UBL UNITED BANK LTD.

UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2008

	2008	2007
	------- (US Dollars in '000) -------	
ASSETS		
Cash and balances with treasury banks	633,938	728,489
Balances with other banks	183,825	138,842
Lendings to financial institutions	288,316	313,302
Investments	1,454,605	1,441,573
Advances		
Performing	4,651,922	3,817,403
Non-performing	130,647	79,905
	4,782,568	3,897,309
Operating fixed assets	251,925	241,035
Deferred tax asset - net	27,360	-
Other assets	218,831	150,283
	7,841,369	6,910,833
LIABILITIES		
Bills payable	65,878	76,958
Borrowings	565,746	752,116
Deposits and other accounts	6,223,480	5,202,060
Sub-ordinated loans	151,632	75,813
Liabilities against assets subject to finance lease	25	41
Deferred tax liability - net	-	26,675
Other liabilities	210,125	171,710
	7,216,886	6,305,373
NET ASSETS	624,483	605,459
REPRESENTED BY:		
Share capital	127,906	102,325
Reserves	218,159	146,366
Unappropriated profit	223,814	211,487
	569,879	460,178
Minority Interest	25,849	26,747
	595,728	486,925
Surplus on revaluation of assets - net of deferred tax	28,755	118,534
	624,483	605,459

CONTINGENCIES AND COMMITMENTS

The valuation of listed equity securities / mutual funds held under 'available-for-sale' category of investments has been arrived at using the market prices quoted on the stock exchange / net assets value as of December 31, 2008 and a portion of impairment loss arising therefrom has been included in deficit on revaluation of assets – net of deferred tax as allowed by State Bank of Pakistan and Securities and Exchange Commission of Pakistan. Under the regular accounting policy of the Group, the same would have resulted in a charge to profit and loss account of USD.18.324 million (net of tax) and, consequently, the unappropriated profit for the year would have been USD.209.152 million and surplus on revaluation of assets - net of deferred tax would have been lower by USD.18.324 million as given in note 9.5 to the consolidated financial statements.

These have been converted at Rs 79.1 per US Dollar from the audited financial statements.

UBL UNITED BANK LTD.

UNITED BANK LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	------- (US Dollars in '000) -------	
Mark-up / return / interest earned	671,282	530,505
Mark-up / return / interest expensed	307,252	216,980
Net mark-up / interest income	364,030	313,524
Provision against loans and advances - net (excluding impact on account of change in Prudential Regulations)	74,385	21,367
(Reversal) / additional provisioning arising on account of change in Prudential Regulations	(17,310)	48,089
Provision against loans and advances - total	57,075	69,456
Provision for / (reversal of) diminution in value of investments - net	23,661	(79)
Bad debts written off directly	17,289	11,823
	98,026	81,200
Net mark-up / return / interest income after provisions	266,004	232,325
Non Mark-up / Interest Income		
Fee, commission and brokerage income	92,275	74,586
Dividend income	2,419	4,605
Income from dealing in foreign currencies	21,250	11,300
Gain on sale of securities	3,216	10,766
Unrealized loss on revaluation of investments classified as	-	-
held for trading	(135)	(199)
Other income	19,041	20,407
Total non mark-up / return / interest income	138,068	121,465
	404,071	353,789
Non Mark-up / Interest Expenses		
Administrative expenses	210,876	180,246
Other provisions / write offs - net	5,917	2,987
Worker welfare fund	4,305	-
Other charges	3,696	220
Total non mark-up / interest expenses	224,795	183,454
Share of (loss) / income of associates	(1,624)	4,083
Profit before taxation	177,653	174,419
Taxation - Current	77,770	65,151
- Prior year	5,500	5,596
- Deferred	(12,387)	(13,107)
	70,884	57,640
Profit after taxation	106,769	116,779
Attributable to:		
Equity shareholders of the Bank	105,637	113,470
Minority interest	1,131	3,309
	106,769	116,779
	---------- (US Dollars) ----------	
Earnings per share	0.10	0.11

The valuation of listed equity securities / mutual funds held under 'available-for-sale' category of investments has been arrived at using the market prices quoted on the stock exchange / net assets value as of December 31, 2008 and a portion of impairment loss arising therefrom has been included in surplus on revaluation of assets – net of deferred tax as allowed by State Bank of Pakistan and Securities and Exchange Commission of Pakistan. Under the regular accounting policy of the Group, the same would have resulted in a charge to profit and loss account of USD.23.811 million and, consequently, the profit after tax attributable to the equity shareholders of the bank for the year would have been USD.87.313 million and earnings per share would have been USD.0.09 as given in note 9.5 to the consolidated financial statements.

These have been converted at Rs 79.1 per US Dollar from the audited financial statements.