



Performance Highlights – 2017

Investor Relations Conference Call

February 26th, 2018

Speakers:

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Key Performance Highlights

Standalone Results

- Profit before tax closes at Rs. 40.2 bln (2016: Rs. 46.0 bln)
- Profit after tax closes at Rs. 25.4 bln (2016: Rs. 27.7 bln)
- Return on equity (RoE) of 20.8% in 2017 (2016: 24.9%)
- Average balance sheet expansion of 17% in 2017 vs 2016
- Deposits have closed at Rs. 1,289 bln, 9% ahead of Dec'16 levels
- Overall revenues stood at Rs. 78.6 bln (2016: Rs. 80.7 bln)
- Expense growth of 11% over 2016
- Cost to income ratio measured at 45.0% for 2017 vs 39.6% in 2016
- Net provision charge of Rs. 2.2 bln in 2017 vs Rs. 1.7 bln in 2016
- EPS for 2017 at Rs. 20.77, compared with Rs. 22.65 in 2016

Consolidated Results

- Consolidated profit before tax stood at Rs. 41.1 bln (2016: Rs. 47.2 bln)
- Consolidated profit after tax stood at Rs. 26.2 bln (2016: Rs. 28.0 bln)

Net interest income 1% lower than 2016, closes at Rs. 56.4 bln

- Overall cost of deposits reduced to close at 2.6% in 2017 (2016: 2.7%)
- Domestic cost of deposits at 2.73% in 2017 (2016: 2.87%)
- International cost of deposits at 2.19% in 2017 (2016: 2.01%)
- Domestic average loan growth of 15% in 2017, with yields at 6.9% (2016: 7.2%)
- International average loan growth of 7% with yields at 4.8% (2016: 4.8%)
- Average earning investments grew by 24% over 2016, yields at 7.8% (2016: 8.9%)

Non interest income closed at Rs. 22.2 bln (2016: Rs. 23.6 bln)

- Fee and Commissions recorded at Rs. 12.6 bln against Rs. 12.3 bln in 2016
- Capital gains stood at Rs. 4.4 bln (2016: Rs. 5.4 bln)
- Dividend income closed at Rs. 2.4 bln (2016: Rs. 3.3 bln)
- FX income at Rs. 1.9 bln (2016: Rs. 1.7 bln)

Net provision charge of Rs. 2.2 bln in 2017 vs Rs. 1.7 bln in 2016

- Strong cash recoveries within domestic operations
- Overall NPLs closed at Rs. 51.1 bln at Dec'17 (Dec'16: Rs. 44.6 bln)
- Asset quality at 7.9% at Dec'17 (Dec'16: 8.1%)
- Coverage ratio based on specific provision at Dec'17 closed at 75.8% (Dec'16: 83.9%)

Administrative expenses stood at Rs. 35.3 bln, 11% growth YoY

- Personnel costs for 2017 at Rs. 15.9 bln, up 10% over 2016
- Premises cost up 10% in 2017, largely due to rent escalation and higher utility expenses
- Higher variable expenses with further investment in the UBL brand and higher direct sales commissions to support current accounts and banca

Growth in core deposits drives balance sheet expansion

- The Bank's domestic deposits closed at Rs. 1.03 trillion at Dec'17 end (Dec'16: Rs. 946 billion)
- Domestic current account portfolio grew by 17% over Dec'16, with average current account growing by 18% 2017 vs 2016

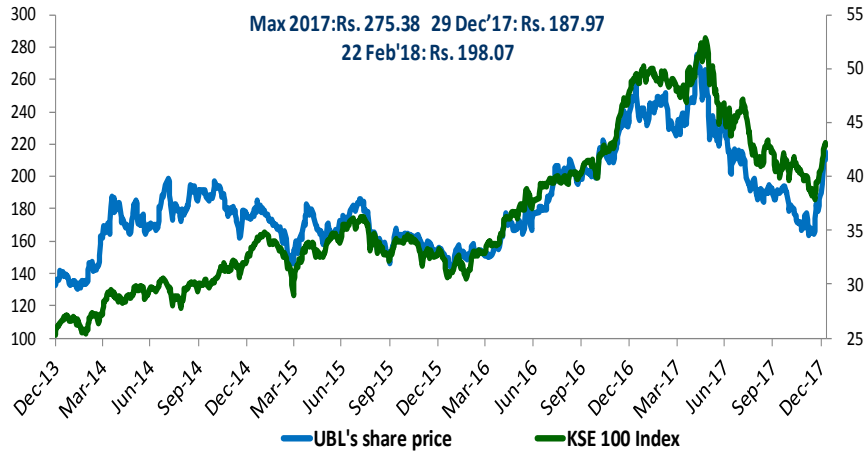
Net advances close at Rs. 605 bln (Dec'16: Rs. 510 bln) ; 19% growth

- Corporate advances stood at Rs. 303 bln at Dec'17, 28% up over Dec'16
- Commodities portfolio closed at Rs. 47 bln at Dec'17 (Dec'16: Rs. 53 bln)
- Consumer portfolio up 26% over Dec'16 levels to close at Rs. 12 bln
- International advances closed at Rs. 173 bln (Dec'16: Rs. 168 bln)

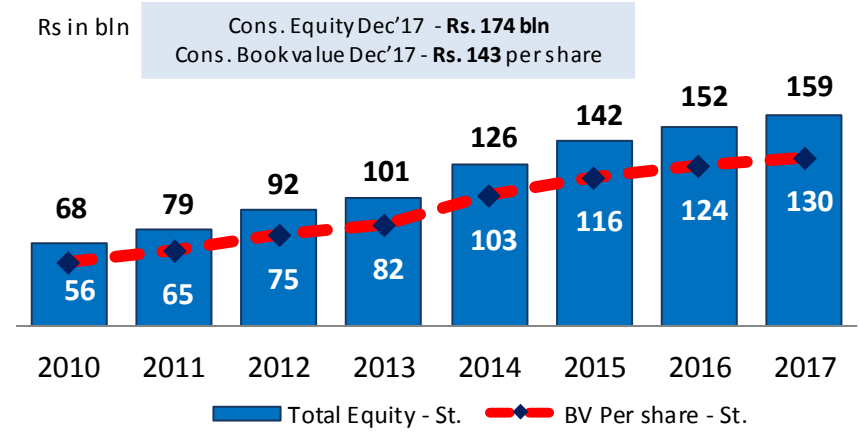
Execution and Delivery

Consistent earnings performance throughout the years

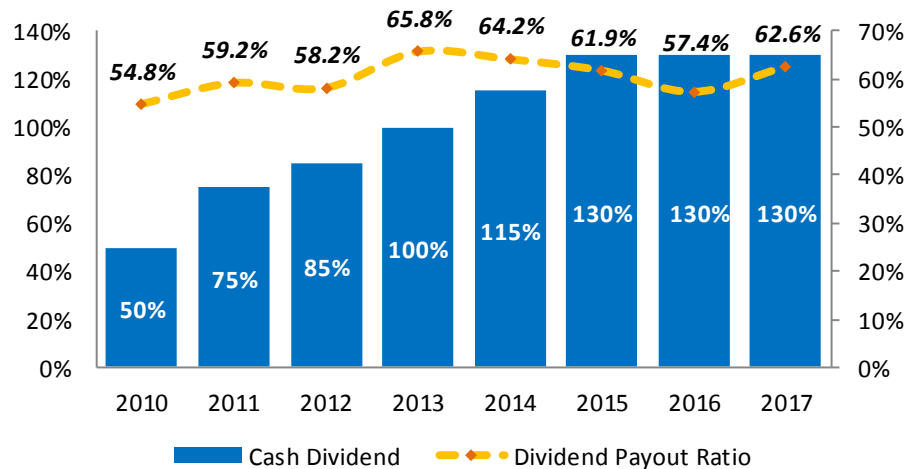
Trends - KSE 100 Index and UBL's share price



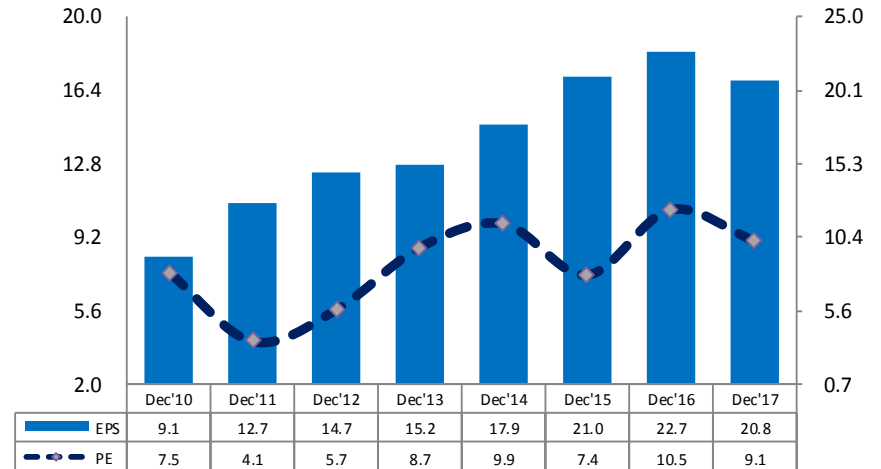
Equity and Book Values



Dividend Payout



EPS & Price Earnings Ratio



Income Statement - Standalone

	<i>Rs in bln</i>			<i>Rs in bln</i>		
	2017	2016	Var %	Q4'17	Q3'17	Var %
Interest Earned	107.2	98.2	9.1%	29.0	28.5	2.0%
Interest Expensed	(50.8)	(41.2)	-23.3%	(14.8)	(14.3)	-3.5%
Net Interest Income	56.4	57.0	-1.1%	14.2	14.2	0.5%
Non Interest Income	22.2	23.6	-6.1%	6.0	3.8	60.5%
Total Revenue	78.6	80.7	-2.6%	20.3	17.9	13.1%
Admin. Expenses	(35.3)	(31.9)	-10.8%	(9.2)	(8.8)	-5.3%
Operating Expenses	(36.2)	(32.9)	-10.1%	(9.4)	(8.9)	-5.4%
Pre Prov. Operating Profit	42.4	47.8	-11.3%	10.9	9.0	20.8%
Provision Exp./Other writeoffs	(2.2)	(1.7)	-26.9%	(2.1)	(0.6)	-260.4%
Profit Before Tax	40.2	46.0	-12.7%	8.8	8.4	4.3%
Profit After Tax	25.4	27.7	-8.3%	6.3	5.9	8.0%

Balance Sheet - Standalone

	<i>Rs in bln</i>		
	Dec'17	Dec'16	Var %
Advances	605	510	18.5%
Investments	1,092	807	35.4%
Lendings to Financial Institutions	34	34	-1.5%
Others	277	227	22.3%
Total Assets	2,007	1,578	27.2%
Deposits	1,289	1,180	9.3%
Borrowings	513	202	154.4%
Others	46	44	4.2%
Total Liabilities	1,848	1,426	29.6%
Net Assets	159	152	5.0%
Share Capital	12	12	0.0%
Reserves	44	40	8.4%
Unappropriated Profit	71	64	10.8%
Total Equity	127	117	8.8%
Surplus on revaluation of Assets	32	35	-8.0%
Total Equity + Surplus	159	152	5.0%

Income Statement - Consolidated

	<i>Rs in bln</i>			<i>Rs in bln</i>		
	2017	2016	Var %	Q4'17	Q3'17	Var %
Interest Earned	110.6	101.8	8.7%	30.0	29.3	2.2%
Interest Expensed	(52.5)	(42.9)	-22.3%	(15.2)	(14.8)	-3.3%
Net Interest Income	58.1	58.8	-1.2%	14.7	14.6	1.1%
Non Interest Income	24.8	26.2	-5.5%	6.5	4.7	38.7%
Total Revenue	82.8	85.0	-2.5%	21.2	19.2	10.2%
Admin. Expenses	(38.5)	(35.0)	-9.8%	(10.0)	(9.6)	-4.0%
Operating Expenses	(39.3)	(36.0)	-9.2%	(10.2)	(9.8)	-4.1%
Pre Prov. Operating Profit	43.5	49.0	-11.2%	11.0	9.5	16.6%
Provision Exp./Other writeoffs	(2.4)	(1.8)	-30.0%	(1.9)	(0.7)	-162.8%
Profit Before Tax	41.1	47.2	-12.8%	9.2	8.8	4.8%
Profit After Tax	26.2	28.0	-6.4%	6.7	6.2	9.5%

Balance Sheet - Consolidated

Rs in bln

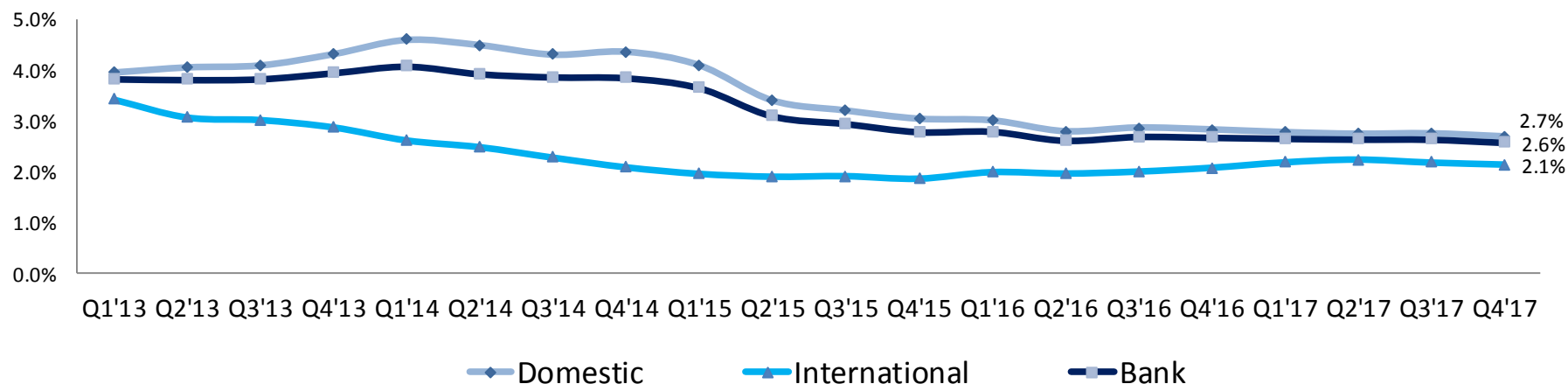
	Dec'17	Dec'16	Var %
Advances	643	538	19.5%
Investments	1,125	838	34.2%
Lendings to Financial Institutions	36	35	1.2%
Others	302	250	20.7%
Total Assets	2,105	1,662	26.7%
Deposits	1,366	1,246	9.7%
Borrowings	517	206	151.2%
Others	48	46	2.7%
Total Liabilities	1,931	1,498	28.9%
Net Assets	174	164	6.6%
Share Capital	12	12	0.0%
Reserves	47	43	10.8%
Unappropriated Profit	77	69	11.2%
Total Equity attributable to equity holders of Bank	136	124	9.9%
Non-controlling Interest (NCI)	5	4	13.8%
Surplus on revaluation of Assets	34	36	-5.9%
Total Equity + NCI + Surplus	174	164	6.6%

Deposits performance - Focus remains on growing low cost deposits

Deposits - Bank

	Dec'17		Dec'16	
	PE	CoF %	PE	CoF %
Domestic deposits - Rs in bln	1,033	2.7%	946	2.9%
International deposits - Rs in bln	256	2.2%	234	2.0%
Total Bank - Rs in bln	1,289	2.6%	1,180	2.7%
International - USD in mln	2,322	2.2%	2,237	2.0%
Domestic CASA	84.5%		83.8%	
Domestic Current to Total Deposits	43.4%		41.5%	

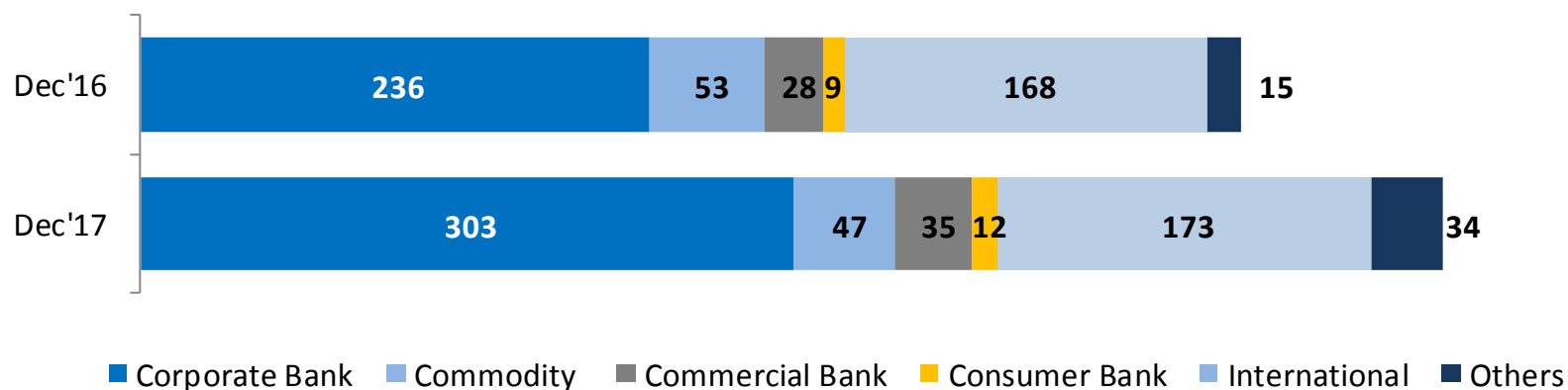
Cost of Deposits



Net Advances

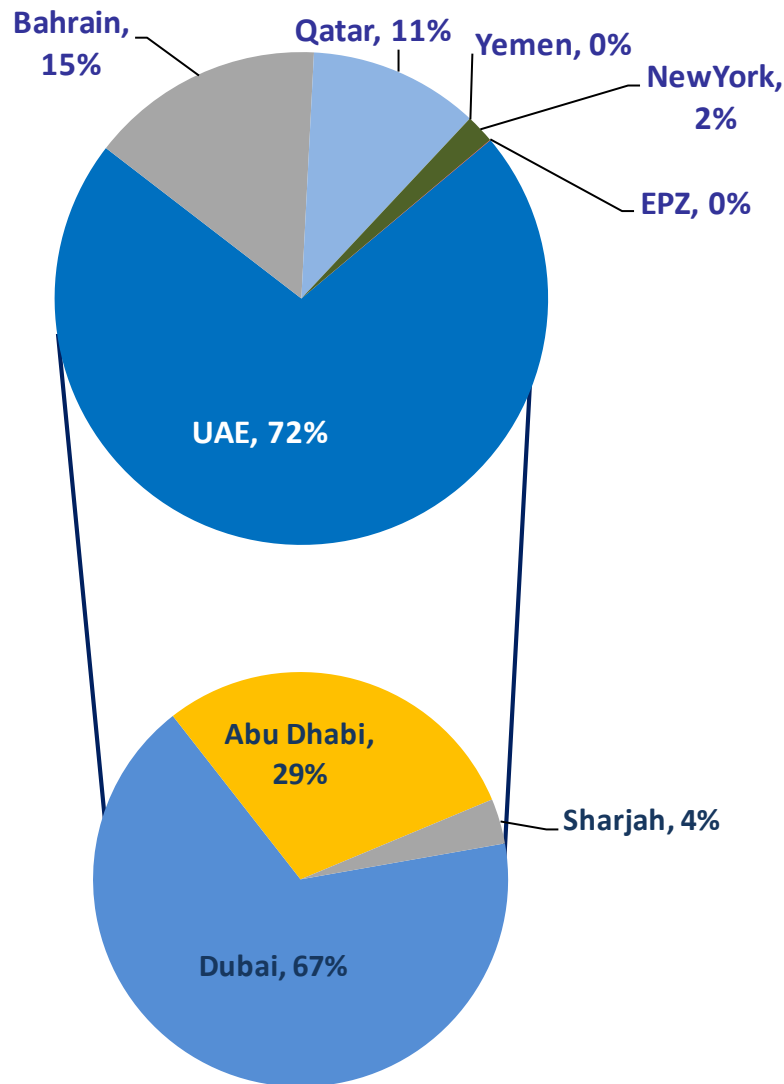
Rs in bln

	Dec'17	Dec'16	Var %
Corporate Bank	303	236	28%
Commodity	47	53	-12%
Commercial	35	28	27%
Consumer	12	9	26%
Others	34	15	122%
Total Domestic	431	342	26%
International	173	168	3%
Bank	605	510	19%
International USD mln	1,569	1,608	-2%

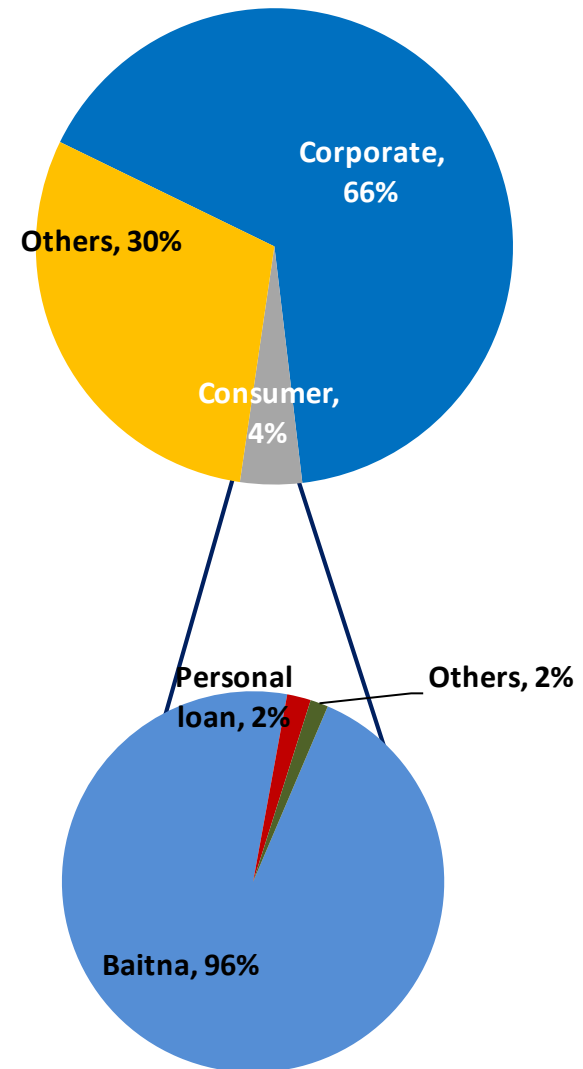


International Advances - Corporate advances remains the largest component

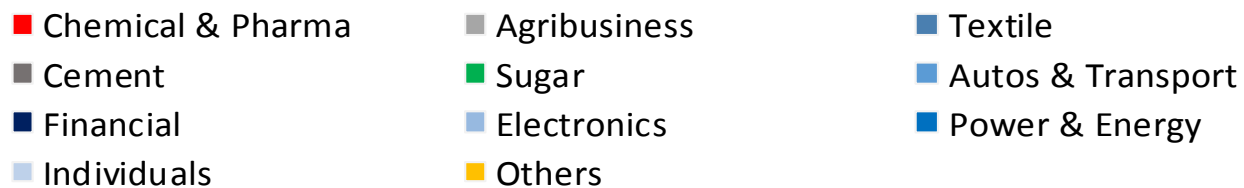
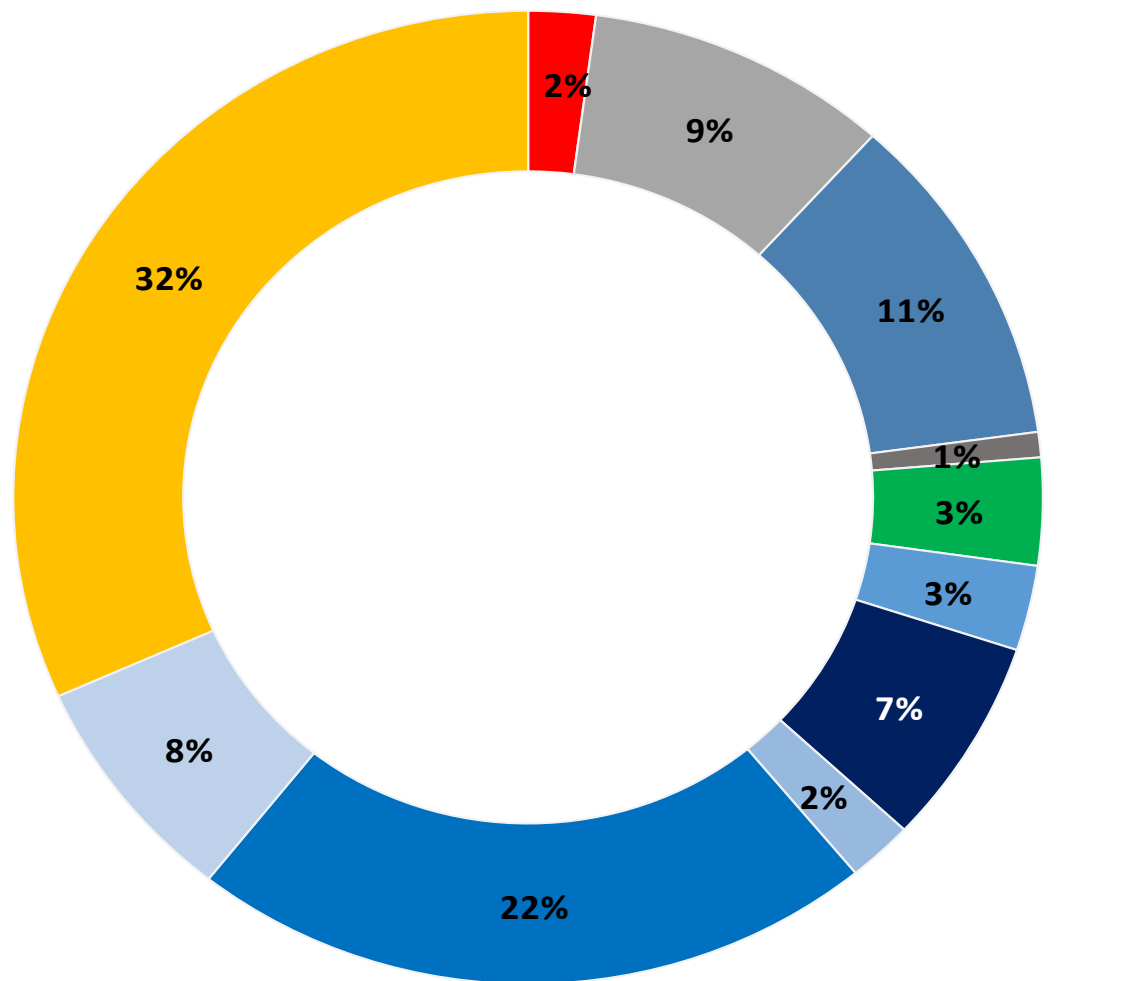
By Geography



By Business - UAE

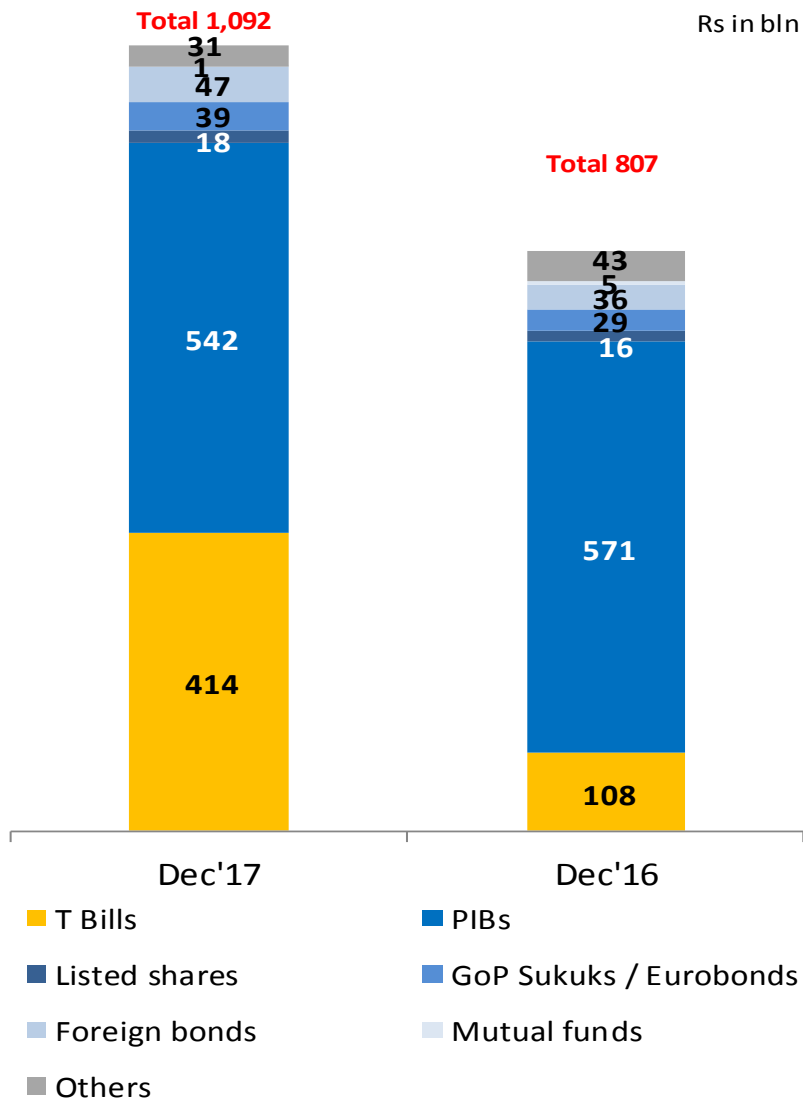


Concentration of Advances as at December 31, 2017 - Standalone

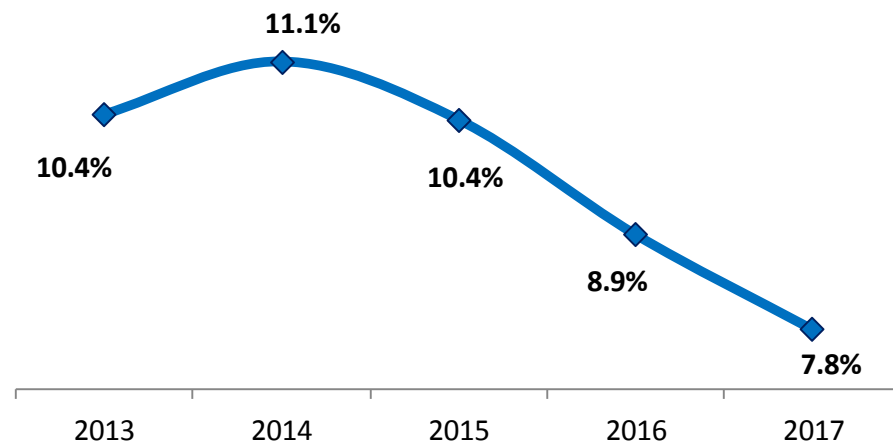


Diversified investment portfolio with strong market risk management

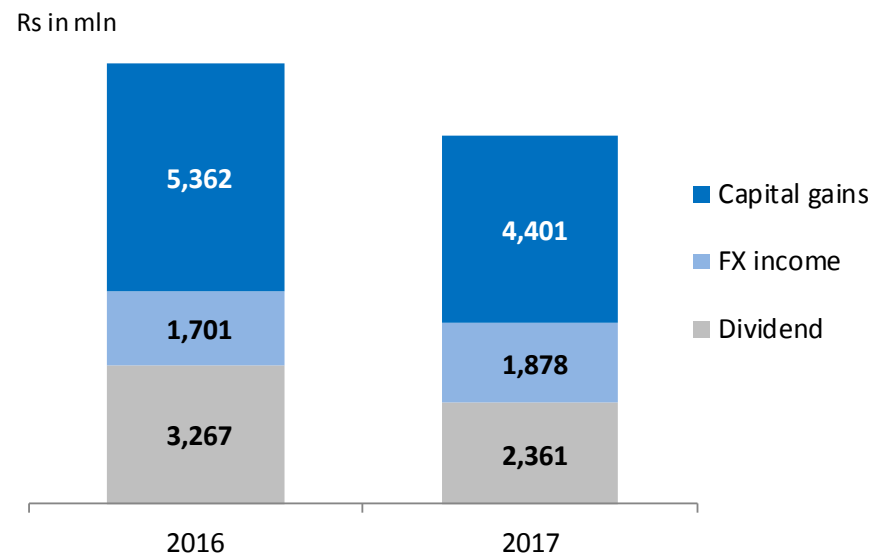
Portfolio mix shifts towards T Bills



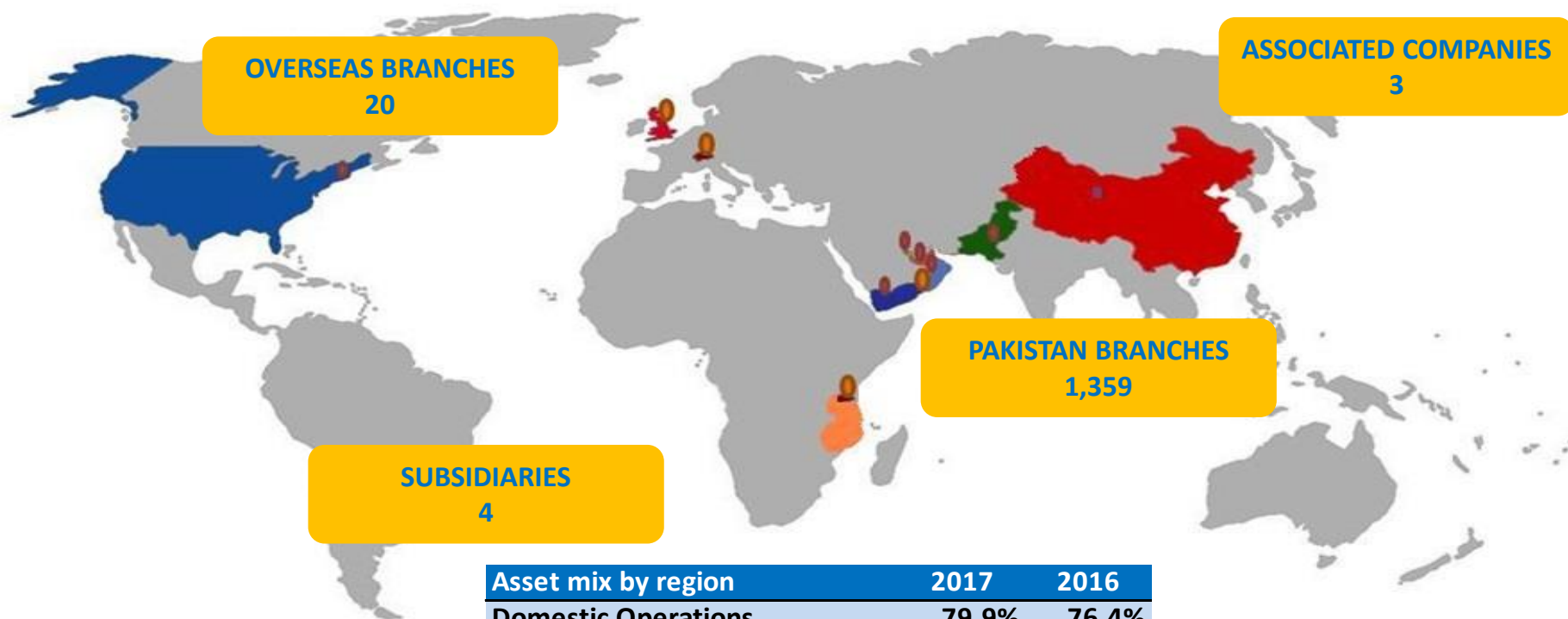
Investments' yields



Non Funded revenue streams continue to grow



Our international outreach - serving in 4 continents under the single “UBL” brand



Asset mix by region	2017	2016
Domestic Operations	79.9%	76.4%
International Operations	20.1%	23.6%
Middle East	14.8%	17.5%
USA	0.2%	0.7%
Europe	4.7%	5.0%
Africa	0.2%	0.3%
EPZ	0.1%	0.1%

Globally around 20% of our asset base is located overseas

UBL “Firsts” – Initiatives to stay ahead of the market

- First Commercial Bank in Pakistan to launch **Branchless Banking** (UBL OMNI)
- First Bank in the world to issue **VISA Debit Cards for G2P assistance to affectees**
- First Bank to provide Instantaneous ATM/Debit cards to branchless banking customers at the time of account opening (UBL Omni)
- First Pakistani Bank to be granted status of **Authorized Derivative Dealer (ADD)** in Pakistan and First institution from Pakistan and third in South Asia to be accredited with **Primary Membership of International Swaps and Derivatives Association**
- First Bank in Pakistan to offer **Prepaid VISA Debit Card**
- First Bank in Pakistan to offer **Verified by Visa Service**
- First Bank in Pakistan where customer’s inward **remittances are deposited automatically on an ATM and VISA enabled debit card** (UBL Tezraftaar Pardes Card)

Market recognition and awards

- “Best Bank” in the first ever Pakistan Banking Awards 2016
- “Best Bank for Corporate Finance and Capital Market Development” in the Pakistan Banking Awards 2017
- JCR-VIS reaffirmed UBL’s entity ratings at AAA/A-1+ (Triple A / A-One Plus)
- “Innovation Award” at the Mastercard Innovation Forum for ‘Launch of UBL MasterPass QR’
- “National Medal of Innovation Award” 2016 for Pioneering G2P Payments – Pakistan Innovation Foundation
- Top 25 Companies Award by the Karachi Stock Exchange for 2010-2012, 2015 and 2016
- “Best Bank for SMEs” by the Asia Money Pakistan Banking Awards in 2017
- 2012 & 2013 Bank of the Year in Pakistan Award by The Banker Magazine, an affiliate of the Financial Times, UK
- ASIAMONEY Best Domestic Bank Award for 2011 and 2012
- Recognized globally in 2013 as one of the 14 “Sprinters” by the GSMA’s Mobile Money for the Unbanked (MMU) program, being the only bank in the category
- GSMA Global Mobile Award 2012 for “Best Use of Mobile in Emergency or Humanitarian Situations” and Financial Insights Innovation Award for “Innovation in Cash Disbursements (G2P)”
- Recognized by CFA Pakistan Society for the “Best Investor Relations” function in 2013 and 2014



***Review of Non Interest Income &
Administrative Expenses***

	<i>Rs in mln</i>		
	2017	2016	Var %
Fee, commission and brokerage income	12,618	12,319	2%
Dividend income	2,361	3,267	-28%
Income from dealing in foreign currencies	1,878	1,701	10%
Gain / (loss) on sale of securities	4,401	5,362	-18%
Other income	905	960	-6%
Total Non Fund Income	22,162	23,609	-6%

	<i>Rs in mln</i>		
	2017	2016	Var %
OMNI fee & commissions	1,757	2,171	-19%
Commission on trade	1,894	2,057	-8%
Corporate service charges/ Facility fee	860	936	-8%
Corporate finance fee	720	682	6%
FIG commission	268	277	-3%
Commission on ATM/ Debit cards	1,270	1,078	18%
Commission on home remittances (net)	952	941	1%
Commission on remittances/ uniremote services	1,098	1,045	5%
Commission on consumer loan	736	733	0%
Commission income - Bancassurance	1,162	589	97%
Commission on cash management	494	421	17%
Commission others	1,406	1,390	1%
Total	12,618	12,319	2%

	<i>Rs in mln</i>		
	2017	2016	Var %
Salaries, allowances & Staff fund charges	13,965	12,453	-12%
Rent taxes insurance etc.	4,515	4,203	-7%
Outsourced service charges including sales commission	4,609	4,565	-1%
Advertisement and publicity	1,071	704	-52%
Communications	1,306	1,095	-19%
Depreciation / Amortization	2,605	2,127	-22%
Legal and professional charges	627	411	-53%
Banking service charges	1,217	1,113	-9%
Stationery and printing	631	669	6%
Travelling	295	255	-16%
Cash transportation charges	890	647	-38%
Repairs and maintenance	1,533	1,417	-8%
Vehicle expenses	202	184	-10%
Office running expenses	859	776	-11%
Insurance expense	109	111	2%
Others	917	1,172	22%
Total	35,350	31,904	-11%

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Growth at a Glance

Balance Sheet

Rs. in mlns	2017	2016	2015	2014	2013	2012
Assets						
Cash and balances with treasury and other banks	177,099	146,428	128,870	87,573	114,388	109,396
Lending to financial institutions	33,664	34,168	24,095	21,872	28,835	21,953
Investments- gross	1,095,555	808,959	721,651	499,060	425,253	351,002
Advances - gross	646,552	550,636	497,032	479,998	436,749	409,090
Operating fixed assets	46,205	35,582	31,630	30,303	24,608	24,431
Other assets	54,065	44,731	41,124	40,067	27,317	26,800
Total assets - gross	2,053,140	1,620,504	1,444,402	1,158,874	1,057,150	942,673
Provisions against non-performing advances	(41,990)	(40,525)	(41,618)	(45,734)	(45,936)	(44,727)
Provisions against diminution in value of investment	(3,769)	(2,428)	(2,133)	(1,726)	(1,476)	(1,412)
Total assets - net of provision	2,007,381	1,577,551	1,400,651	1,111,414	1,009,739	896,535
Liabilities & Equity						
Deposits & other Accounts	1,289,247	1,179,887	1,051,235	895,083	827,848	698,430
Borrowing from financial institutions	512,650	201,550	163,132	53,065	40,574	68,720
Sub-ordinated loans	-	-	-	-	665	9,319
Bills payable	13,388	11,756	13,392	9,554	16,591	7,601
Other liabilities	32,789	32,571	30,757	28,196	23,147	20,226
Total Liabilities	1,848,074	1,425,764	1,258,516	985,898	908,825	804,296
Net Assets / Liabilities	159,307	151,787	142,135	125,516	100,914	92,238
Share capital	12,242	12,242	12,242	12,242	12,242	12,242
Reserves	43,847	40,455	38,402	34,130	33,681	29,044
Un - appropriated profit / (loss)	71,154	64,246	55,223	48,217	42,635	37,416
Equity - Tier I	127,243	116,943	105,867	94,589	88,558	78,702
Surplus on revaluation of assets	32,064	34,844	36,268	30,927	12,356	13,537
Equity	159,307	151,787	142,135	125,516	100,914	92,238
Total liabilities & equity	2,007,381	1,577,551	1,400,651	1,111,414	1,009,739	896,535

Profit & Loss

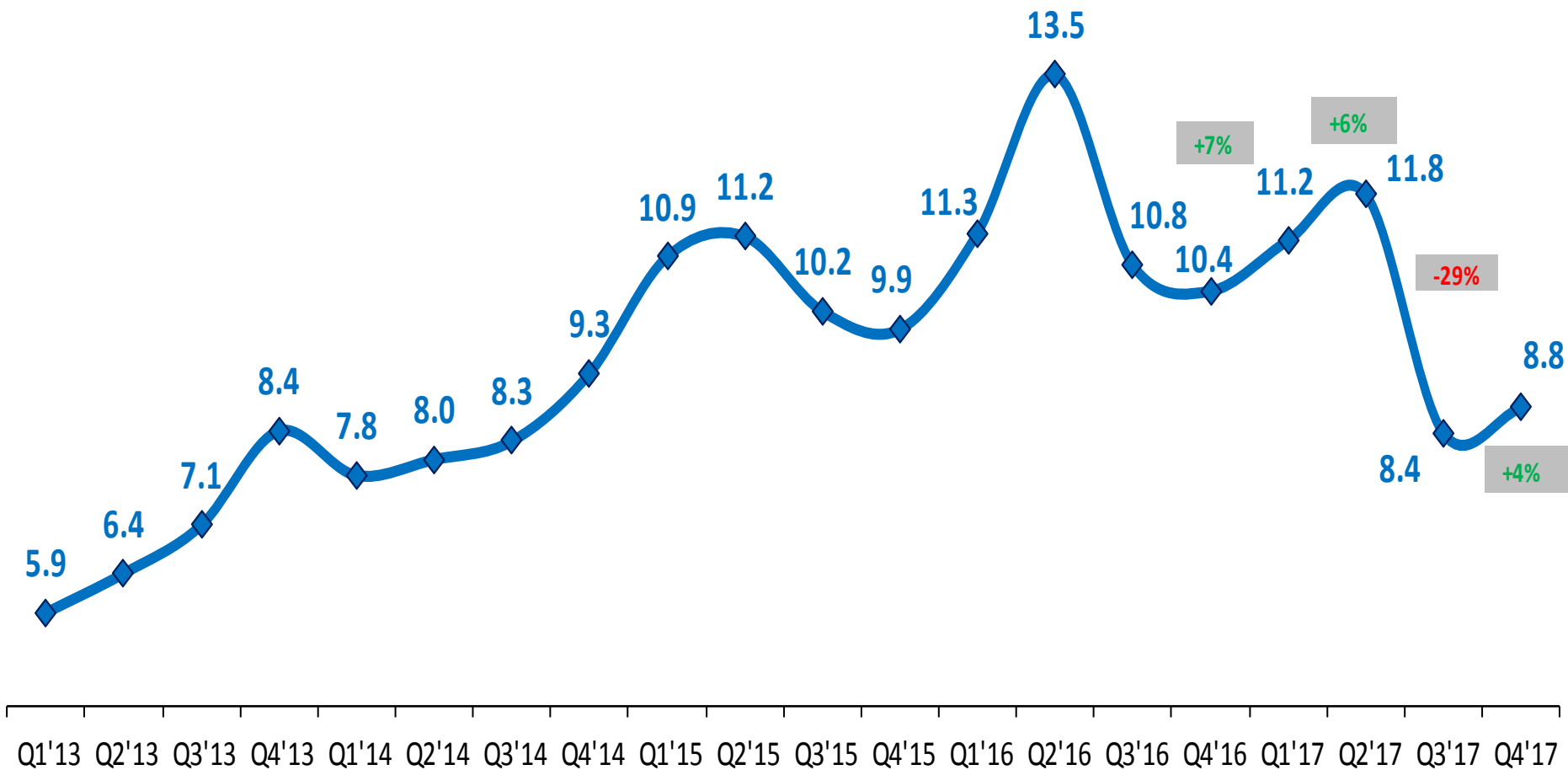
Rs. in mlns	2017	2016	2015	2014	2013	2012
Markup / return / interest earned	107,206	98,219	94,353	82,735	72,846	73,507
Markup / return / interest expensed	(50,781)	(41,177)	(38,511)	(37,769)	(34,910)	(34,948)
Net Markup / Interest income	56,425	57,042	55,842	44,967	37,936	38,560
Fee, commission, brokerage and exchange income	14,496	14,020	14,474	14,418	12,205	10,025
Capital gain & dividend income	6,762	8,629	6,442	3,806	4,845	3,131
Other income	904	960	1,070	1,071	1,064	3,975
Non interest income	22,162	23,609	21,986	19,296	18,114	17,131
Gross income	78,587	80,651	77,828	64,263	56,050	55,691
Administrative expenses and other charges	(36,109)	(32,809)	(31,776)	(29,597)	(26,718)	(24,306)
Profit before provisions	42,478	47,842	46,052	34,666	29,332	31,385
Donations	(110)	(87)	(167)	(112)	(77)	(35)
Provisions	(2,208)	(1,740)	(3,710)	(1,156)	(1,448)	(4,499)
Profit before taxation	40,160	46,015	42,175	33,398	27,807	26,851
Taxation	(14,739)	(18,285)	(16,448)	(11,469)	(9,193)	(8,960)
Profit after taxation	25,421	27,730	25,727	21,930	18,614	17,891

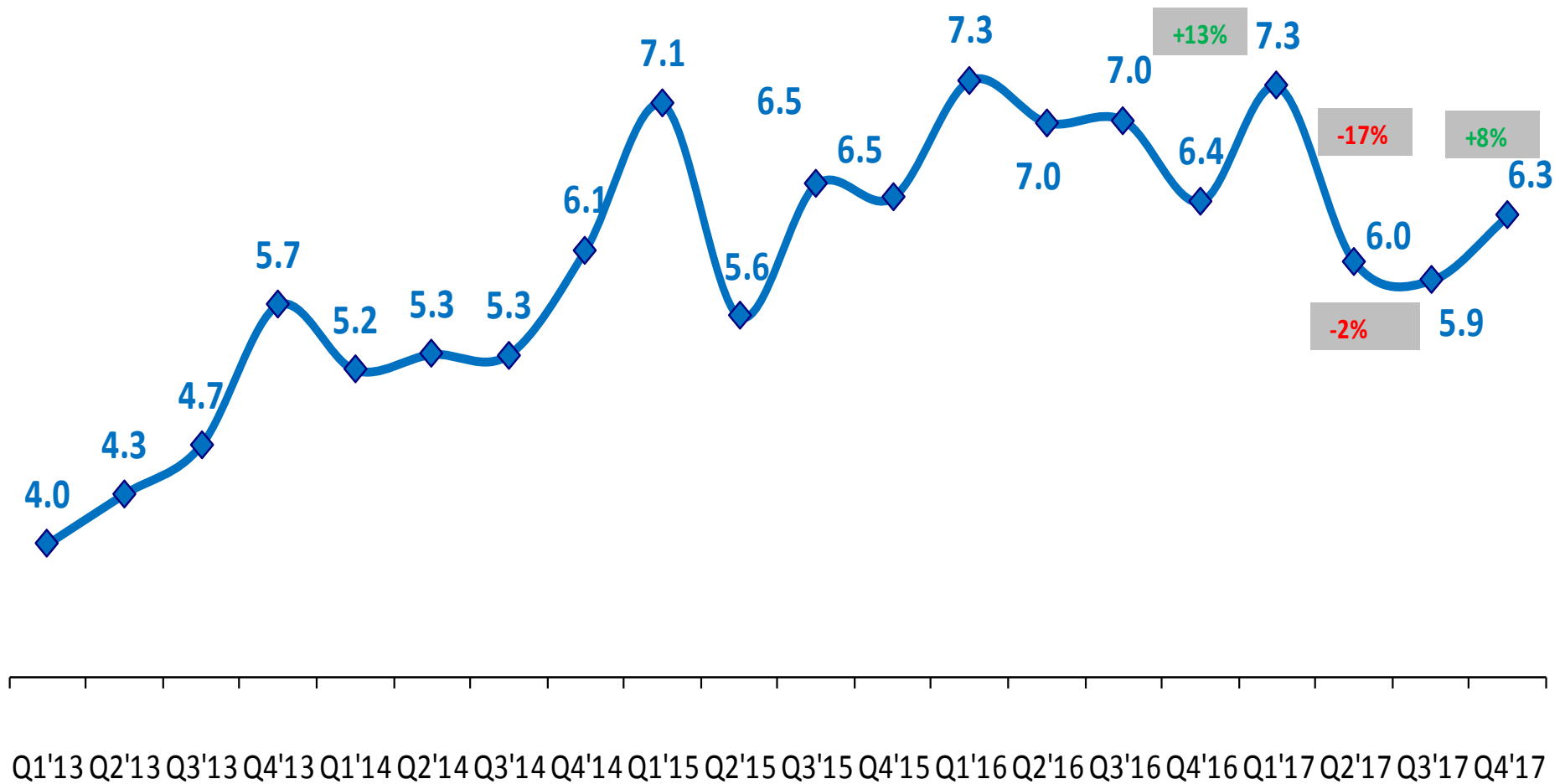
Key Financial Ratios & Share Information

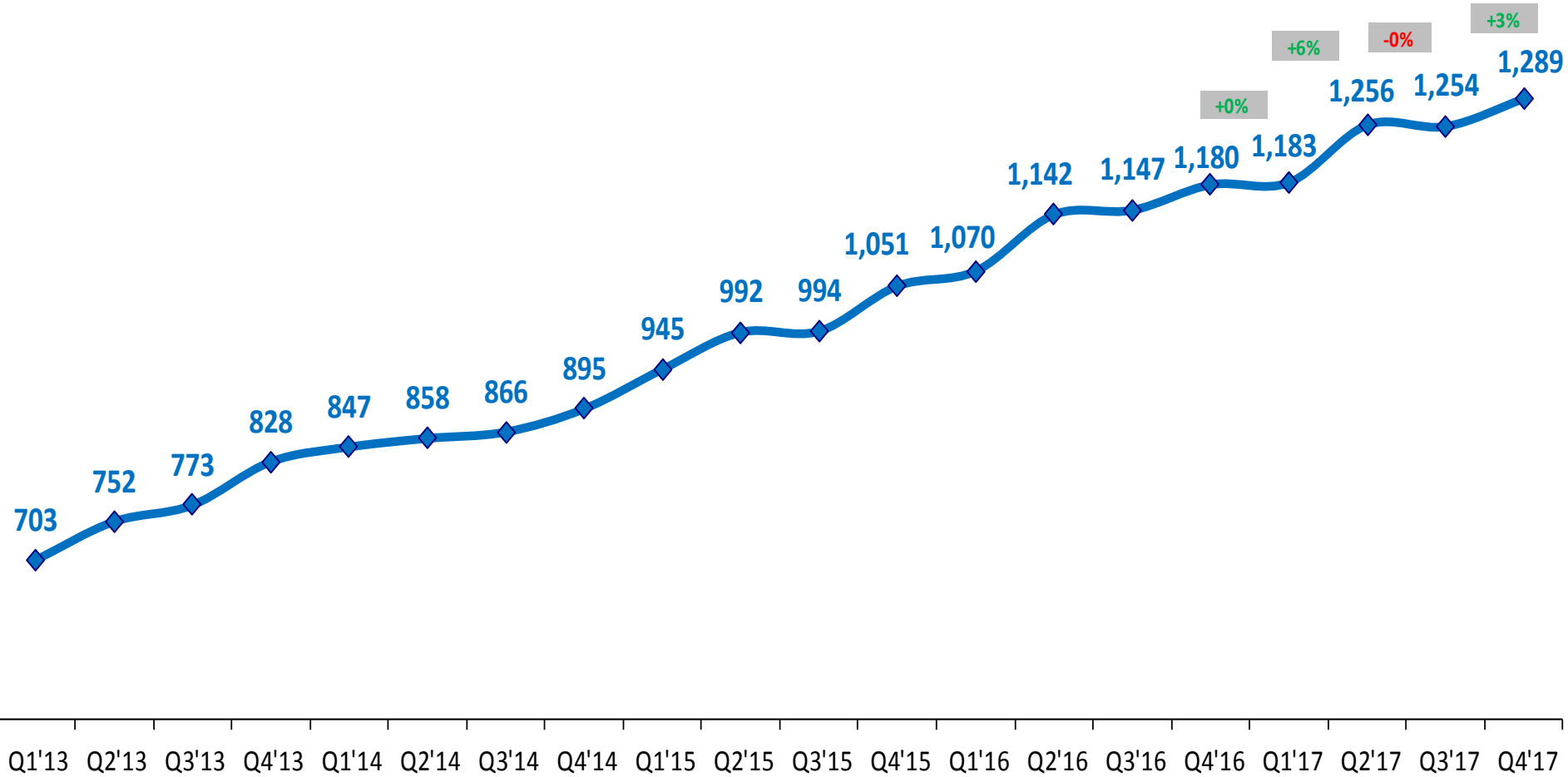
	2017	2016	2015	2014	2013	2012
Key Financial Ratios						
Return on equity (RoE)	20.8%	24.9%	25.7%	23.9%	22.3%	23.8%
Return on assets (RoA)	1.4%	1.9%	2.0%	2.1%	2.0%	2.1%
Profit before tax ratio	51.1%	57.1%	54.2%	52.0%	49.6%	48.2%
Return on capital employed (RoCE)	20.8%	24.9%	25.7%	23.9%	21.0%	20.9%
Advances to deposits ratio (ADR) - gross	47.3%	44.4%	45.2%	51.3%	50.7%	56.2%
Cost to revenue ratio	45.0%	39.6%	39.7%	45.2%	46.5%	42.6%
Growth in gross income	-2.6%	3.6%	21.1%	14.7%	0.6%	6.8%
Total assets to shareholders' funds	12.6	10.4	9.9	8.9	10.0	9.7
Intermediation cost ratio	2.9%	2.9%	3.3%	3.4%	3.5%	3.7%
NPL ratio	7.9%	8.1%	9.4%	11.2%	12.1%	14.0%
Net infection ratio	1.5%	0.8%	1.1%	1.9%	1.7%	3.5%
Capital adequacy ratio (CAR)	15.4%	15.1%	14.6%	13.9%	13.3%	15.0%
Share Information - Rs						
Cash dividend per share	13.00	13.00	13.00	11.50	10.00	8.50
Dividend yield (based on cash dividend)	5.4%	8.4%	7.4%	8.7%	12.0%	16.2%
Dividend payout ratio (total payout)	62.6%	57.4%	61.9%	64.2%	65.8%	58.2%
Earning per share (EPS)	20.77	22.65	21.02	17.91	15.21	14.61
Price earnings ratio (PE)	9.05	10.55	7.37	9.86	8.72	5.72
Market value per share - at the end of the year	187.97	238.90	154.95	176.71	132.55	83.67
Market value per share - highest during the year	283.00	243.72	186.75	198.39	154.21	91.99

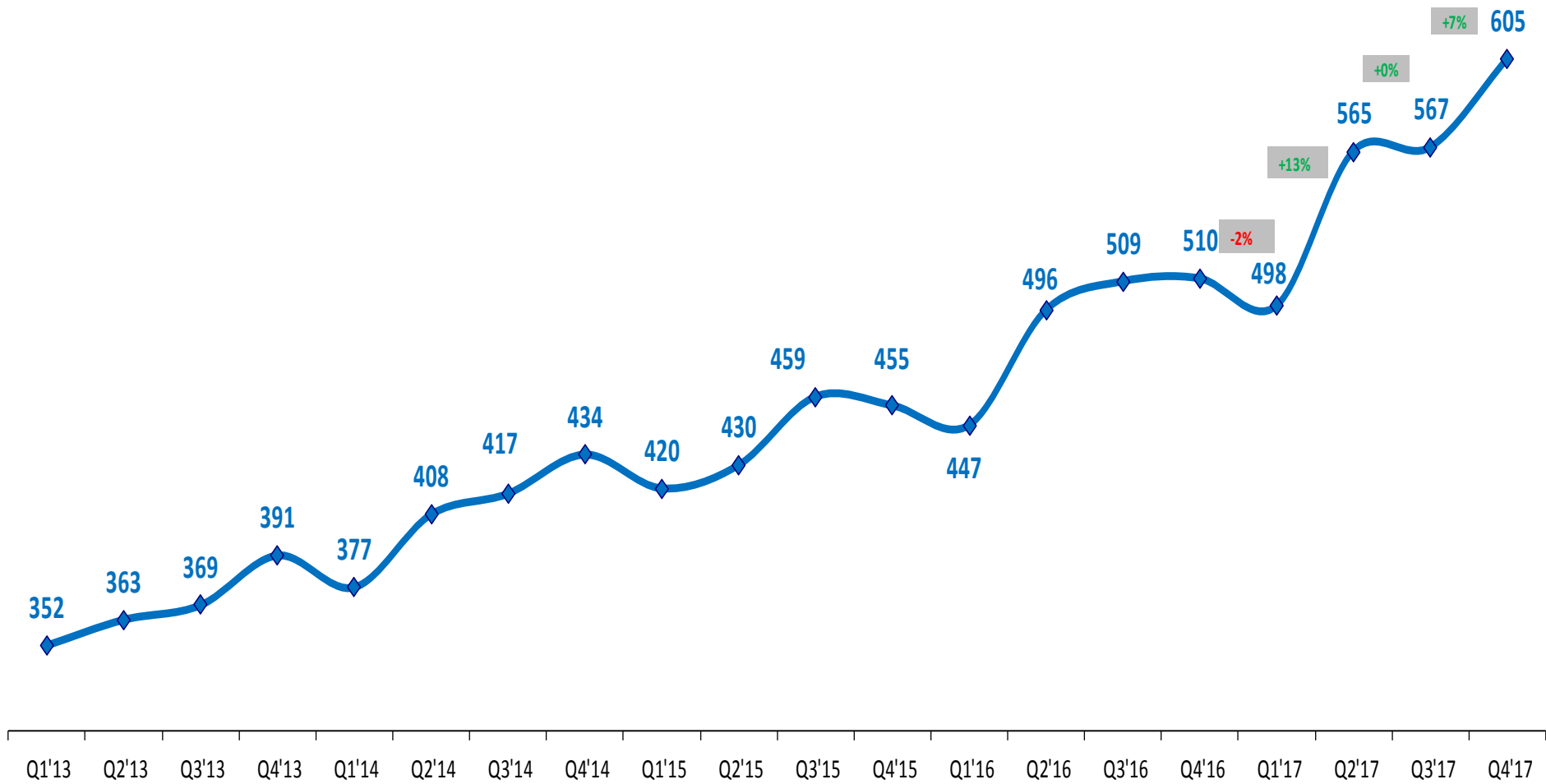
Quarterly Trend Analysis

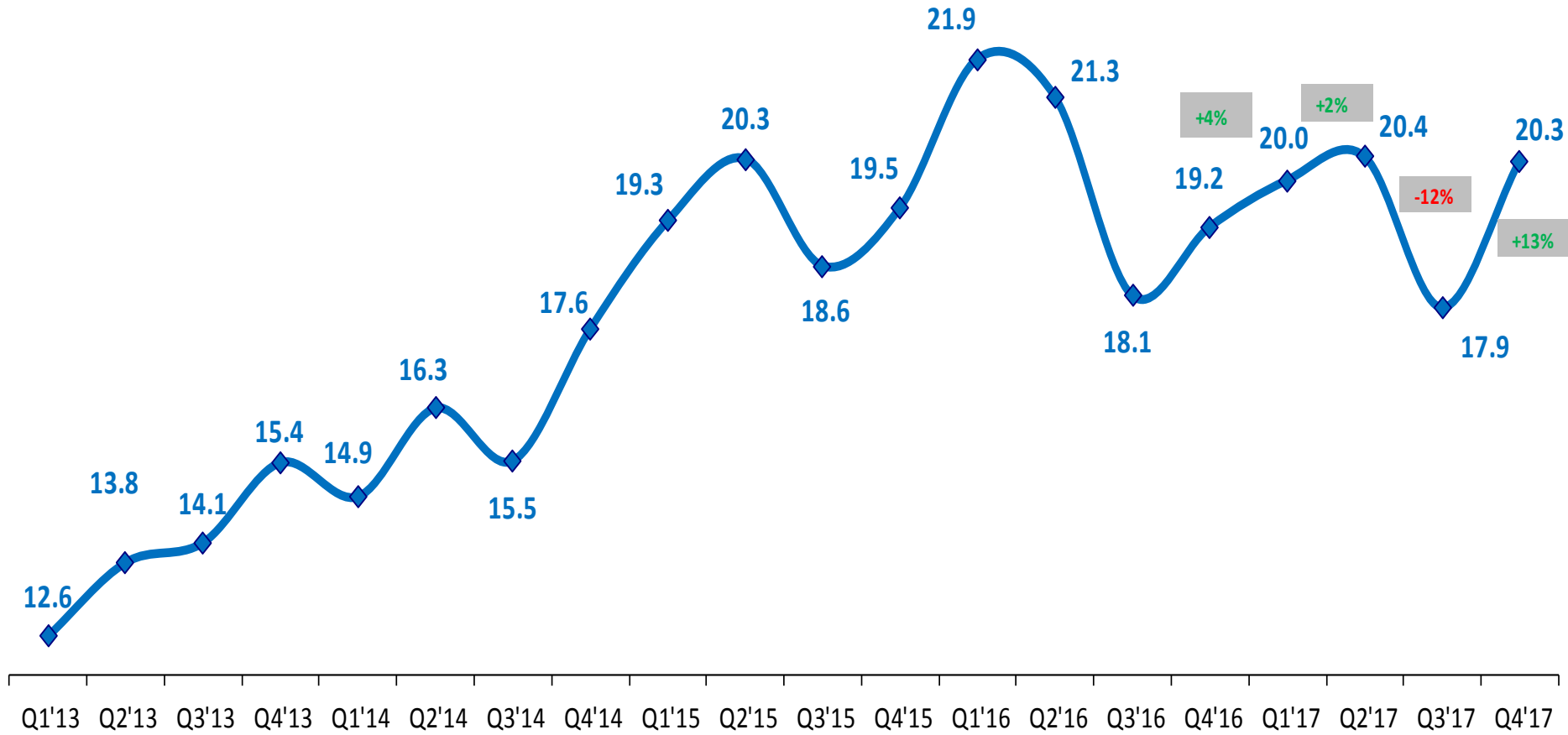
Bank Level - Standalone



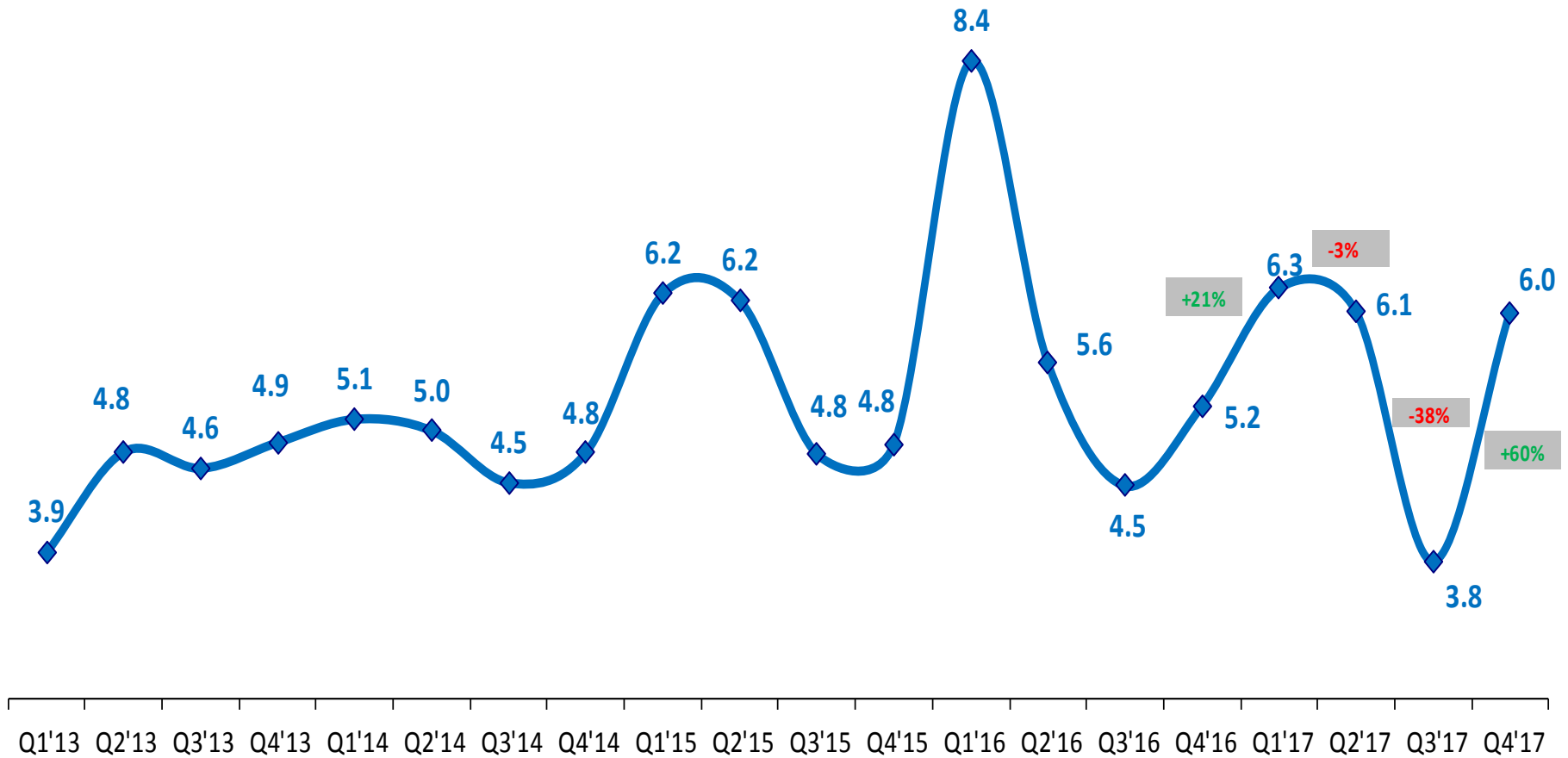


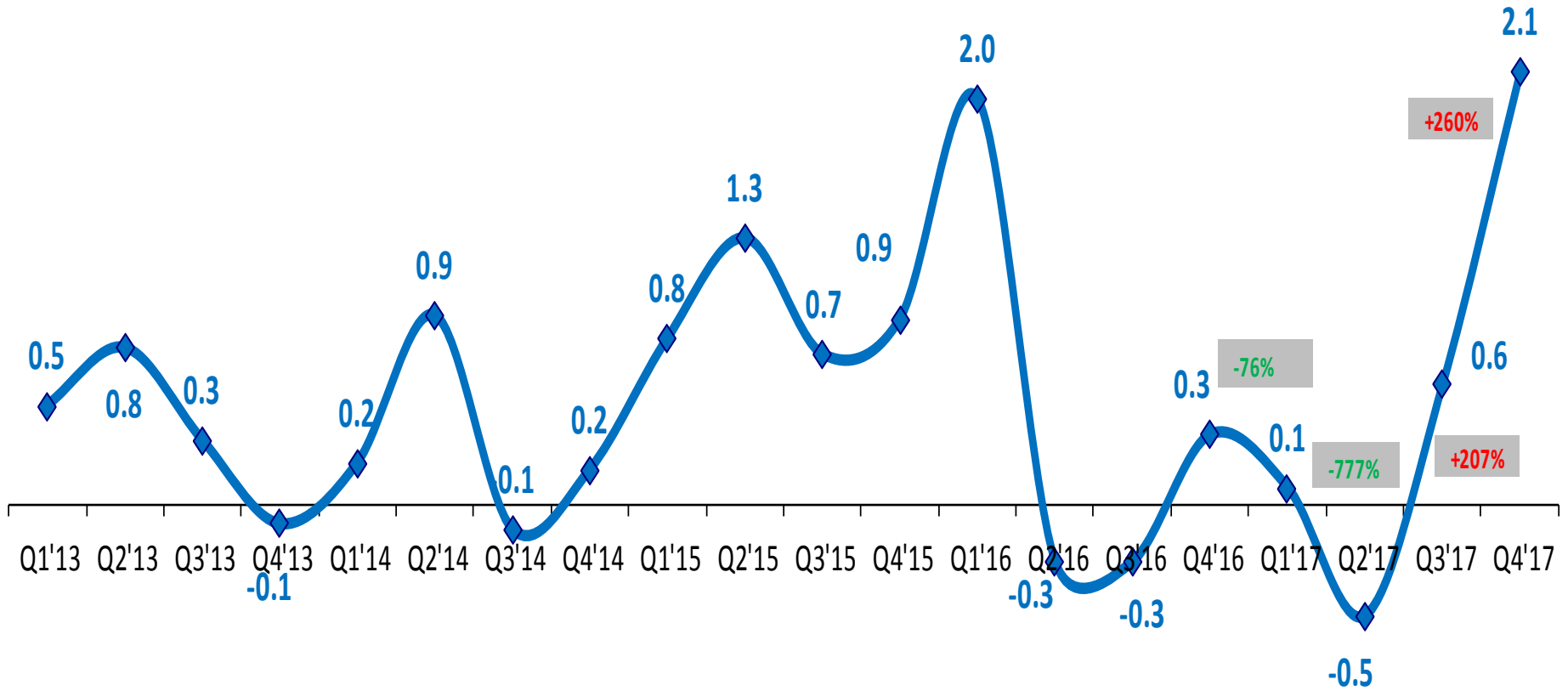


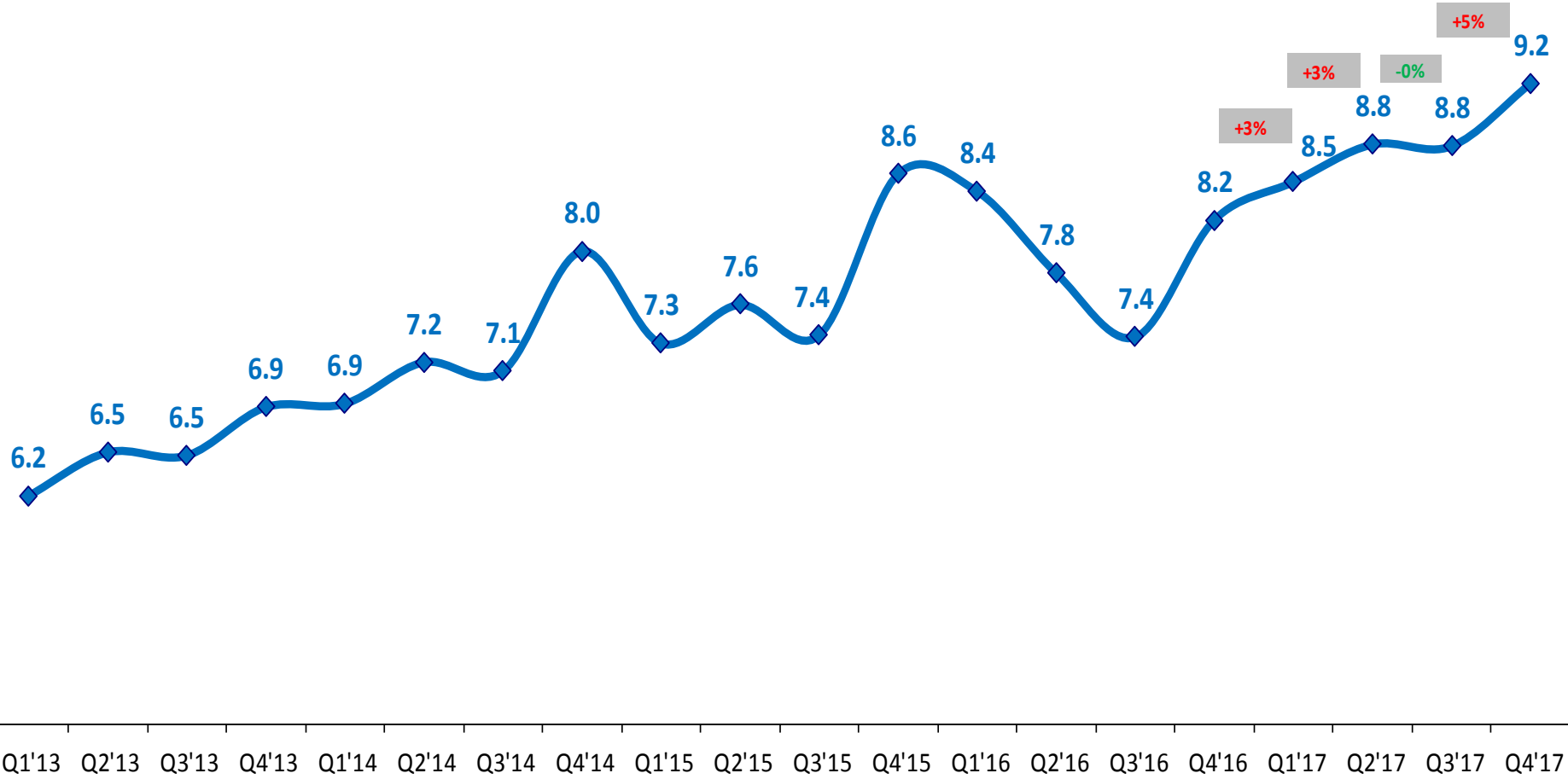












The information contained herein reflects our latest business statement as at December 31, 2017.

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