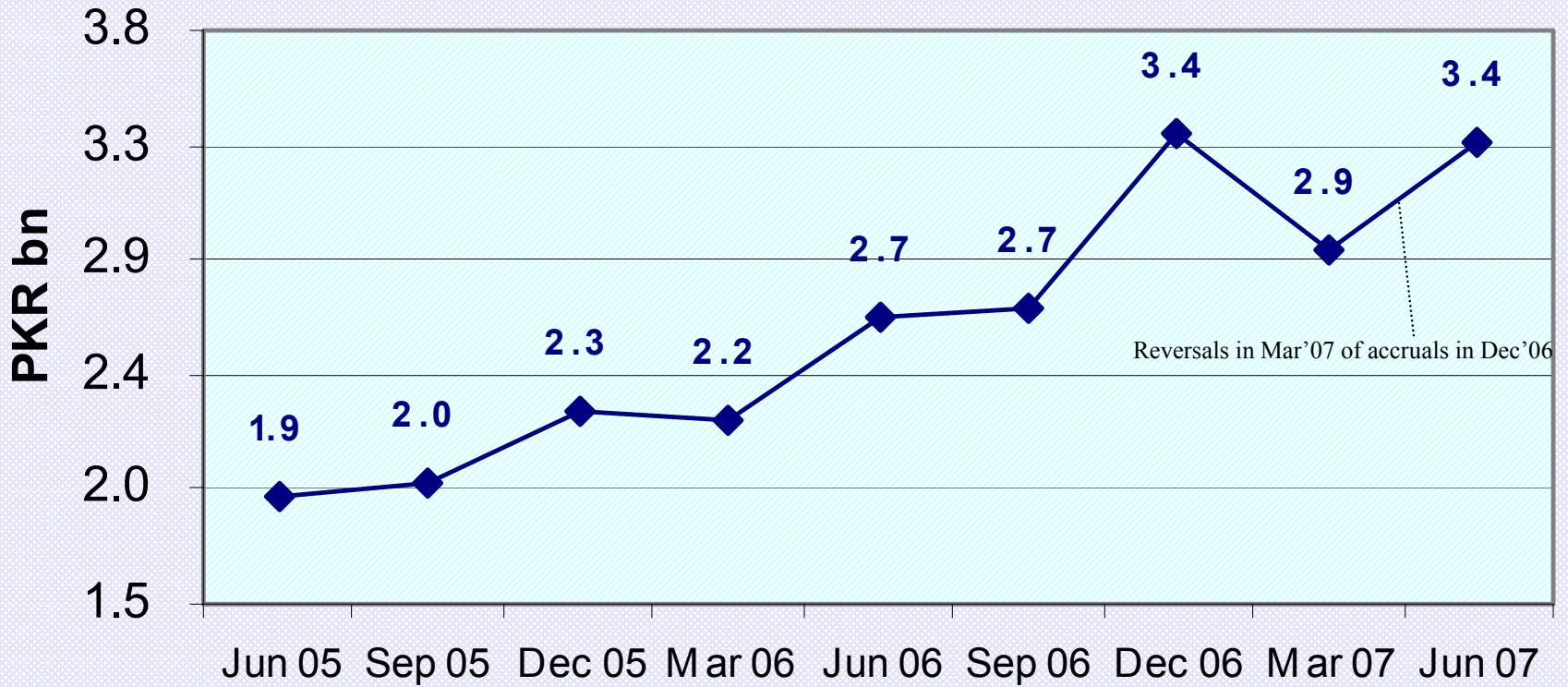
# Non-Funded Income



# Total Revenue



# Administrative Expenses



The information contained herein reflects our latest business statement as at June 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