

United Bank Limited Performance Review March 2015

Key Highlights – (1 of 3)

Standalone PAT up 37% YoY to Rs. 7.13 Bn, Consolidated PAT up 39% YoY to Rs. 7.70Bn

Net Interest income has increased significantly by 34% to reach Rs. 13.11Bn

- Average Loan growth of 12% over last year builds revenue despite lower rate environment
- Buildup in PIBs expands earning assets yield by 42bps to 10% in Q1'15
- Overall margins expand by 81bps to 5.9% despite 141bps decline in average KIBOR, Q1'15 vs Q1'14

Non markup income at Rs. 6.23Bn up by 23%

- Fees and Commissions have grown to Rs. 2.8Bn, a 4% YoY increase over Mar'14
- Home remittances revenue up 21% to Rs. 482mln
- Dividend income of Rs. 0.5Bn in Q1 2015 vs Rs. 0.7Bn in corresponding period
- Fx income up by 8% to Rs. 0.7Bn through active interbank participation and trading gains
- Capital gains stood at Rs. 1.9Bn with contribution from both the bond and equity trading desks

EPS up 37%, Break up value per share is Rs 108.9/-

Key Highlights - (2 of 3)

Provisions up by Rs. 0.6Bn YoY to Rs. 0.8Bn in Mar 2015

- FSV benefit prudently reduced from Rs. 0.9Bn in Dec'14 to Rs. 0.7Bn as at Mar'15
- Overall NPLs up by 1% over Dec'14 to Rs. 54.2Bn
- Asset quality at 11.6% in Mar'15 (11.2% as at Dec'14)
- Coverage ratio maintained at the level Dec'14 at 81%

Administrative expenses are up 9% to Rs. 7.32Bn

- Cost to income ratio has improved to 37.9% in Q1'15 (Q1'14: 45.1%)
- Staff costs increased by 5% YoY, premises related expenses up 6% mainly due to rising cost of utilities

Key Highlights - (3 of 3)

Retail Bank funding balance sheet expansion

- 6% growth in the total deposits ahead of market growth of 2% in Q1 2015
- Current Accounts remains core focus for retail distribution – with 13% YoY average growth
- Domestic cost of deposits at 4.1% in Q1 2015 vs 4.6% in Q1 2014

Net Advances marginally decreased by Rs. 14.6Bn to Rs. 419.7Bn as at March 31, 2015

- CBG portfolio down by 1% to Rs. 255.7Bn as at Mar'15 – mainly seasonal decline in commodity Loans
- Overall International loan book down by 8%, mainly in the UAE
- Corporate loan book in Yemen under run-down; 14% decline

Income Statement - Standalone

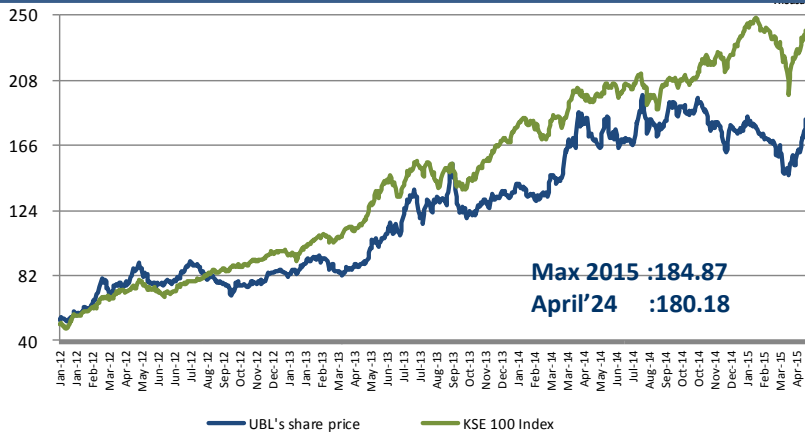
PKR Bn	Q1'15	Q1'14	Var %	Q4'14	Var %
Interest Earned	22.91	19.39	+18%	22.34	+3%
Interest Expensed	(9.80)	(9.58)	-2%	(9.51)	-3%
Net Interest Income	13.11	9.81	+34%	12.83	+2%
Non Interest Income	6.23	5.07	+23%	4.77	+31%
Total Revenue	19.34	14.89	+30%	17.59	+10%
Admin. Expenses	(7.32)	(6.72)	-9%	(8.01)	+9%
Operating Expenses	(7.62)	(6.88)	-11%	(8.17)	+7%
Pre Prov. Operating Profit	11.72	8.01	+46%	9.42	+24%
Provision Exp./Other writeoffs	(0.80)	(0.20)	-304%	(0.17)	-381%
Profit Before Tax	10.92	7.81	+40%	9.25	+18%
Profit After Tax	7.13	5.21	+37%	6.08	+17%

Income Statement – Consolidated

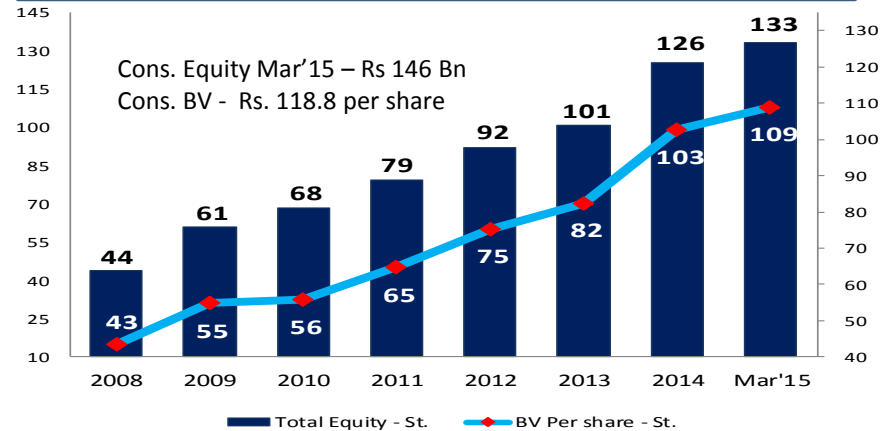
PKR Bn	Q1'15	Q1'14	Var %	Q4'14	Var %
Interest Earned	23.64	20.11	+18%	23.12	+2%
Interest Expensed	(10.06)	(9.86)	-2%	(9.77)	-3%
Net Interest Income	13.58	10.26	+32%	13.34	+2%
Non Interest Income	7.10	5.75	+23%	5.86	+21%
Total Revenue	20.68	16.01	+29%	19.20	+8%
Admin. Expenses	(8.03)	(7.38)	-9%	(8.68)	+7%
Operating Expenses	(8.32)	(7.54)	-10%	(8.84)	+6%
Pre Prov. Operating Profit	12.36	8.48	+46%	10.36	+19%
Provision Exp./Other writeoffs	(0.83)	(0.32)	-158%	(0.28)	-194%
Profit Before Tax	11.53	8.15	+41%	10.08	+14%
Profit After Tax	7.70	5.52	+39%	6.85	+13%

Share Info

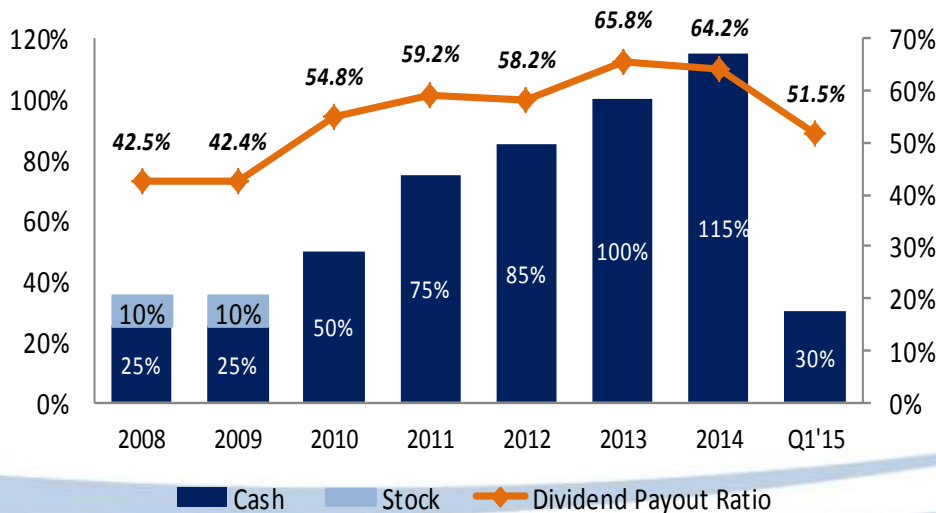
Trends – KSE 100 Index and UBL's Share Price



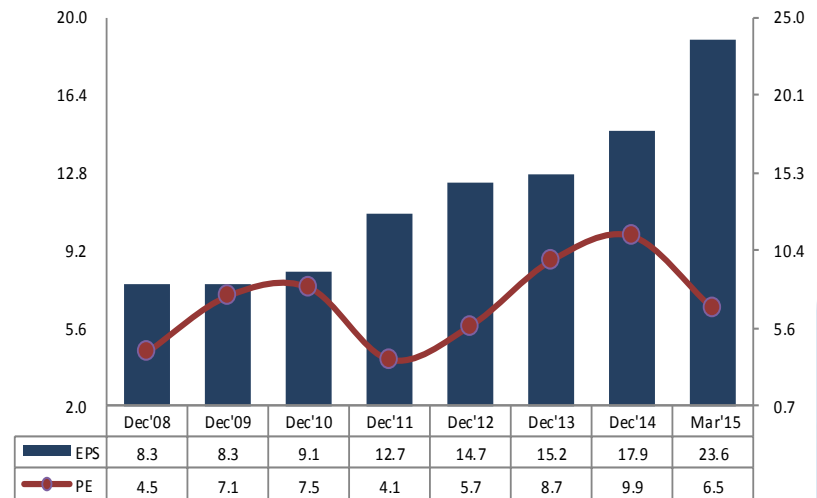
Growth in Book Value Per Share by 6% in Q1'15



Cash and Stock Payout



EPS & PE



Key Ratios – Bank (Standalone)

Balance Sheet Ratios	Mar-15	Dec-14
Advances / Deposits	47.2%	51.3%
Asset Quality	11.6%	11.2%
Coverage	81.2%	81.2%

Financial Ratios	Q1'15	Q1'14	Q4'14
Yield on P. Advances	9.4%	9.1%	9.8%
Cost of Deposits - Bank	3.7%	4.1%	3.8%
Cost of Deposits - Domestic	4.1%	4.6%	4.4%
Net Interest Margin	5.9%	5.1%	6.3%
NCL Ratio	0.7%	0.2%	0.0%
ROA	2.5%	2.1%	2.2%
ROE	30.1%	24.1%	25.8%

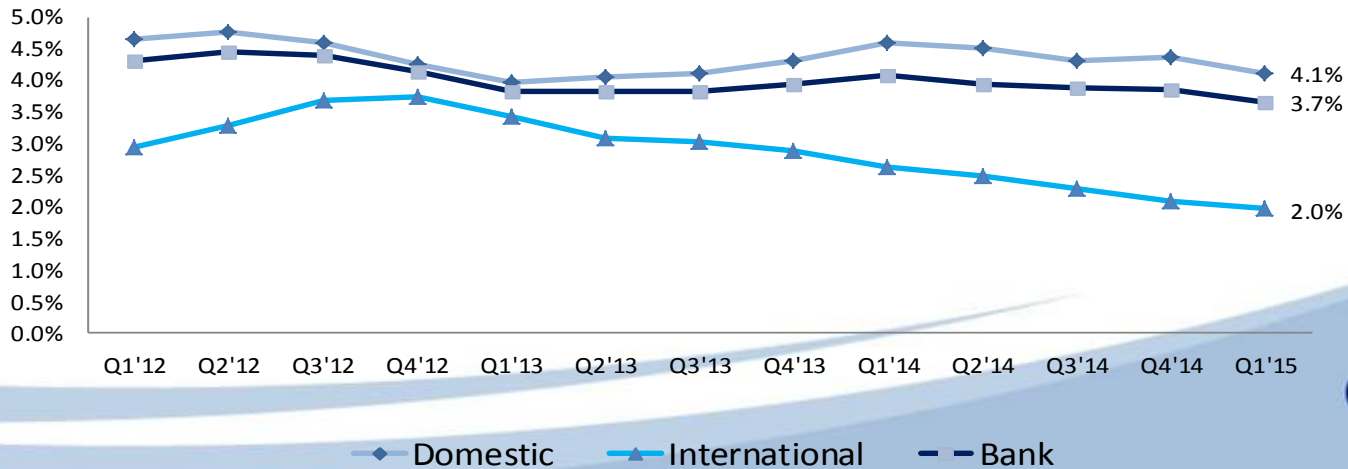
P/L Ratios	Q1'15	Q1'14	Q4'14
Cost to Income Ratio	37.9%	45.1%	45.5%
Non Fund Inc. / Total Revenue	32.2%	34.1%	27.1%

Deposits Structure

Deposits - Bank

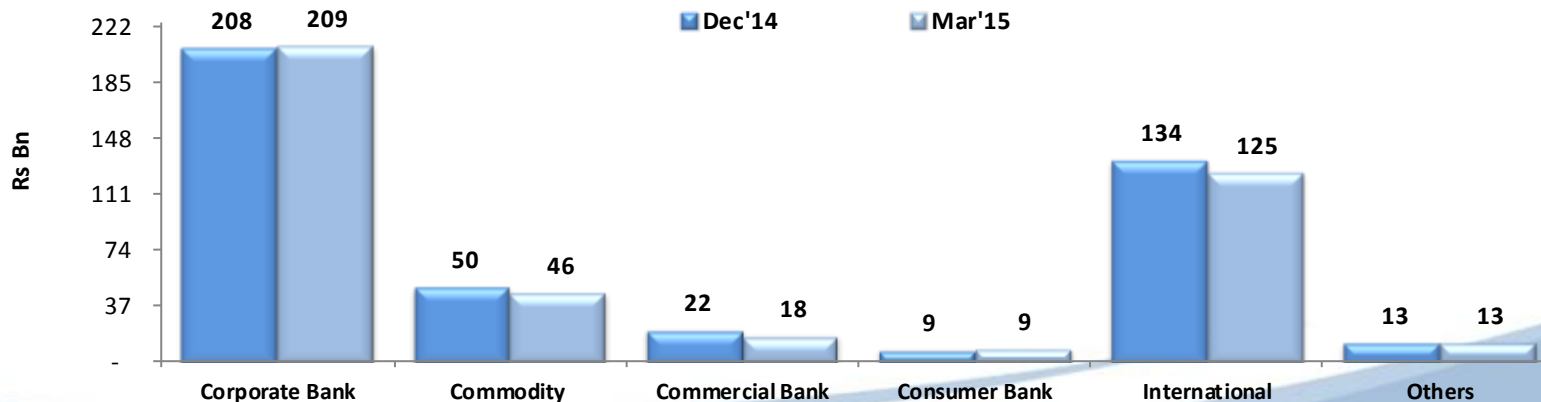
Bank Rs Bn	Dec'14		Mar'15	
	PE	COF %	PE	COF %
Domestic deposits	697	4.4%	754	4.1%
International deposits	198	2.4%	191	2.0%
Total Bank	895	3.9%	945	3.7%
International \$ Mn	1,967	2.4%	1,875	2.0%
Domestic CASA	85.8%		85.6%	

Cost of Deposits



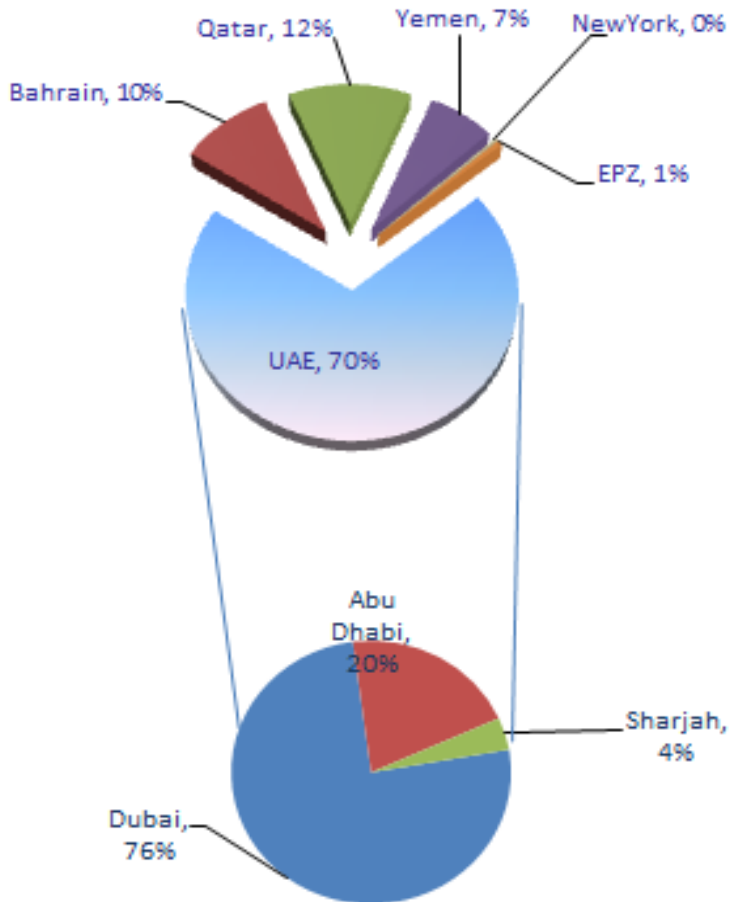
Net Advances

Net Advances - Rs. Bn	Dec'14	Mar'15	Mar'15 vs Dec'14
Corporate Bank	208	209	1%
Commodity	50	46	-7%
Commercial	22	18	-19%
Consumer	9	9	1%
Others	13	13	0%
Total Domestic	300	294	-2%
International	134	125	-6%
Bank	434	420	-3%
International US\$ Mn	1,332	1,230	-8%

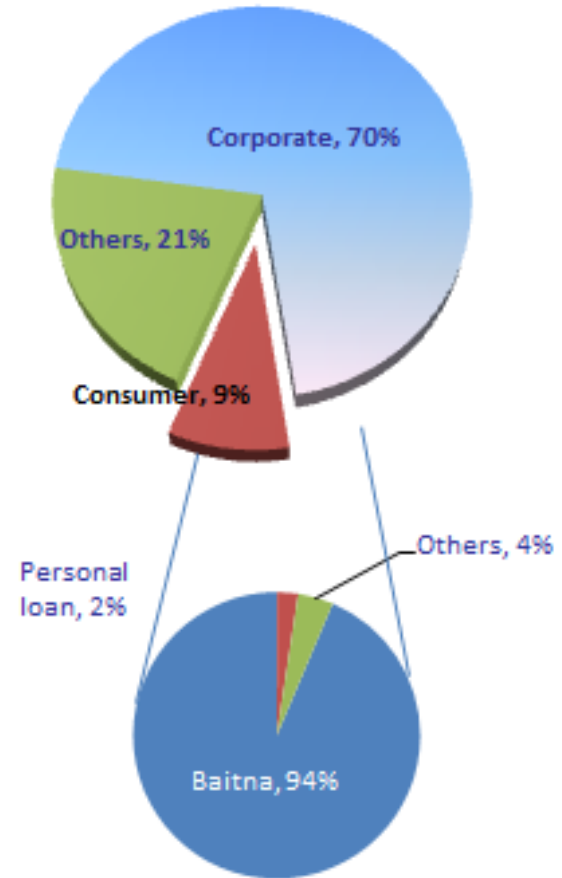


International Advances Mar-15

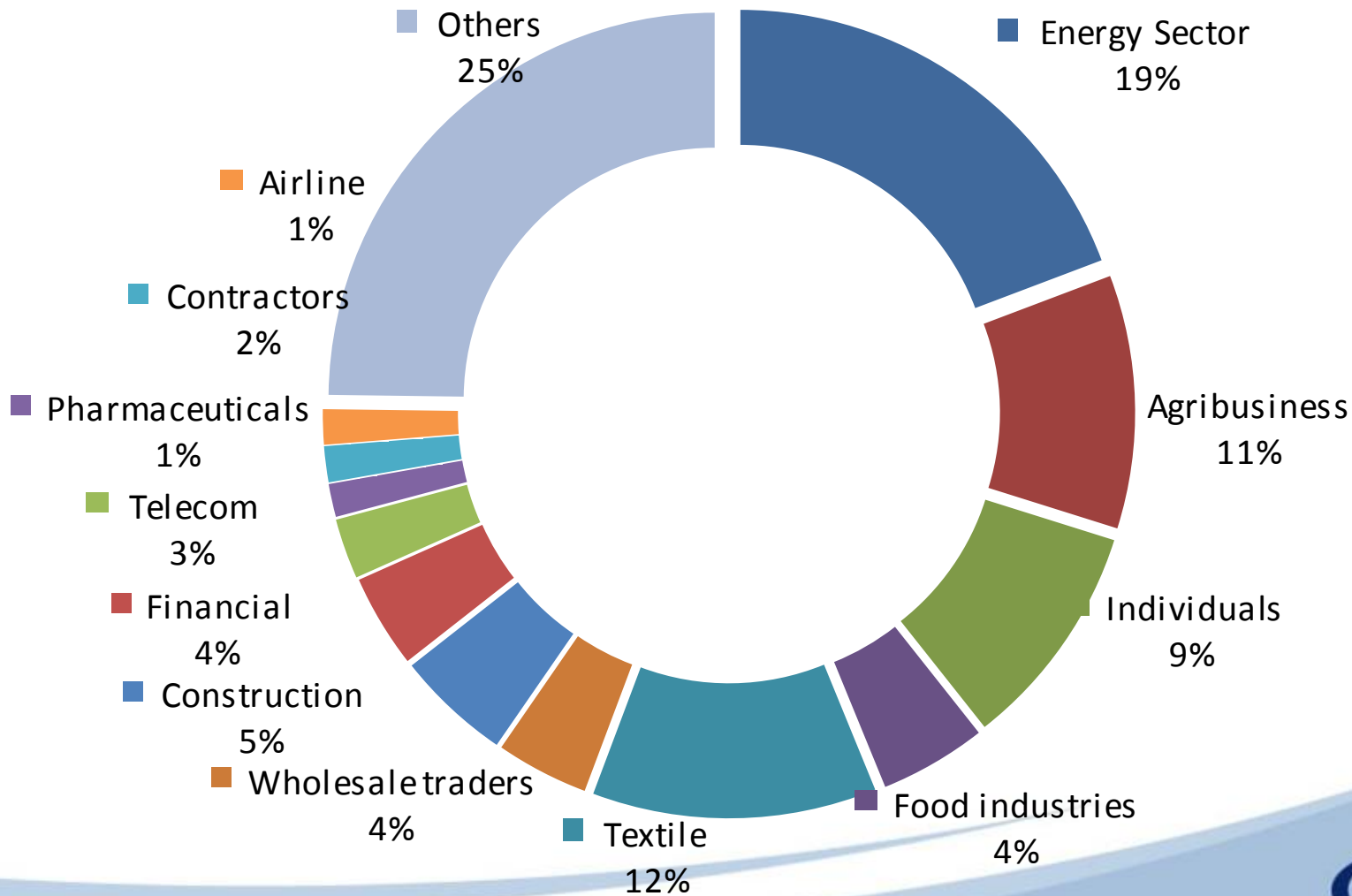
By Geography



By Business - UAE



Concentration of Advances – Consolidated (Mar'15)



Non Fund Income - Standalone

Non Fund Income - Rs. Mn	Q1'15	Q1'14	Var %	Q4'14	Var %
Fee, commission and brokerage income	2,819	2,703	4%	2,727	3%
Dividend income	494	675	-27%	606	-18%
Income from dealing in foreign currencies	705	654	8%	719	-2%
Gain / (loss) on sale of securities	1,851	736	151%	360	415%
Derivatives Income	41	68	-40%	162	-75%
Other income	317	237	34%	194	64%
Total Non Fund Income	6,226	5,074	23%	4,766	31%

Fee Commission and Brokerage Income - Standalone

Fee Commission Income - Rs. Mn	Q1'15	Q1'14	Var %	Q4'14	Var %
Commission on trade	399	442	-10%	410	-2%
Commission on consumer loan	173	146	18%	164	5%
Commission on remittance / uniremote	490	511	-4%	518	-5%
Corporate service chgs/finance fee/FI inc.	271	282	-4%	394	-31%
General banking service charges	441	391	13%	258	71%
Commission on cash management	89	94	-5%	84	6%
Commission on home remittance	420	328	28%	339	24%
Commission income - Bancassurance	174	148	18%	141	23%
Commission others	361	361	0%	418	-14%
Total	2,819	2,703	4%	2,727	3%

Administrative Expenses - Standalone

Administrative Expenses - Rs. Mn	Q1'15	Q1'14	Var %	Q4'14	Var %
Personnel Cost	2,956	2,823	-5%	2,862	-3%
Premises Cost	930	875	-6%	1,037	10%
Outsourced service charges including sales commission	981	856	-14%	1,127	13%
Advertisement and publicity	145	120	-20%	458	68%
Communications	297	262	-13%	308	3%
Depreciation / Amortization	522	500	-4%	538	3%
Legal and professional charges	66	52	-25%	93	30%
Banking service charges	248	208	-20%	258	4%
Stationery and printing	133	130	-2%	158	16%
Travelling	64	54	-19%	71	10%
Cash transportation charges	134	123	-10%	135	0%
Repairs and maintenance	411	302	-36%	568	28%
Vehicle expenses	44	49	9%	63	30%
Office running expenses	140	120	-16%	150	7%
Insurance expense	9	25	66%	27	68%
Others	245	221	-11%	153	-60%
Total	7,325	6,720	-9%	8,007	9%

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.
- 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:	1.73 Million
No of Agents:	28,500+
No of cities/towns:	1700+
No of transactions	174.1 Million
Transaction volume	PKR 760 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 47.42 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 2.16 Billion

CASH MANAGEMENT SERVICES

Microfinance, FMCG clients, Schools, Collections	
No of transactions:	6.05 Million+
Transaction volume:	PKR 22.4 Billion+

Financial ratios – Consolidated (1/3)

DuPont	Full Year					QTD (Annualized)	
	2010	2011	2012	2013	2014	Dec-14	Mar-15
Spread (Standalone) ¹	5.5%	5.6%	4.7%	4.0%	4.4%	4.8%	4.6%
Net Interest Margin (Standalone) ²	7.0%	7.2%	6.4%	5.4%	5.7%	6.3%	5.9%
Non Interest Yield ³	1.6%	1.7%	2.2%	2.0%	2.0%	2.0%	2.3%
Admin Exp./Avg Assets	2.8%	2.8%	2.9%	2.8%	2.8%	3.0%	2.6%
Cost Income Ratio	41.7%	40.1%	43.2%	47.5%	45.6%	45.2%	38.8%
Loan Loss / Avg Assets	1.1%	0.9%	0.4%	0.2%	0.1%	-0.1%	0.3%
Loan Loss / Avg RWA ⁴	1.5%	1.2%	0.6%	0.2%	0.1%	-0.1%	0.4%
Effective Tax Rate	37.7%	37.0%	32.0%	31.9%	32.5%	32.0%	33.2%
ROA	1.6%	1.9%	2.2%	1.9%	2.1%	2.4%	2.5%
ROE	17.7%	20.7%	23.4%	21.3%	23.4%	26.1%	28.5%

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	Dec-14	Mar-15
Gross NPLs / Gross Loan	12.9%	13.4%	13.6%	11.9%	11.1%	11.1%	11.4%
Net NPLs / Gross Loan	3.6%	2.9%	3.4%	2.2%	2.4%	2.4%	2.3%
Coverage Ratio	69.0%	78.1%	74.6%	81.1%	78.5%	78.5%	79.5%
Prov. held / Gross loan	8.9%	10.5%	10.1%	9.6%	8.7%	8.7%	9.0%
Net Credit Loss ratio	2.2%	2.0%	1.1%	0.4%	0.2%	-0.1%	0.7%

Growth	Full Year					QTD (Annualized)	
	2010	2011	2012	2013	2014	Dec-14	Mar-15
Growth in Loan Book	-5.7%	-0.1%	13.1%	7.6%	12.5%	3.4%	-3.5%
Growth in Deposits	12.7%	11.8%	18.6%	18.2%	7.0%	2.6%	5.6%
Operating Revenue	-1.4%	16.3%	11.8%	1.7%	15.7%	16.9%	29.2%
Operating Expense	7.6%	11.3%	19.6%	12.1%	10.6%	11.7%	10.5%
Pre-provision Oper.Profit	-7.2%	20.1%	6.3%	-6.6%	20.5%	21.8%	45.8%
Provision exp.+ Other prov.	-39.2%	-9.1%	-36.6%	-59.5%	-16.0%	444.8%	158.1%
Profit After Tax	16.1%	35.1%	29.3%	2.5%	21.8%	20.2%	39.5%

Financial ratios – Consolidated (3/3)

Other Metrics	Full Year						QTD (Annualized)	
	2009	2010	2011	2012	2013	2014	Dec-14	Mar-15
Capital Adequacy Ratio	14.0%	15.0%	14.9%	14.8%	13.3%	14.3%	14.3%	14.6%
Loan / Deposits	73.7%	62.8%	57.5%	55.0%	50.0%	51.8%	51.8%	47.6%
Net Loans / Assets	56.5%	47.1%	42.2%	40.1%	38.3%	39.5%	39.5%	35.5%
RWA / Assets	75.9%	72.7%	72.8%	70.3%	71.3%	70.7%	70.7%	67.2%
Average Headcount (St) ¹	8,639	8,474	8,655	8,934	9,021	9,033	8,828	9,001
Personnel cost (St) / Headcount (000)	863.9	879.3	988.8	1,091.8	1,167.6	1,239.2	1,312.2	1,341.7
Yield on Earning Assets (St) ²	12.3%	11.7%	12.3%	11.3%	9.7%	10.0%	10.4%	10.0%
Cost of Funds (St) ³	5.4%	4.7%	5.1%	4.9%	4.4%	4.2%	4.2%	4.0%
Yield on Performing Adv (St)	13.4%	12.4%	13.1%	11.7%	9.7%	9.5%	9.8%	9.4%
Cost of Deposits (St)	4.8%	4.0%	4.3%	4.3%	3.9%	3.9%	3.8%	3.7%

St - Standalone

1. Permanent Staff

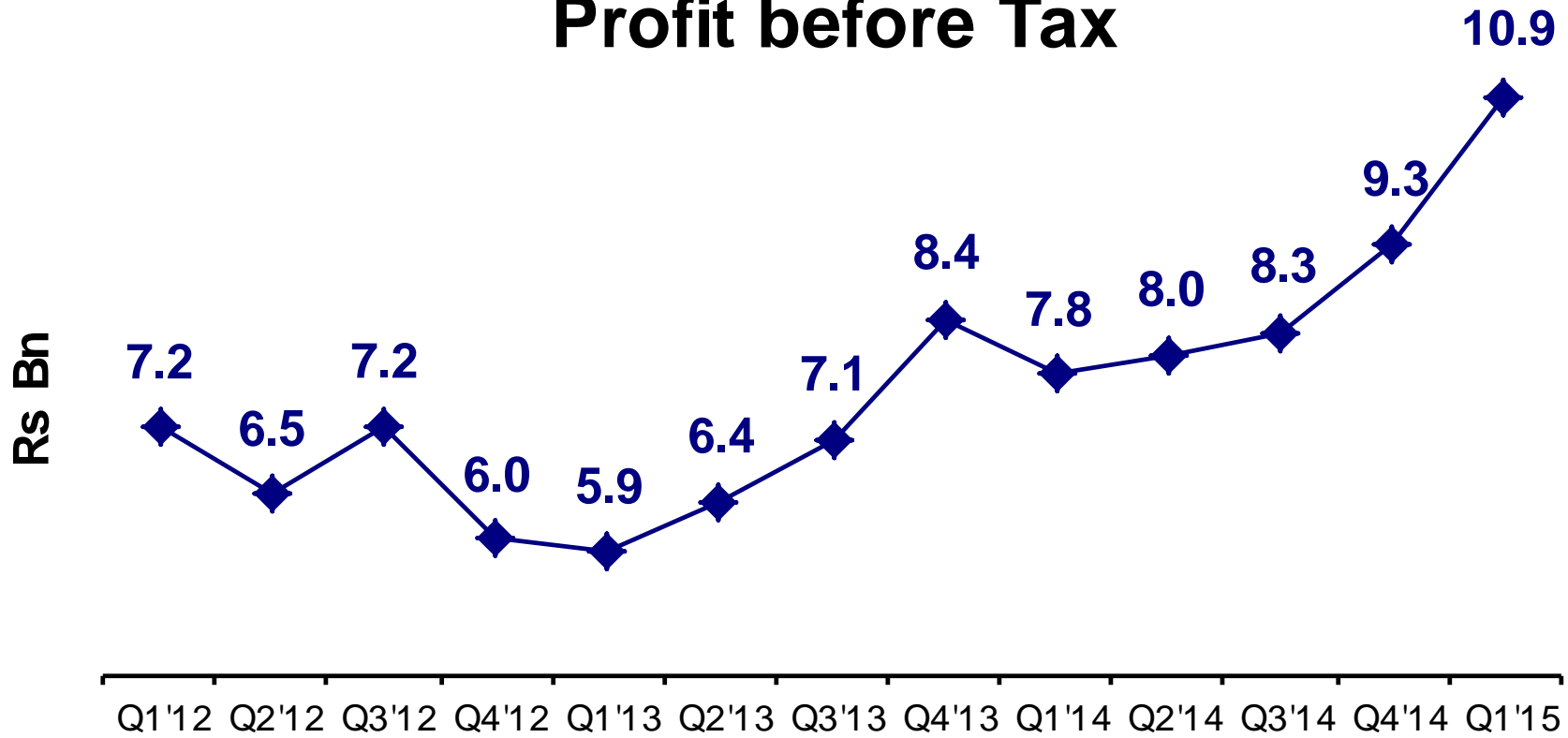
2. Earning assets incl bal.with other banks, lending to F.I., investments & perf adv

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

Quarterly Trend Analysis

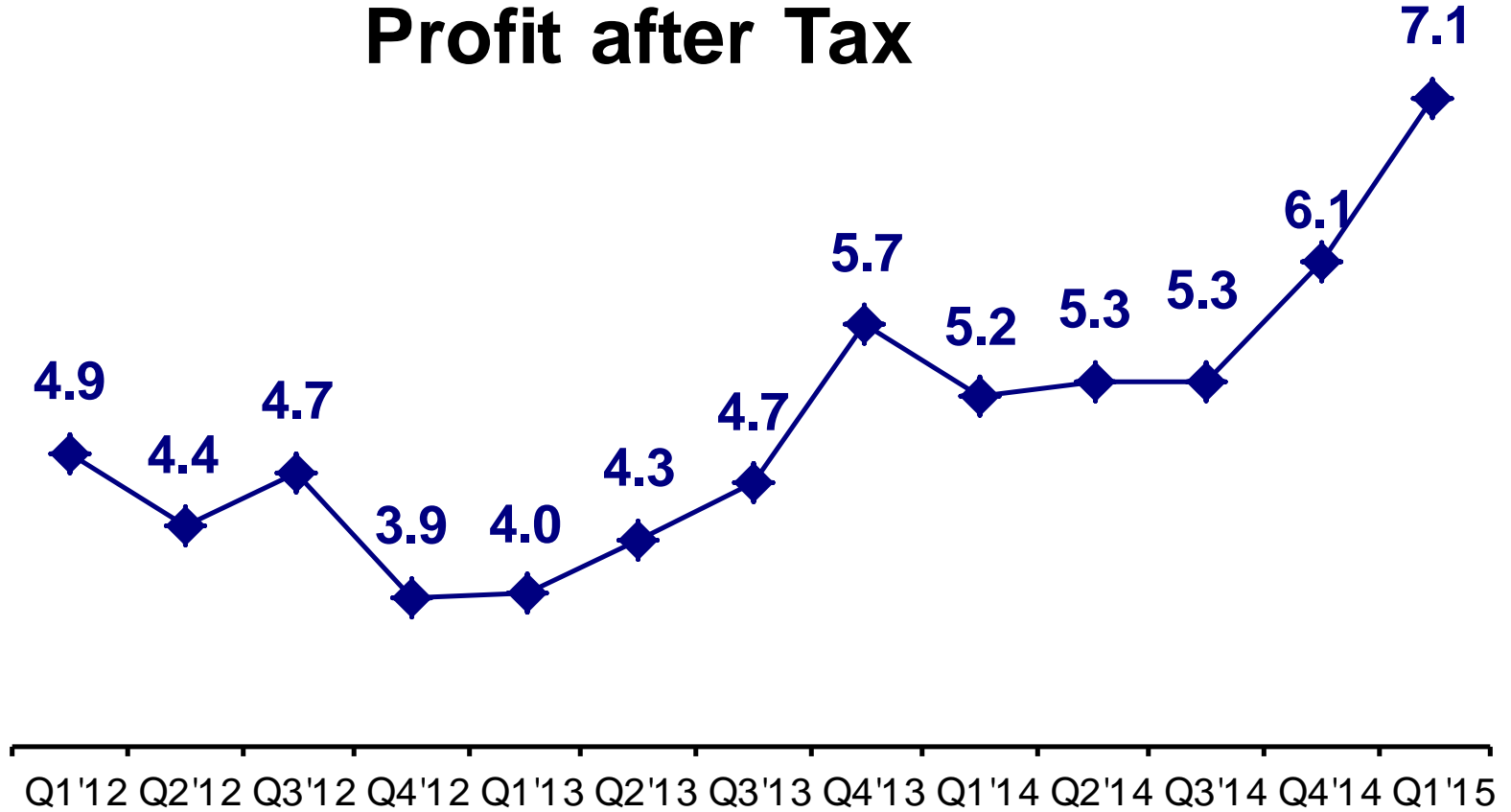
Bank Level
(Stand Alone)

Profit before Tax



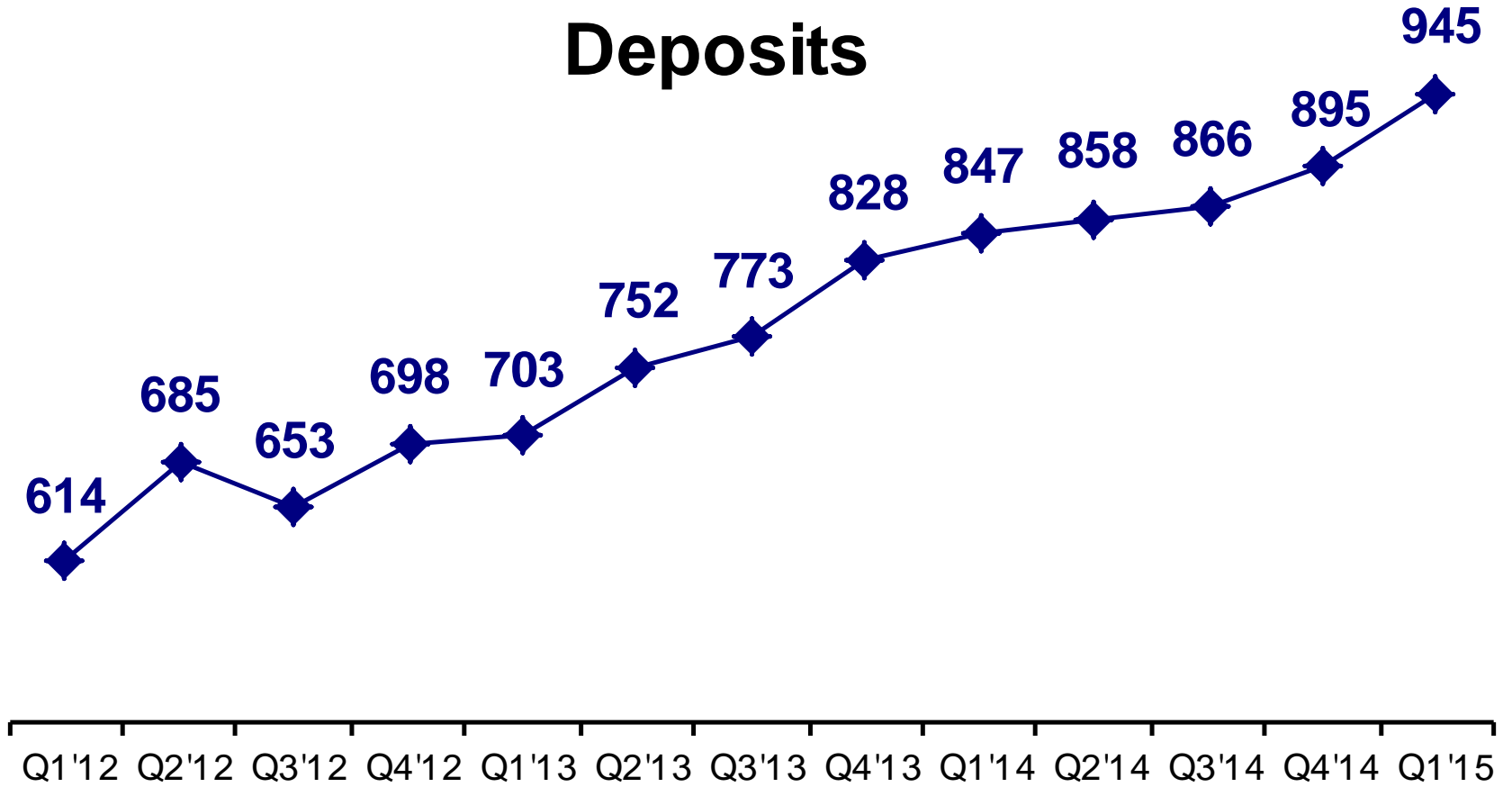
Profit after Tax

Rs Bn

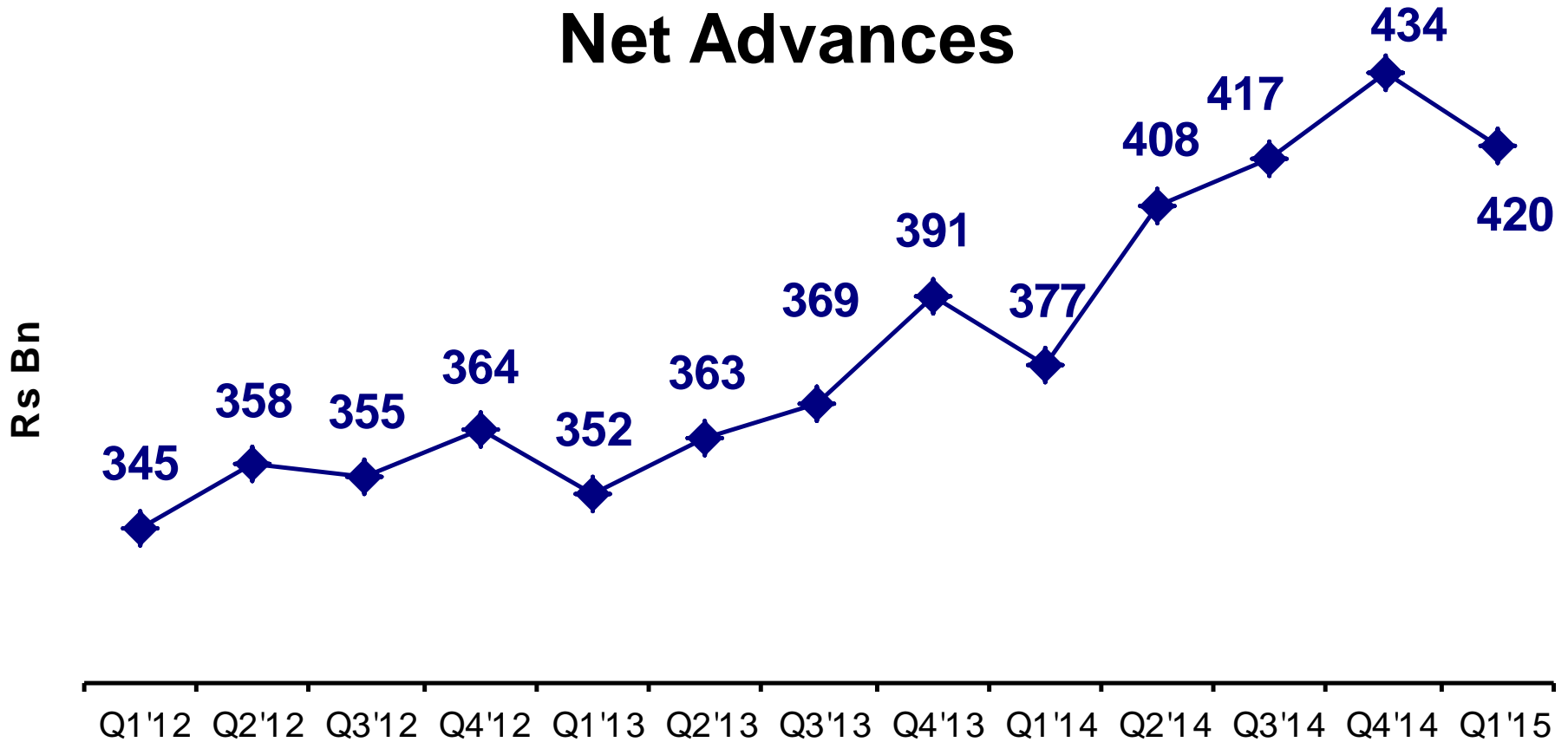


Deposits

Rs Bn

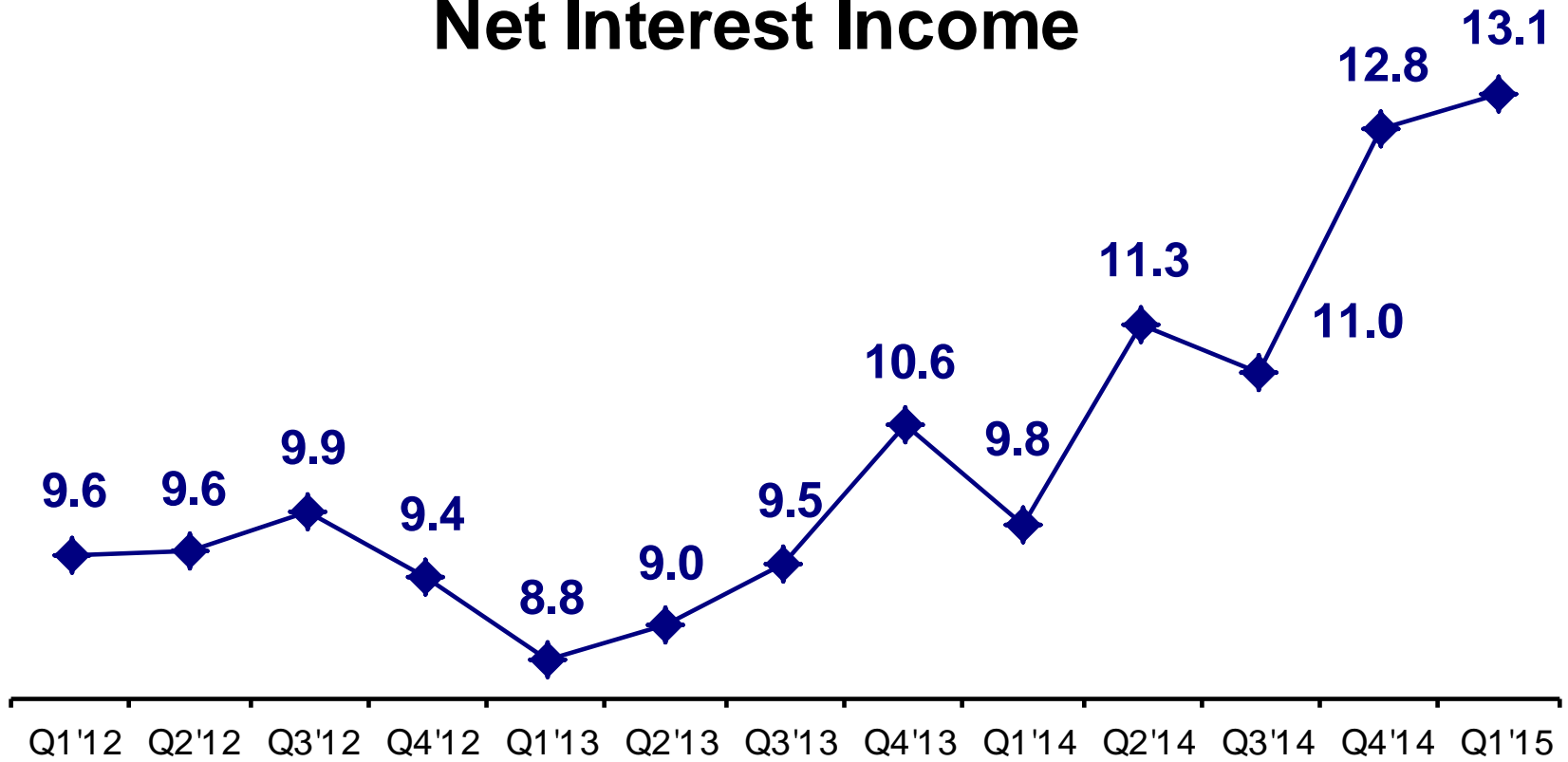


Net Advances

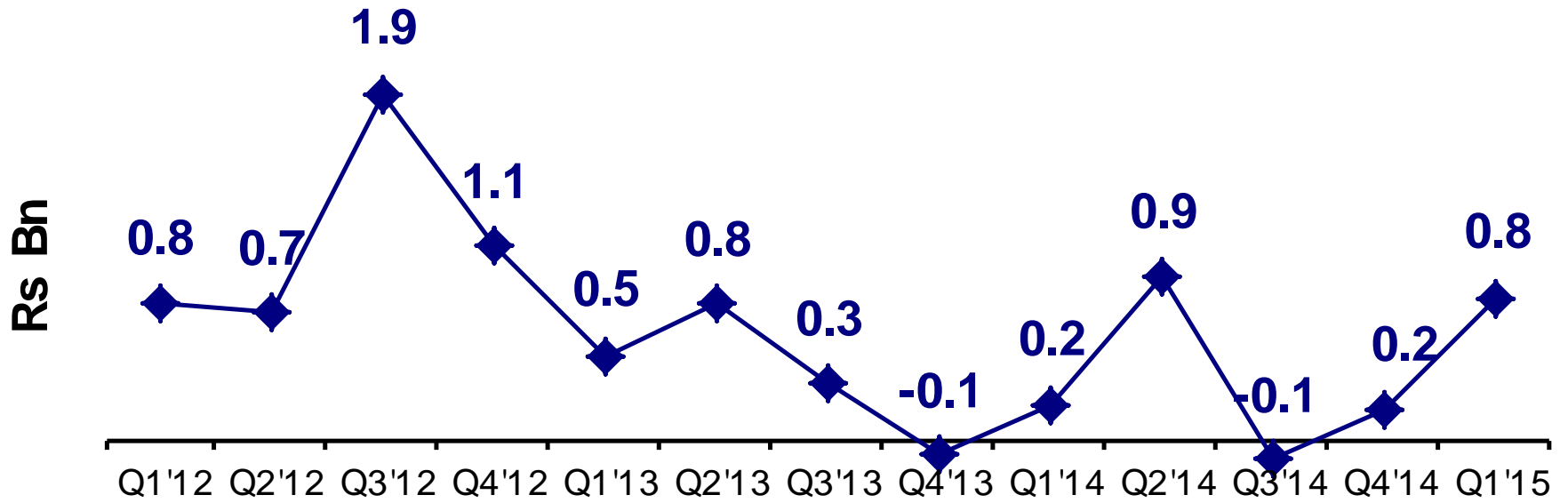


Net Interest Income

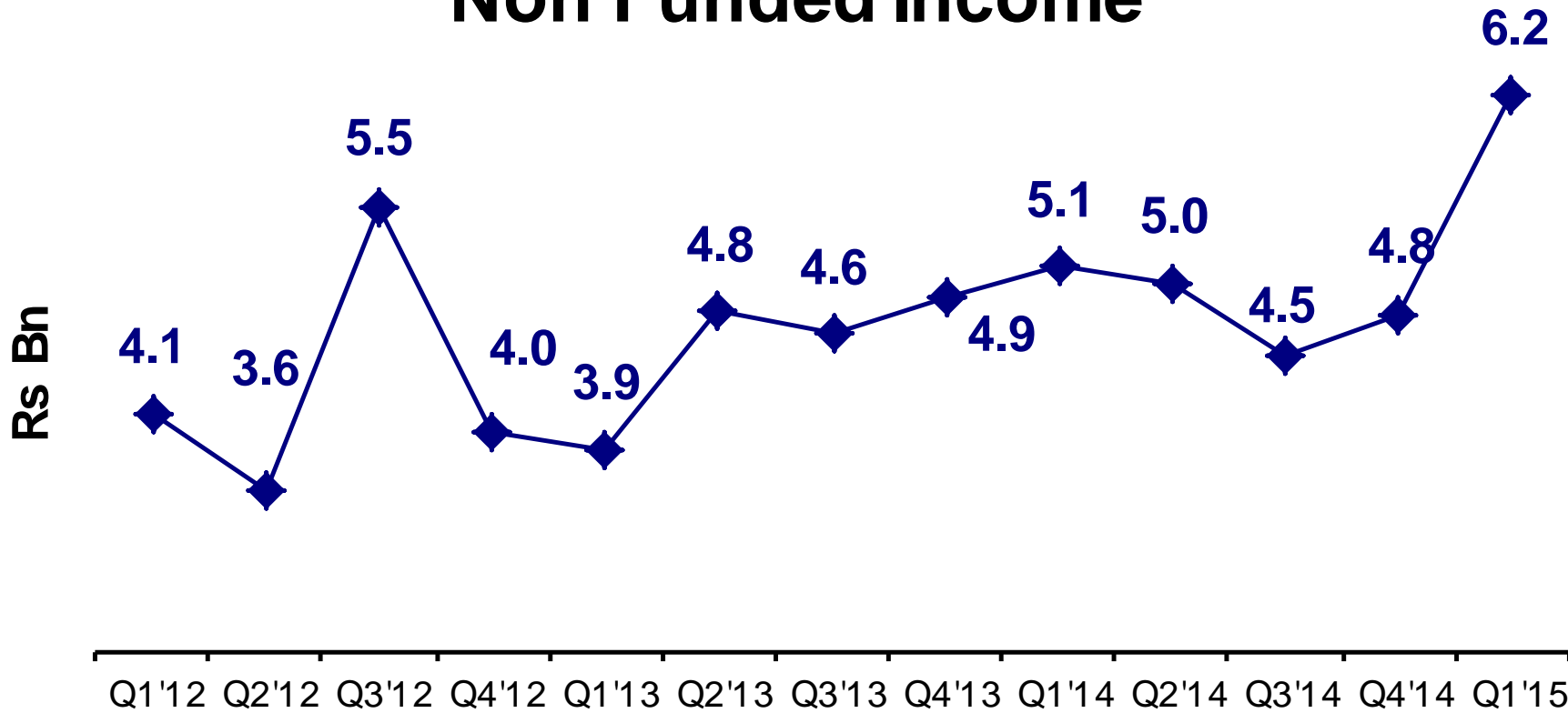
Rs Bn



Provisions



Non Funded Income

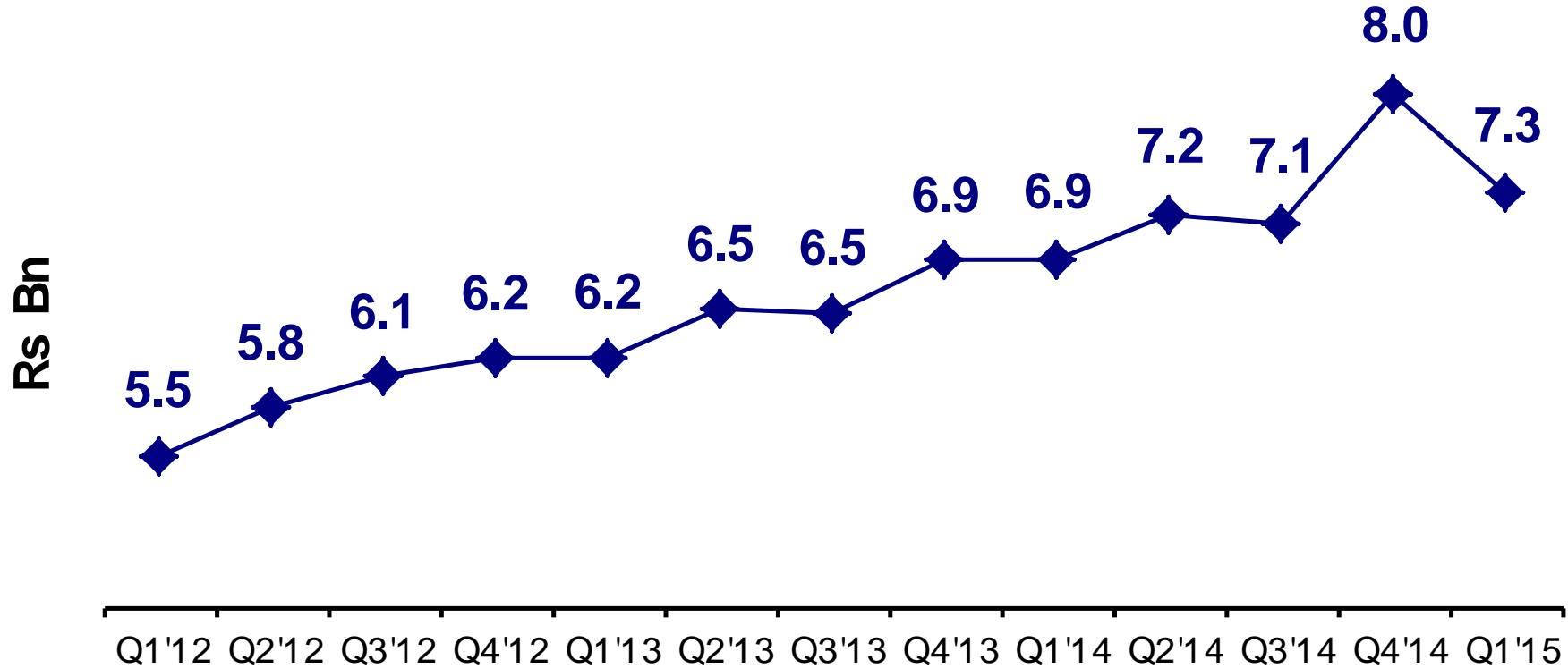


Revenue

Rs Bn



Administrative Expenses



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