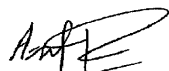


CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2005 (UNAUDITED)

	Note	March 31, 2005	December 31, 2004
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		24,289,759	23,945,146
Balances with other banks		22,903,651	24,174,064
Lendings to financial institutions		16,470,004	16,262,504
Investments	4	60,981,881	52,707,729
Advances	5	160,361,357	150,323,209
Operating fixed assets		5,159,675	5,103,654
Deferred tax asset – net		4,651,700	5,194,892
Taxation recoverable		113,974	32,607
Other assets		5,849,579	4,504,533
		300,781,580	282,248,338
LIABILITIES			
Bills payable		5,316,914	3,835,555
Borrowings from financial institutions	6	12,727,283	12,637,036
Deposits and other accounts	7	252,382,732	237,054,440
Sub-ordinated loans		3,499,616	3,500,000
Liabilities against assets subject to finance lease		-	3,306
Deferred liabilities		2,222,061	2,191,180
Other liabilities		5,182,070	3,647,760
		281,330,676	262,869,277
NET ASSETS		19,450,904	19,379,061
REPRESENTED BY:			
Share capital		5,180,000	5,180,000
Reserves		6,040,349	5,980,448
Unappropriated profit		3,664,839	3,585,102
		14,885,188	14,745,550
Minority interest		1,599,946	1,633,352
Surplus on revaluation of assets		2,965,770	3,000,159
		19,450,904	19,379,061
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes 1 – 11 form an integral part of these financial statements.



Atif R. Bokhari
President and
Chief Executive Officer



Muhammad Tahsin Khan Iqbal
Director



Zameer Mohammed Choudrey
Director



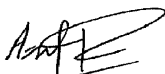
Omar Z. Al Askari
Director


CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)

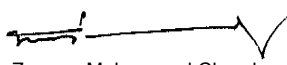
	QUARTER ENDED March 31, 2005	QUARTER ENDED March 31, 2004
	(Rupees in '000)	
Mark-up / return / interest earned	3,654,377	1,941,456
Mark-up / return / interest expensed	(811,638)	(370,102)
Net mark-up / interest income	<u>2,842,739</u>	<u>1,571,354</u>
Provision against non-performing loans and advances-net	(47,368)	(155,401)
Provision against Consumer Loans	(114,843)	-
Provision for diminution in value of investments	-	-
Bad debts written off directly	-	290
	<u>(162,211)</u>	<u>(155,111)</u>
Net mark-up / return / interest income after provisions	<u>2,680,528</u>	<u>1,416,243</u>
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	587,015	406,643
Dividend income / Gain on Sale of Securities	198,341	62,847
Income from dealing in foreign currencies	81,138	126,912
Other income	195,747	910,258
Total non mark-up / return / interest income	<u>1,062,241</u>	<u>1,506,660</u>
	3,742,769	2,922,903
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	(1,829,473)	(1,617,567)
Other provisions / write offs	(173,793)	(3,766)
Other charges	292	(16)
Total non mark-up / interest expenses	<u>(2,002,974)</u>	<u>(1,621,349)</u>
	1,739,795	1,301,554
Extraordinary Items	-	-
PROFIT BEFORE TAXATION	<u>1,739,795</u>	<u>1,301,554</u>
Taxation - Current	(120,301)	(53,827)
- Deferred	(563,419)	(532,857)
	<u>(683,720)</u>	<u>(586,684)</u>
PROFIT AFTER TAXATION	<u>1,056,075</u>	<u>714,870</u>
Share of Minority interest	22,719	(11,781)
	<u>1,033,356</u>	<u>726,651</u>
Unappropriated profit brought forward	3,585,102	1,619,903
Transfer from surplus on revaluation of fixed assets - net	25,810	4,818
Profit available for appropriations	<u>4,644,268</u>	<u>2,351,372</u>
APPROPRIATIONS		
Transfer to:		
Statutory reserve	(202,429)	(146,977)
Cash dividend-2004 Rs.1.50 (2003-Rs 2.25) per share	(777,000)	(1,165,000)
Unappropriated profit carried forward	<u>3,664,839</u>	<u>1,038,895</u>

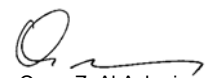
	(Rupees)	
Basic earnings per share	<u>2.04</u>	<u>1.38</u>
Diluted earnings per share	<u>2.04</u>	<u>1.38</u>

The annexed notes 1 – 11 form an integral part of these financial statements.


 Atif R. Bokhari
 President and
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 Muhammad Tahsin Khan Iqbal
 Director

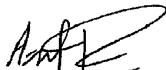

 Zameer Mohammed Choudrey
 Director



 Omar Z. Al Askari
 Director


CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)


	QUARTER ENDED March 31, 2005	QUARTER ENDED March 31, 2004
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,739,795	1,301,554
Less: Dividend income	(55,571)	(62,847)
	1,684,224	1,238,707
Adjustments for non-cash charges		
Depreciation	107,903	80,225
Amortisation	5,558	1,785
Provision for retirement benefits	23,518	121,203
Provision against non-performing advances	162,211	155,400
Provision for diminution in value of investments	-	-
Provision against off balance sheet items	-	-
Gain on sale of fixed assets	(1,487)	(465)
Finance charges on assets subject to finance lease	39	1,328
Provision / Reversal against other assets	173,793	3,039
Assets written-off	-	727
	471,535	363,242
	2,155,759	1,601,949
(Increase) / decrease in operating assets		
Lendings to financial institutions	(207,500)	9,566,918
Held for trading investments	101,685	-
Advances – net	(10,200,359)	(6,847,057)
Others assets	(1,450,789)	(38,567)
	(11,756,963)	2,681,294
Increase / (decrease) in operating liabilities		
Bills payable	1,481,359	(284,419)
Borrowings from financial institutions	90,247	3,269,358
Deposits	15,328,292	(3,622,405)
Other liabilities	1,534,309	(571,254)
	18,434,207	1,208,720
	8,833,002	3,074,523
Payment of staff retirement benefits	(101,868)	(194,972)
Income tax paid	(201,668)	(39,299)
Net cash flow from operating activities	8,529,466	2,840,252
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(8,443,640)	(2,478,468)
Dividend received	133,166	35,518
Investments in operating fixed assets	(168,304)	(1,331,339)
Sale proceeds of property and equipment disposed-off	2,893	502
Net cash flow used in investing activities	(8,475,885)	(3,773,787)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of sub-ordinated loans	(384)	-
Contribution from minority shares	(56,124)	(21,574)
Dividend paid	(777,000)	-
Payment of lease obligations	(3,345)	(8,381)
Net cash flow from financing activities	(836,853)	(29,955)
Exchange differences on translation of net investment in foreign branches	(142,528)	42,407
Increase / (decrease) in cash and cash equivalents during the quarter	(925,800)	(921,083)
Cash and cash equivalents at beginning of the quarter	48,119,210	35,591,280
Cash and cash equivalents at end of the quarter	47,193,410	34,670,197

The annexed notes 1 – 11 form an integral part of these financial statements.


Atif R. Bokhari
President and
Chief Executive Officer


Muhammad Tahsin Khan Iqbal
Director

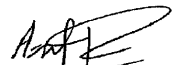

Zameer Mohammed Choudrey
Director



Omar Z. Al Askari
Director

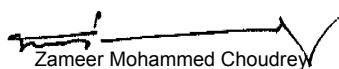
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)


	Share Capital	General Reserve	Statutory Reserve	Exchange Reserve	Unappropriated Profit	Total
(Rupees in '000)						
Balance as at January 01, 2004	5,180,000	3,000	3,212,130	1,497,439	1,619,903	11,512,472
Profit after taxation for the Quarter ended March 31, 2004	-	-	-	-	726,651	726,651
Transfer from surplus on revaluation of fixed assets to unappropriated profit – net of tax	-	-	-	-	4,818	4,818
Exchange difference on translation of net investment in foreign branches, subsidiaries and associates	-	-	-	42,407	-	42,407
Transfer to statutory reserve	-	-	146,977	-	(146,977)	-
Final cash dividend for the year 2003	-	-	-	-	(1,165,500)	(1,165,500)
Balance as at March 31, 2004	<u>5,180,000</u>	<u>3,000</u>	<u>3,359,107</u>	<u>1,539,846</u>	<u>1,038,895</u>	<u>11,120,848</u>
Profit after taxation for the period ended December 31, 2004	-	-	-	-	3,050,143	3,050,143
Transfer from surplus on revaluation of fixed assets to unappropriated profit – net of tax	-	-	-	-	89,396	89,396
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates	-	-	-	485,163	-	485,163
Transfer to statutory reserve	-	-	593,332	-	(593,332)	-
Balance as at December 31, 2004	<u>5,180,000</u>	<u>3,000</u>	<u>3,952,439</u>	<u>2,025,009</u>	<u>3,585,102</u>	<u>14,745,550</u>
Profit after taxation for the Quarter ended March 31, 2005	-	-	-	-	1,033,356	1,033,356
Transfer from surplus on revaluation of fixed assets to unappropriated profit – net of tax	-	-	-	-	25,810	25,810
Exchange differences on translation of net investment in foreign branches, subsidiaries and associates	-	-	-	(142,528)	-	(142,528)
Transfer to statutory reserve	-	-	202,429	-	(202,429)	-
Final cash dividend for the year 2004	-	-	-	-	(777,000)	(777,000)
Balance as at March 31, 2005	<u>5,180,000</u>	<u>3,000</u>	<u>4,154,868</u>	<u>1,882,481</u>	<u>3,664,839</u>	<u>14,885,188</u>

The annexed notes 1 – 11 form an integral part of these financial statements.


Atif R. Bokhari
President and
Chief Executive Officer


Muhammad Tahsin Khan Iqbal
Director


Zameer Mohammed Choudrey
Director


Omar Z. Al Askari
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)

1. THE GROUP AND ITS OPERATIONS

1.1 United Bank Limited is incorporated in Pakistan and engaged in commercial banking and related services in Pakistan and overseas. The Bank as a group comprises of:

Holding company

- United Bank Limited (The Bank)

Subsidiary companies

- United National Bank Limited (UNB), United Kingdom
- United Bank AG (Zurich), Switzerland
- United Executors and Trustees Company Limited
- United Bank Financial Services (Private) Limited
- United Asset Management Company Limited, Pakistan

1.2 The minority interest represents National Bank of Pakistan's 45% share in the net asset value of United National Bank Limited (UNB).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Whenever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence. The disclosures in these accounts have, however, been limited based on the requirements of International Accounting Standard 34, Interim Financial Reporting.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2004.

Provision for taxation has been made in these accounts on an estimated basis.

These accounts are unaudited and are being circulated to the shareholders as required by State Bank of Pakistan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)

	Note	March 31, 2005			December 31, 2004		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
(Rupees in '000)							
4. INVESTMENTS							
Held-for-trading securities	4.1	2,408,198	-	2,408,198	1,464,877	1,045,006	2,509,883
Available-for-sale securities	4.2	21,060,016	499,927	21,559,943	19,754,935	1,097,647	20,852,582
Held-to-maturity securities	4.3	33,667,270	3,591,513	37,258,783	27,437,163	2,091,533	29,528,696
Investments in associate	4.4	15,429	-	15,429	15,436	-	15,436
Provision for diminution in value of investments		(587,312)	-	(587,312)	(540,402)	(656)	(541,058)
Surplus / (deficit) on revaluation of investments		350,538	(23,698)	326,840	342,190	-	342,190
Investments (net of provisions)		<u>56,914,139</u>	<u>4,067,742</u>	<u>60,981,881</u>	<u>48,474,199</u>	<u>4,233,530</u>	<u>52,707,729</u>
4.1 Held-for-trading securities							
- Pakistan investments bonds		49,485	-	49,485	971	-	971
- Market treasury bills		2,247,406	-	2,247,406	1,340,956	1,045,006	2,385,962
- Term Finance certificate		111,307	-	111,307	122,950	-	122,950
		2,408,198	-	2,408,198	1,464,877	1,045,006	2,509,883
4.2 Available-for-sale securities							
- Ordinary shares of listed companies		1,453,161	-	1,453,161	758,198	-	758,198
- Ordinary shares of unlisted companies		302,177	-	302,177	303,392	-	303,392
- Pakistan investment bonds		1,624,796	-	1,624,796	4,072,246	-	4,072,246
- Units of mutual fund		350,000	-	350,000	350,000	-	350,000
- Term Finance certificate		357,348	-	357,348	341,960	-	341,960
- Federal investment bonds		-	-	-	-	-	-
- Market treasury bills		16,972,534	499,927	17,472,461	13,893,796	1,097,647	14,991,443
- Foreign securities		-	-	-	35,343	-	35,343
		21,060,016	499,927	21,559,943	19,754,935	1,097,647	20,852,582
4.3 Held-to-maturity securities							
- Provincial government securities		1,207	-	1,207	1,207	-	1,207
- Pakistan investment bonds		5,342,061	565,780	5,907,841	3,837,791	2,091,533	5,929,324
- Market treasury bills		5,387,268	3,025,733	8,413,001	-	-	-
- Government of Pakistan - US Dollar / Euro bonds		911,333	-	911,333	1,403,469	-	1,403,469
- Foreign currency bonds		2,023,160	-	2,023,160	2,024,073	-	2,024,073
- CIRC bonds		4,054,883	-	4,054,883	4,054,883	-	4,054,883
- Foreign securities		1,622,239	-	1,622,239	1,679,600	-	1,679,600
- CDC SAARC fund		113,466	-	113,466	124,144	-	124,144
- GOP Islamic bond-Sukkuk		342,234	-	342,234	-	-	-
- Term finance certificates		8,118,174	-	8,118,174	8,305,766	-	8,305,766
- Debentures		175,509	-	175,509	176,277	-	176,277
- Participation term certificates		76,016	-	76,016	77,267	-	77,267
- Government of Pakistan - guaranteed bonds		5,459,064	-	5,459,064	5,699,540	-	5,699,540
- Federal investment Bonds		40,656	-	40,656	45,026	-	45,026
- Cumulative preference shares		-	-	-	8,120	-	8,120
		33,667,270	3,591,513	37,258,783	27,437,163	2,091,533	29,528,696
4.4 Investments in associate							
- Oman United Exchange Company		15,429	-	15,429	15,436	-	15,346
		57,150,913	4,091,440	61,242,353	48,672,411	4,234,186	52,906,597
Provision for diminution in value of investments		(587,312)	-	(587,312)	(540,402)	-	(540,402)
Surplus/(deficit) on revaluation of investments		350,538	(23,698)	326,840	342,190	(656)	341,834
Investments – net of provision		<u>56,914,139</u>	<u>4,067,742</u>	<u>60,981,881</u>	<u>48,474,199</u>	<u>4,233,530</u>	<u>52,707,729</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)

	March 31, 2005	December 31, 2004
	(Rupees in '000)	
5. ADVANCES		
Loans, cash credits, running finances, etc.		
In Pakistan	133,789,726	125,349,845
Outside Pakistan	26,176,375	25,404,632
	159,966,101	150,754,477
Bills discounted and purchased (excluding government treasury bills)		
Payable in Pakistan	5,531,794	4,158,073
Payable outside Pakistan	9,746,160	10,248,853
	15,277,954	14,406,926
	175,244,055	165,161,403
Financing in respect of carry over transactions	1,267,833	1,327,542
Provision against non-performing advances –specific	(15,531,721)	(15,847,345)
- general	(618,810)	(318,391)
	160,361,357	150,323,209

5.1 Advances include Rs 19,227 million which have been placed under non-performing status as detailed below:-

Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
(Rupees in '000)					
Other Assets Especially Mentioned	857,646	105,001	962,647	-	-
Substandard	280,794	24,271	305,065	24,813	24,813
Doubtful	213,120	9,433	222,553	18,834	18,834
Loss	10,068,680	7,238,989	17,307,669	15,270,752	15,270,752
	11,420,240	7,377,694	18,797,934	15,314,399	15,314,399
Subsidiary companies	-	429,014	429,014	217,322	217,322
	11,420,240	7,806,708	19,226,948	15,531,721	15,531,721

	March 31, 2005	December 31, 2004
	(Rupees in '000)	
6. BORROWINGS FROM FINANCIAL INSTITUTIONS		
Secured		
Borrowings from financial institutions	1,603,232	767,830
Borrowings from the State Bank of Pakistan	-	-
Under export refinance scheme	6,168,029	5,988,377
Locally manufactured machinery	6,928	9,872
Repurchase agreement borrowings	4,617,518	4,629,607
	12,395,707	11,395,686
Unsecured		
Call borrowings	100,000	526,260
Overdrawn nostro accounts	231,576	269,303
Others	-	445,787
	331,576	1,241,350
	12,727,283	12,637,036
7. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	49,996,246	45,581,700
Savings deposits	125,321,997	119,884,807
Current accounts – remunerative	152,609	744,493
Current accounts - non-remunerative	70,215,292	66,333,989
Sundry deposits	4,800,081	3,161,327
Margin deposits	1,762,322	1,218,963
	252,248,547	236,925,279
Financial Institutions		
Remunerative deposits	27,728	-
Non-remunerative deposits	106,457	129,161
	134,185	129,161
	252,382,732	237,054,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)

	March 31, 2005	December 31, 2004
	(Rupees in '000)	
8. CONTINGENCIES AND COMMITMENTS		
8.1 Direct credit substitutes		
Contingent liabilities in respect of guarantees given favoring:		
Government	1,105,796	896,165
Banking companies and other financial institutions	1,261,551	1,428,103
Others	<u>1,766,604</u>	<u>1,896,441</u>
	<u>4,133,951</u>	<u>4,220,709</u>
8.2 Transaction-related contingent liabilities		
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favoring:		
Government	9,055,032	7,477,242
Banking companies and other financial institutions	498,759	201,946
Others	<u>3,017,730</u>	<u>4,051,297</u>
	<u>12,571,521</u>	<u>11,730,485</u>
8.3 Trade-related contingent liabilities		
Contingent liabilities in respect of letters of credit opened favoring:		
Government	1,003	271,468
Banking companies and other financial institutions	614,729	216,960
Others	<u>51,627,251</u>	<u>57,029,007</u>
	<u>52,242,983</u>	<u>57,517,435</u>
8.4 Other contingencies		
Claims against the Bank not acknowledged as debts	<u>6,114,995</u>	<u>6,115,838</u>
8.5 Commitments in respect of forward lending		
Commitments to extend credit	<u>5,641,000</u>	<u>1,759,776</u>
8.6 Commitments in respect of forward foreign exchange contracts		
Sale	<u>28,380,669</u>	<u>24,663,126</u>
Purchase	<u>27,732,856</u>	<u>21,497,190</u>
8.7 Other commitments		
Capital commitments	<u>16,775</u>	<u>229,050</u>
9. RELATED PARTY TRANSACTIONS		

The Bank has related party relationship with its associated undertakings, subsidiary companies and its directors and executive officers (including their associates) and retirement benefit funds.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk (i.e. under the comparable uncontrolled price method).

Contributions to and accruals in respect of staff retirement and other benefit plans are made in accordance with the actuarial valuation / terms of the contribution plan. Remuneration to the executives, are determined in accordance with the terms of their appointment.

Details of transactions with related parties, except the remuneration to the executive staff under the terms of employment and balances with them as at the period-end were as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2005 (UN-AUDITED)

	March 31, 2005	December 31, 2004
	(Rupees in '000)	
Advances		
At January 01	1,500,000	500,000
Given during the quarter / year	-	1,000,000
Repaid during the quarter/ year	-	-
At March 31 / December 31	<u>1,500,000</u>	<u>1,500,000</u>
Deposits		
At January 01	3,594,143	2,268,428
Received during the quarter / year	3,955,125	30,997,599
Withdrawn during the quarter / year	<u>(4,278,065)</u>	<u>(29,671,884)</u>
At March 31/ December 31,	<u>3,271,203</u>	<u>3,594,143</u>
Investments made during the quarter / year	<u>-</u>	<u>4,600</u>
Profit / expenses for the period / year		
Mark-up / return / interest earned	<u>19,862</u>	<u>65,125</u>
Mark-up / return / interest expensed	<u>919</u>	<u>108,703</u>
Reimbursement of liason office expenses paid to Abu Dhabi Group and Best way group	<u>7,422</u>	<u>31,535</u>
Others	<u>1,730,567</u>	<u>1,972,558</u>


10. DATE OF AUTHORISATION


These financial statements were authorised for issue on April 27, 2005 by the Board of Directors of the Bank.


11. GENERAL

Comparative figures have been reclassified and rearranged, wherever necessary for comparison purposes.


Atif R. Bokhari
President and
Chief Executive Officer


Muhammad Tahsin Khan Iqbal
Director


Zameer Mohammed Choudrey
Director


Omar Z. Al Askari
Director