

ADVICE FOR INVESTORS

THE ELIGIBLE INVESTORS SHALL NOT PLACE CONSOLIDATED BIDS. A BID APPLICATION WHICH IS BENEFICIALLY PLACED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

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United Bank Limited



Offer for Sale of Shares

THE PRESENT OFFER CONSISTS OF 160,000,000 ORDINARY SHARES REPRESENTING 13.1% OF THE TOTAL PAID UP SHARE CAPITAL OF UNITED BANK LIMITED WITH AN UPSIZE OPTION OF UP TO AN ADDITIONAL 81,921,931 ORDINARY SHARES REPRESENTING 6.7% OF THE TOTAL PAID UP SHARE CAPITAL OF UNITED BANK LIMITED AT A FLOOR PRICE WHICH SHALL BE AT A PREMIUM TO THE PAR VALUE OF PKR 10/- PER SHARE (THE "OFFER")

THE OFFER IS BEING MADE THROUGH THE BOOK BUILDING ONLY TO THE INSTITUTIONAL INVESTORS AND HIGH-NETWORTH INDIVIDUAL INVESTORS

BIDDING PERIOD DATE: JUNE 11, 2014
FROM: 08:00 AM – 09:00 PM

THIS IS NOT A PROSPECTUS BY UNITED BANK LIMITED (THE "BANK") BUT AN OFFER FOR SALE BY THE GOVERNMENT OF PAKISTAN, PRIVATISATION DIVISION OF THE MINISTRY OF FINANCE, REVENUE, ECONOMIC AFFAIRS, STATISTICS AND PRIVATIZATION ACTING THROUGH THE PRIVATISATION COMMISSION (THE "OFFERER") FOR THE SALE OF GOVERNMENT OF PAKISTAN'S RESIDUAL SHAREHOLDING IN THE BANK

Domestic Lead Managers & Book Runners



The date of publication for this Offer for Sale Document is June 7, 2014



SHARES OFFERED UNDER THIS TRANSACTION WILL BE ALLOCATED THROUGH AN INTEGRATED INTERNATIONAL BOOK BUILDING PROCESS THAT WILL BE USED FOR BOTH LOCAL AND FOREIGN INVESTORS, SUBJECT TO A MINIMUM BID AMOUNT OF PKR 1 MILLION (THE "INTEGRATED INTERNATIONAL BOOK BUILDING"). THE PROCEDURE USED UNDER THIS INTEGRATED INTERNATIONAL BOOK BUILDING WILL BE DIFFERENT FROM THE PROCEDURE UNDER APPENDIX 4 OF THE LISTING REGULATIONS OF THE STOCK EXCHANGES.

THIS OFSD WILL BE DEEMED AS A CONTRACT FOR SALE OF SHARES UNDER THE LAWS OF PAKISTAN. TO THE EXTENT ELIGIBLE INVESTOR RELIES ON THIS OFSD, THE INVESTORS, IN CASE OF ANY DISPUTE, SHALL HAVE THE RIGHT OF ACTION UNDER INTER ALIA THE CONTRACT ACT 1872.

STATEMENT ON OFFERER'S ABSOLUTE RESPONSIBILITY:

The Offerer, having made all reasonable inquiries, accepts responsibility for the disclosures made in this Offer for Sale Document and confirms that:

- This Offer for Sale Document ("OFSD") contains all necessary information with regard to the Bank, the Offerer and the Offer, which is material in the context of the Offer and nothing has been concealed;
- The information contained in the Offer for Sale Document is materially true and correct to the best of our knowledge and belief;
- The opinions and intentions expressed herein are honestly held; and
- There are no other facts, the omission of which makes this document as a whole or any part thereof misleading.

GLOSSARY OF TECHNICAL TERMS & ABBREVIATIONS

AHL	Arif Habib Limited
Bank/UBL	United Bank Limited
CCOP	Cabinet Committee on Privatisation
CDA	Central Depositories Act, 1997
CDC/CDCPL	The Central Depository Company of Pakistan Limited
CDS	Central Depository System
CGT	Capital Gains Tax
CNIC	Computerized National Identity Card
Commission / SECP	Securities and Exchange Commission of Pakistan
COD	Commercial Operations Date
CVT	Capital Value Tax
DLM	Domestic Lead Manager & Book Runner
ES	Elixir Securities Pakistan (Pvt.) Limited
FDI	Foreign Direct Investment
FED	Federal Excise Duty
GoP	Government of Pakistan
HE	His Excellency
HPK	Hilal-e-Pakistan
ISE	Islamabad Stock Exchange
IRR	Internal Rate of Return
ITO	Income Tax Ordinance, 2001
JLM	Joint Lead Manager & Book Runner
KIBOR	Karachi Inter Bank Offered Rate
KSE	Karachi Stock Exchange
LIBOR	London Inter Bank Offered Rate
LSE	Lahore Stock Exchange
OBE	Order of the British Empire
OFS/OFSO	Offer for Sale/Offer for Sale Document
Ordinance	The Companies Ordinance, 1984
PACRA	The Pakistan Credit Rating Agency Limited
PC	Privatisation Commission
PKR	Pakistani Rupee
PRCL	Pakistan Reinsurance Company Limited
PST	Pakistan Standard Time (GMT + 05:00 hours)
SBP	State Bank of Pakistan
SCRA	Special Convertible Rupee Account
SLIC	State Life Insurance Corporation of Pakistan
SSGC	Sui Southern Gas Company Limited
Stock Exchanges	ISE, KSE and LSE collectively referred to as Stock Exchanges
TFC	Term Finance Certificate
UAE	United Arab Emirates
UK	United Kingdom
WHT	Withholding Tax
WWF	Worker's Welfare Fund
WPPF	Worker's Profit Participation Fund
YoY	Year on Year

DEFINITIONS

Application Money	The total amount of money payable by a successful bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted, plus applicable taxes and CDC charges at 0.004% of the product of Strike Price and the number of shares to be allotted. Refer to 2.2 for illustrations
Base Offer	160,000,000 Ordinary Shares representing 13.1% of the total Paid Up Share Capital of United Bank Limited
Bid	An indication to make an offer during the Bidding Period by a bidder to subscribe to the Ordinary Shares of United Bank Limited at or above the Floor Price, including all the revisions thereto
Bidder	Eligible Investor who makes a Bid pursuant to the terms of the OFSD and the Bidding Form
Bid Amount	The total amount of the Bid which is equivalent to the product of the bid price and the number of shares bid for plus applicable CDC transfer charges of 0.004% of the product of the bid price and the number of shares bid. Refer to 2.2 for illustrations
Bid Collection Center	As specified in Section 2.3
Bid Application	Bidding Form duly filled and submitted by the Bidder
Bidding Form	The form prepared by the Offerer for the purpose of making bids which will be considered as the application for subscription of Ordinary Shares
Bidding Period	The period during which bids for subscription of shares of the Bank will be made by Eligible Investors. The Bidding Period commences at 08:00 AM PST on June 11, 2014 and ends at 09:00 PM PST the same day i.e. June 11, 2014
Book Building	A mechanism of price determination through which indication of interest for subscription of shares offered by the Offerer is collected from the Eligible Investors. Through this process a book is built which gives an idea of demand for the shares at different price levels. The Strike Price is determined based on the price at which demand for shares at the end of book building period is sufficient for the subscription of the shares offered
Book Building Account	Account(s) opened by the Offerer with the Collection Bank(s). The Bidder will pay the Margin Money/Bid Amount through demand draft or pay order only, in favor of this account and the balance of the application money, if any, shall be paid through this account after successful allocation of shares
DLM	Arif Habib Limited and Elixir Securities Pakistan (Pvt.) Ltd, being the domestic Lead Managers & Book Runners in relation to the Offer
OFSD	The OFSD containing all the information and disclosures as required under the Companies Ordinance, 1984, and Listing Regulation of the Stock Exchanges approved by the Commission under section 62 read with section 61 and 57(1) of the Companies Ordinance, 1984 and circulated amongst the Eligible Investors for bidding of shares through the Book Building Process
Eligible Investor(s)	both Institutional Investor and HNWI as defined below

Floor Price	The minimum price set by the Offerer for the Offer for sale of Shares. This will be notified through announcement through the Stock Exchanges and/or placed on their websites and on the websites of DLMs after close of Market hours on June 10, 2014. A bid placed below the Floor Price will not be entertained by the DLMs
High Net worth Individual ("HNWI")	Individual investor who place a Bid of at least the Minimum Bid Size
Institutional Investor	Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be) who place a Bid of at least the Minimum Bid Size
JLM	Credit Suisse (Singapore) Limited, Arif Habib Limited and Elixir Securities Pakistan (Pvt.) Ltd, being the Joint Lead Managers & Book Runners in relation to the Offer
Limit Price	The maximum price a prospective institutional investor or HNWI Investor is willing to pay for a share under the Book Building process
Market hours	The daily trading hours of the Stock Exchanges (Mon-Thurs: 09:30 AM PST to 3:30 PM PST, Friday: 09:00 AM PST to 12:30 PM PST and 02:30 PM PST to 04:30 PM PST)
Margin Money	The partial or total amount, as the case may be, paid by a Bidder at the time of making a Bid
Minimum Bid Size	Bid of amount not less than PKR 1,000,000/-
Ordinary Shares	Ordinary Shares of UBL having par value of PKR 10/- each
Offer	Offer is defined in Section 2.1
PC Board	PC Board shall have the meaning assigned to the Board in the Privatisation Ordinance, 2000
Privatisation	Privatisation shall have the meaning assigned to the same in the Privatisation Ordinance, 2000
Step Bid	Step Bid means a series of limit bids at increasing prices
Strike Bid	A bid for a specified number of shares at the Strike Price to be determined through the Book Building process
Strike Price	The price of share determined/discovered on the basis of Book Building process. The shares are offered to successful bidders at this price
Undocumented Offering	Offering to international investors without a prospectus or other offer document
Upsize Option	An option available to the Offerer to offer additional 81,921,931 shares (6.7% of the existing paid-up capital of the Bank) to the Bidders.

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1. Approvals of the Stock Exchanges and Securities & Exchange Commission of Pakistan

1.1 Approval of the Securities & Exchange Commission of Pakistan

Approval of the Securities & Exchange Commission of Pakistan (the "Commission" or "SECP") as required under Section 62 read with sections 61 and 57 of the Companies Ordinance, 1984 (the "Ordinance") has been obtained for the issue, circulation and publication of this Offer for Sale Document ("OFSD").

It must be distinctly understood that in giving this approval, SECP does not take any responsibility for the financial soundness of the Bank and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed with regard to them.

SECP has not evaluated the quality of the Offer and its approval for issue, circulation and publication of OFSD should not be construed as any commitment of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the Offer before subscribing.

1.2 Clearance by the Stock Exchanges

Clearance of the OFSD by the Karachi Stock Exchange Limited, Islamabad Stock Exchange Limited & Lahore Stock Exchange Limited

The OFSD has been cleared by the Karachi Stock Exchange Limited ("KSE"), Islamabad Stock Exchange Limited ("ISE") and the Lahore Stock Exchange Limited ("LSE"), (collectively referred to as the "Stock Exchanges"), in accordance with the requirements of their respective Listing Regulations.

The Stock Exchanges have not evaluated the quality of the Offer including the justification of premium, and their clearance of the OFSD should not be construed as any commitment in respect of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the Offer before subscribing.

The publication of this OFSD does not represent solicitation by the Stock Exchanges.

The contents of this OFSD does not constitute an invitation to invest in shares or subscribe for any securities or other financial instrument by the Stock Exchanges, nor should it or any part of it form the basis of, or be relied upon in any connection with any contract or commitment whatsoever of the Exchange.

It is clarified that information in this OFSD should not be construed as advice on any particular matter by the Stock Exchanges and must not be treated as a substitute for specific advice.

The Stock Exchanges disclaim any liability whatsoever for any loss however arising from or in reliance upon this OFSD to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and / or mistakes, for decisions and / or actions taken, based on this OFSD.

The Stock Exchanges neither take responsibility for the correctness of contents of this OFSD nor the ability of the Bank to fulfill its obligations there under.

Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment.

1.3 Filing Of the OFSD and Other Documents with the Registrar of Companies

The Bank has filed with the Registrar, Companies Registration Office, as required under Section 57 (3) and (4) of the Companies Ordinance 1984, a copy of this OFSD signed on behalf of the Offerer, along with the following documents attached thereto:

- a) Letter dated May 20, 2014, from the Auditors of the Bank, KPMG Taseer Hadi & Company, Chartered Accountants and letter dated May 22, 2014, from A. F. Ferguson & Company, Chartered Accountants consenting to the publication of their names in the OFSD, which contains in Part 6 certain statements and reports issued by KPMG Taseer Hadi & Company, Chartered Accountants as an expert (for which consent has not been withdrawn), as required under Section 57 (5) of the Ordinance.
- b) Written confirmations of the Legal Advisor to this Offer and Bankers to this Offer, mentioned in this OFSD consenting to act in their respective capacities, as required under Section 57 (5) of the Ordinance.
- c) Consents of Directors, Chief Executive and the Company Secretary who have consented to their respective appointments made and their having been named or described as such Directors, Chief Executive and the Company Secretary in this OFSD, as required under Section 57 (3) of the Ordinance, read with sub-clause (1) of clause (4) of Section 1 of Part 1 of the Second Schedule to the Ordinance.

1.4 Statement by the Offerer

The General Manager,
Karachi Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

The General Manager,
Lahore Stock Exchange Limited,
Lahore Stock Exchange Building,
19, Khayaban-e-Aiwan-e-Iqbal,
Lahore.

The General Manager,
Islamabad Stock Exchange Limited,
ISE Towers,
55-B, Jinnah Avenue,
Islamabad.

On behalf of the Offerer, I confirm that all material information as required, unless exempted, under the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges has been disclosed in the Offer for Sale Document and that whatever is stated in the Offer for Sale Document and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of Offerer

-sd-

Sardar Ahmad Nawaz Sukhera
Additional Secretary (Incharge)
Privatisation Division, Ministry of Finance, Revenue, Economic Affairs, Statistics & Privatisation
Government of Pakistan
Islamabad

1.5 Statement by the Bank

The General Manager,
Karachi Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

The General Manager,
Lahore Stock Exchange Limited,
Lahore Stock Exchange Building,
19, Khayaban-e-Aiwan-e-Iqbal,
Lahore.

The General Manager,
Islamabad Stock Exchange Limited,
ISE Towers,
55-B, Jinnah Avenue,
Islamabad.

We, the undersigned Chief Executive Officer and Chief Financial Officer of United Bank Limited, a banking company incorporated under the Companies Ordinance, 1984, having its registered office at UBL Building, Jinnah Avenue, Blue Area, Islamabad ("**UBL**" or **the "Bank"**), hereby attest and confirm, in our capacity as the Chief Executive Officer and Chief Financial Officer, respectively, that all statements and disclosures made by the Bank relating to the Bank in this Offer for Sale Document, are materially true and accurate, to the best of our knowledge.

-sd-

Wajahat Husain
Chief Executive Officer

-sd-

Raymond H. Kotwal
Chief Financial Officer

2 Book Building Procedure

2.1 Brief Offer Structure

The Government of Pakistan is offering its residual 19.8% shareholding in UBL through Privatisation. The present Offer consists of 160,000,000 ordinary shares representing 13.1% of the total paid up share capital of UBL with a Upsize Option of up to an additional 81,921,931 Ordinary Shares representing 6.7% of the total paid up share capital of UBL at a Floor Price which shall be at a premium to the Par Value of PKR 10/- per share and will be notified by the Offerer separately.

The Book Building will be run as is customary in such transactions internationally. The book will be run jointly by Credit Suisse, Arif Habib Limited and Elixir Securities Pakistan (Pvt.) Ltd and will be maintained internationally by Credit Suisse.

Eligible Investors may place their respective orders (including demand at various price points via strike, limit, or step bid) with anyone of the DLMs. The procedure for participation for such Eligible Investors is set forth below in the OFSD.

AHL and ES will receive orders from Eligible Investors and forward them via email to Credit Suisse to enter in to the central Book Build system being run and managed by Credit Suisse internationally.

Foreign investors may choose to participate through an Undocumented Offering which will be conducted in accordance with the laws of the relevant jurisdiction. Foreign investors may place their respective orders (including demand at various price points via strike, limit, or step bid) with their respective syndicate / sales representatives through such medium as Bloomberg messages, email and recorded telephone calls.

All these individual orders will be put in a central Book Building system maintained internationally which tallies all orders across the price range until the close of book. Nonetheless, it is clarified that the Book Building will be integrated for all investors and the Strike Price will be determined on the basis of total bids received.

At multiple times during the Book Building, the investors will be provided feedback with regards to the position of the Book at that time. The messages will be relayed through the websites of the DLMs. Sample messages may be along the following lines (actual messages may differ depending on the situation):

- Base Offer is comfortably covered with strong participation from international long only investors and domestic investors
- Offer will be fully upsized on the back of strong interest from global long only and domestic investors
- Price sensitivity at the mid end of the price range, investors will miss the transaction at below share price of PKR -xx
- Book was multiple times covered allowing the JLMs to fully upsize the transaction raising USD xx million
- There was strong participation from global long only, domestic investors as well as investors with frontier funds

- There were approximately xx lines in the book

2.2 Book Building Procedure

Book Building is a process whereby Eligible Investors may bid for a specific number of Shares at various prices. The Offerer shall set a Floor Price which will be notified through Stock Exchanges and/or DLMs. It is the lowest price an Eligible Investor can bid at. An order book of bids from investors is maintained, which is then used to determine the Strike Price.

The Strike Price is determined through available demand at different price levels. GoP shall decide the final offer size which may be less than, equal to or greater than the Base Offer size based on the demand received.

The minimum bid amount is PKR 1,000,000. A bid by a potential investor can be a "Limit Bid", "Strike Bid" or a "Step Bid", which are explained below.

a) Payment for Limit Price

If investors are placing their bids through "limit price" then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 5 million shares at a price of PKR 200 per share, then the total Application Money would amount to PKR 1,000,000,000 /- plus CDC transfer charges of 0.004% ($1,000,000,000 \times 0.004\% = \text{PKR } 40,000$). The Bid Amount will be PKR 1,000,040,000/-. In such a case, investor shall deposit PKR 1,000,040,000 in the specified Book Building account as the Bid Amount which is 100% of PKR 1,000,040,000

b) Payment for Strike Order

If investors are placing a "Strike Order", then they shall deposit the Margin Money/Bid Amount equal to the product of the number of shares they are bidding for and the Floor Price, plus applicable CDC transfer charges of 0.004%, assuming an arbitrary floor price of PKR 200 per share.

For instance, if an investor is applying for 2.0 million Shares then the total Application Money would be PKR 400,000,000/- plus CDC transfer charges of 0.004% ($400,000,000 \times 0.004\% = \text{PKR } 16,000$). The Bid Amount will be PKR 400,016,000/-. In such a case, investors shall deposit PKR 400,016,000/- as Bid Amount which is 100% of PKR 400,016,000/-. All Strike Orders will be considered for allocation of shares at the Strike Price.

c) Payment for Step Bids

If investors are placing a "Step Bid", which is a series of limit bids at increasing prices, then they shall deposit the Margin Money/Bid Amount based on the total number of shares they are bidding for at their stated bid prices.

For instance, if the investor bids for 0.5 million shares at PKR 200 per share, 0.4 million shares at PKR 205 per share and 0.3 million shares at PKR 210 per share, then in essence the investor has placed one "Step Bid" comprising three limit bids at increasing prices. The

Application Money would amount to PKR. 245,000,000/- plus CDC transfer charges of 0.004% ($245,000,000 \times 0.004\% = \text{PKR } 9,800$). The Bid Amount will be PKR 245,009,800/-. In such a case, investors shall deposit PKR 245,009,800/- in the Book Building Account as bid amount which is 100% of PKR 245,009,800

A single Eligible Investor shall not place more than one bid; however, investors/bidders can revise their bid.

The Eligible Investors shall not place consolidated bids. A bid application which is fully or partially beneficially owned by persons other than the one named therein is to be considered as consolidated bids.

At the close of the Book Building process, the Strike Price will be determined by the Offerer, after approval of PC Board & CCOP on the basis of Bids received.

Successful bidders shall be intimated, within one (1) working days of the closing of the Bidding Period, the Strike Price and the number of Shares provisionally allocated to each of them. **Where a successful Bidder defaults in payment of shares allotted to him/her/it, in any manner whatsoever, the Margin Money deposited by such Bidder shall be forfeited to the DLMS.**

The successful Bidders shall be issued shares in the form of book-entry securities to be credited in their respective CDS accounts. All the Eligible Investors shall, therefore, duly provide their CDS account numbers in the Bidding Form.

2.3 Role and Functions of Domestic Lead Managers (DLMs) and the Book Runners

The DLMs to the Offer shall:

- Conduct awareness campaigns through presentations, meetings, road shows etc;
- Ensure that all disclosures, unless exempted, as required under the Companies Ordinance 1984 and the Listing Regulations of the Stock Exchanges have been made in the OFSD;
- Ensure that necessary infrastructure is available to collect Bids and to carry out book building process in a fair and efficient manner;
- Publish an advertisement, approved by the Commission, in at least one Urdu and one English daily Newspaper having wide circulation in the Federal and all the provincial capitals, to invite Eligible Investors to participate in the Bidding process; and
- Ensure that the OFSD, after approval of the Commission, be uploaded on the DLMs, and Privatisation Commission's website.
- Collect Bid applications and Bid Amount, Margin Money as the case may be from Eligible Investors in the manner as specified in the Offer for Sale Document
- Put serial number, date and time on each Bid at the time of collection from the Bidders;
- Vet the Bidding Applications;
- Forward the Bids received to be placed in the order book;
- Maintain record of the Bids received for subscription of the Shares;
- Ensure that each Bidding Application contains CDC account number of the Bidder maintained with CDC wherein shares shall be credited in case the bid is successful;
- Not accept multiple Bids i.e. more than one bid applications by the same person;
- Circulate copies of the OFSD cleared by the Exchange and approved by the Commission along with the Bidding Forms to Eligible Investors;

- DLMS have established Bid Collection Centers at the following addresses:

Bid Collection Centers

Arif Habib Limited

Elixir Securities Pakistan (Pvt.) Ltd.

Karachi

Contact Person: **Syed Saquib Ali**
 Direct Number: +92 21 3246 2597
 Mobile No: +92 321 234 5010
 Fax No: +92 21 3242 9653
 Email: saquib.ali@arifhabibltd.com

Contact Person: **Waqar Ali**
 PABX No: +92 21 111 354947
 Ext: 3152
 Fax No: +92 21 3569 4696
 Email: wali@elixirsec.com
 Website: www.elixirsec.com

Website: www.arifhabibltd.com
 Postal Address: **Arif Habib Limited**
 2nd Floor, Arif Habib Centre
 23 M.T. Khan Road
 Karachi

Postal Address: **Elixir Securities**
 Dawood Centre
 M.T. Khan Road
 Karachi

Islamabad

Contact Person: **Saad Khan**
 Mobile No: +92 308 233 1916
 Email: saad.khan@arifhabibltd.com
 Website: www.arifhabibltd.com
 Postal Address: House # 68, Main Margalla
 Road, F-6/2, Islamabad

Contact Person: **Najeeb Altaf**
 Mobile No: +92 300 522 2241
 Email: naltaf@elixirsec.com
 Website: www.elixirsec.com
 Postal Address: House # 68, Main Margalla
 Road, F-6/2, Islamabad

Lahore

Contact Person: **Tahir Abbas**
 Mobile No: +92 336 000 4896
 Email: tahir.abbas@arifhabibltd.com
 Website: www.arifhabibltd.com
 Postal Address: Room # 22, Arif Habib
 Lahore Stock Exchange,
 LSE Plaza, Khayaban-e-
 Iqbal, Lahore

Contact Person: **Tahir Maqbool**
 Mobile No: +92 300 847 3258
 Email: tmaqbool@elixirsec.com
 Website: www.elixirsec.com
 Postal Address: Office # 2, Ground Floor,
 Rehman Business Centre,
 32-B-III, Lahore

2.4 Opening and Closing of the Bidding Period

The Book Building process will open at 08:00 AM PST on June 11, 2014 and close at 9:00 PM PST on the same day i.e. June 11, 2014.

2.5 Eligibility to Participate In Bidding

Eligible Investors, both Institutional Investor and HNWI as mentioned in definitions above can participate.

2.6 Information for Bidders

The OFSD has been duly cleared by the Stock Exchanges and approved by the SECP.

The OFSD and the bidding form can be obtained from the Registered Office AHL, ES and the Bid Collection Centers. The OFSD and Bidding Forms can also be downloaded from the following websites:

<http://www.privatisation.gov.pk>

<http://www.arifhabibltd.com>

<http://www.elixirsec.com>

Eligible Investors who are interested in subscribing to the Ordinary Shares should approach the DLMs at the addresses provided in paragraph 2.3 to register the Bids.

The Bids should be submitted on the prescribed Bidding Form in person through the Bid Collection Centers mentioned in paragraph 2.3

2.7 Bidding Form and Procedure for Bidding

- a) Standardized Bidding Form has been prescribed by the DLMs. Bids shall be submitted at the Bid Collection Centers in person given in paragraph 2.3 on the standard Bidding Form duly filled in and signed in duplicate. The Bidding Form shall be serially numbered at the Bid Collection Centers and date and time stamped, at the time of collection from the Bidders.
- b) The bidding procedure under the Book Building Process is outlined below:
 - Copy of approved OFSD shall be circulated by the DLMs to a maximum number of the Institutional Investors and HNWI, but not less than ten in each of the two categories inviting them for participation in the Bidding process. Copy of the OFSD will also be placed on the websites of the PC, AHL and ES.
 - An advertisement, approved by the Commission, shall be published at least in one Urdu and one English daily newspaper having wide circulation in the Federal and all the provincial capitals, inviting the Eligible Investors for participation in the Bidding.
 - A Book Building Account shall be opened by the Offerer for collection of Bid Amounts.
 - The Bidding Form shall be issued in duplicate signed by the Bidder and countersigned by the DLMs, with first copy for the DLMs, and the second copy for the Bidder.
 - Bids shall be submitted through the Bid Collection Centers only as provided in paragraph 2.3 and on the standard Bidding Form duly filled in and signed in duplicate. Bids can be placed at "Limit Price", "Strike Order" or "Step Bid".
 - Bid Amount/Margin Money shall be deposited through demand draft or pay order only in favor of "Offer for Sale of United Bank Limited – Book Building Account"
 - DLMs shall collect an amount of 100% of the application money as Bid Amount in respect of Bids placed by Eligible investors
 - DLMs may reject a Bid placed by an Eligible Investor for reasons to be recorded in writing and the reasons should be disclosed to such Bidder forthwith. Decision of DLMs shall not be challengeable by the Bidder or its associates.
 - **DLMs shall not accept the Bids made at a price lower than the Floor Price.**
 - The Bidders will receive back the duplicate form upon submission of their Bids which will be proof of their Bid submission.
 - Bidders can revise or withdraw their Bids during the Bidding Period (for details please refer to paragraphs 2.10 and 2.12).

- DLMs shall maintain a record of the Bids received/rejected/revised/withdrawn along with identities of the Bidder and evidence of amount received.
- **DLMs shall ensure that all the Bids received and accepted by the Bid Collection Centers are immediately forwarded via email to Credit Suisse to be entered into the Book Building system maintained internationally by Credit Suisse**
- At the close of the Bidding Period, the Strike Price shall be determined by the GoP on the basis of demand generated through the Book Building process
- Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, the Strike Price and the number of shares provisionally allocated to each of them.
- **Where a successful bidder defaults in payment of shares allocated to it, in any manner whatsoever, the Margin Money/Bid Amount deposited by such bidder shall be forfeited to the DLMs.**
- Margin Money of unsuccessful Bidders will be refunded within seven (7) working days of the close of the Bidding Period.
- Final allocation of shares out of the Offer shall be made after receipt of Application Money from the successful Bidders. Shares to successful bidders, subject to requisite clearances, if any, shall be transferred within seven (7) working days of the book building process

2.8 Bank Account for Book Building

The Offerer has opened bank accounts for collection of money for the Offer.

The bidders shall draw demand draft or a pay order in favor of **“Offer for Sale of Shares of United Bank Limited – Book Building Account”** which has been opened at Bank Alfalah Limited and United Bank Limited (**“Collection Banks”**). The Collection Bank shall keep and maintain the Bid Money in the said account. Once the Strike Price is determined and allocation list is finalized, the DLMs, after obtaining NOC from Stock Exchanges, may request in writing to the Collection Bank for transfer of the money of successful and accepted applications to the Offerer’s account(s) and advise for refund of the Bid Money to unsuccessful Bidders.

2.9 Payment into the Book Building Account

The Bidders shall draw a demand draft or a pay order favoring **“Offer for Sale of Shares of United Bank Limited – Book Building Account”** and submit it at the designated Bid Collection Center.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM AT THE BID COLLECTION CENTER. BID AMOUNT MUST BE PAID THROUGH A DEMAND DRAFT OR A PAY ORDER ONLY.

Eligible Investors can place bid for shares based on the procedure as explained earlier in paragraph 2.2

2.10 Revision of Bids by the Bidder

The Bidders shall have the right to revise their Bids any time throughout the entirety of the Bidding Period. The Bidders will only be able to revise their bids through physical delivery of Bid Revision form along with the pay order/ demand draft for additional money at one of the

Bid Collection Centers or scanned copy of the signed Bid Revision form along with the scanned copy of the pay order/ demand draft for additional money duly emailed to sauib.ali@arifhabibltd.com and wali@elixirsec.com with copy marked to arajani@elixirsec.com. The Bidding Form Number should be clearly mentioned on the Bid Revision email including mention of the Collection Center where the Bid was initially placed. Also note in case of revision made through the email, the demand draft/ pay order should be delivered at the Bid Collection before the close of Book Building period. No Bid shall stand revised until a confirmation is received from the DLMs. In case of bid revision through an email, the email should be sent from the email address mentioned on the Bid Form.

2.11 Rejection of Bids by the Book Runner

DLMs may reject a bid placed by an Eligible Investor for reasons to be recorded in writing and the reasons should be disclosed to such Bidder forthwith. Decision of DLMs shall not be challengeable by the Bidder or its associates.

2.12 Withdrawal of Bids by the Bidder

A Bidder has the right to withdraw placed bid from the Bidding system any time during the entirety of the Bidding Period. The Bids can be withdrawn by sending an email to sauib.ali@arifhabibltd.com and wali@elixirsec.com with copy marked to arajani@elixirsec.com. The Bidding Form Number should be clearly mentioned in the Bid Withdrawal email including mention of the Collection Center where the Bid was initially placed. No Bid shall stand Withdrawn until a confirmation is received from the DLMs. The email for withdrawal of Bid should be sent from the email address mentioned on the Bid Form.

2.13 Withdrawal of Offer by the Offerer

In case the Offerer does not receive bids at or above the Floor Price for the minimum number of shares offered, it may withdraw the Offer. The decision of withdrawal shall be taken within a period of not more than three (3) working days of the closing of bidding period.

- a) The withdrawal shall be immediately intimated to the Commission and the Exchanges.
- b) In case the offer is withdrawn the Margin Money/Bid Amount will be refunded to the bidders within seven (7) working days of the decision of withdrawal without any markup, interest etc.

2.14 Mechanism for Determination of Strike Price

At the close of the Bidding Period, the Strike Price will be determined by the Offerer, as approved by the PC Board and CCOP, on the basis of total Bids received and recommendations of JLM.

The demand will be the summation of the total Bids received locally and internationally. The Strike Price shall be determined through available demand at different price levels. GoP shall decide the final offer size which may be less than, equal to or greater than the Base Offer size based on the demand received (keeping in view the GoP's objectives to maximize proceeds and that UBL share price is well supported in the after-market). The final Strike Price is thus determined by the PC Board and CCOP based on allocable demand at final offer size.

2.15 Basis of Allocation of Shares

The final allocation of Shares will be determined by Offerer, as approved by PC Board and CCOP, based on allocable demand.

Final allocation of Shares shall be made after receipt of full Application Money from the successful Bidders. Shares to successful Bidders shall be transferred within seven (7) working days of the Book Building process.

2.16 Refund of Margin Money

Investors who have bid lower than the Strike Price are not eligible for allocation of Shares. Margin Money of the unsuccessful bidders shall be refunded without any interest or mark up within seven (7) working days of the close of the Bidding Period.

2.17 Bid Collection Centers

Bid Collection Centers have been established at Karachi, Lahore and Islamabad to collect the bids for the Offer. Addresses, details of contact persons and fax numbers of the Bid Collection Centers are given in paragraph 2.3.

2.18 Exemptions

Following exemptions have been approved by SECP to facilitate seamless and efficient execution of the transaction

A relaxation from applicability of Regulation 6(1)(b) of Listing Regulations of KSE, ISE and Regulation 6A(1) of LSE has been given by SECP vide its letter No. SMD/CO.62/4/2004 dated May 28, 2014.

A relaxation of requirement of Appendix IV of Listing Regulations of KSE, ISE and LSE under Regulation 6(5) and 6A(6) read with Clause 11 of Appendix IV of the Listing Regulations of KSE, ISE and KSE has been given by SECP vide its letter No. SMD/CO.62/4/2004 dated May 28, 2014.

A relaxation from the requirements of rule 9 (iii) & (iv) of the Companies (Issue of Capital) Rule, 1996 (the CI Rules) under Rule 10 thereof has been given by the SECP vide letter No. SMD/Co.62/02/2014 dated May 20, 2014 enabling the GoP to offer these shares without underwriting arrangement.

2.19 Statement by domestic Lead Managers and Book Runners

June 04, 2014

The General Manager,
Karachi Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

The General Manager,
Lahore Stock Exchange Limited,
Lahore Stock Exchange Building,
19, Khayaban-e-Aiwan-e-Iqbal,
Lahore.

The General Manager,
Islamabad Stock Exchange Limited,
ISE Towers,
55-B, Jinnah Avenue,
Islamabad.

Being mandated as domestic Lead Managers & Book Runners, to this Offer for Sale of Shares of United Bank Limited through the Book Building process, we confirm that all material information as required, unless exempted, under the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges has been disclosed in this Offer for Sale Document and that whatever is stated in the Offer for Sale Document and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

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Shahid Ali Habib
Chief Executive Officer
Arif Habib Limited

-sd-

Junaid Iqbal
Chief Executive Officer
Elixir Securities Pakistan (Pvt) Ltd

3 Share Capital and Related Matters

3.1 Share Capital as at 31 March 2014

No. of shares		Total (PKR '000)
	AUTHORIZED CAPITAL	
2,000,000,000	Ordinary shares of PKR 10/- each	20,000,000
	ISSUED, SUBSCRIBED, & PAID UP CAPITAL	
518,000,000	Issued for Cash: Ordinary shares of PKR 10/- each	5,180,000
706,179,687	Issued as Bonus Shares: Ordinary Shares of PKR 10/- each	7,061,798
1,224,179,687	Total	12,241,798

No. of shares		Percentage Held
	THE ISSUED, SUBSCRIBED & PAID-UP CAPITAL OF THE BANK IS HELD AS FOLLOWS:	
	Shares held by Directors of the Bank	
12,442,568	Sir Mohammed Anwar Pervez, OBE, HPk	1.02
2,348,870	Zameer Mohammed Choudrey	0.19
2,000,000	Haider ZameerChoudrey	0.16
-	Rizwan Pervez	-
-	Seerat Asghar	-
-	Dr. Shujat Ali	-
2,750	Amin Uddin	0.00
2,500	Arshad Ahmad Mir	0.00
2,537	Zaheer Sajjad	0.00
1,847,703	Atif R. Bokhari*	0.15
18,646,928	Sub-Total	1.52

*On 18 April 2014, Mr. Atif R Bokhari resigned from his position of President & CEO and continued as CEO until 31 May 2014. Mr. Wajahat Husain has been appointed the new President & CEO effective 01 June, 2014 who had 319,652 shares as at March 31, 2014

No. of shares	Pattern of Shareholding	Percentage Held
751,826,963	Bestway Group (BG)	61.41
238,567,381	State Bank of Pakistan**	19.49
3,354,550	Government of Pakistan**	0.27
1,714	Privatisation Commission of Pakistan	0.00
192,181,987	General Public and Others	15.70
442,199	NIT	0.04
18,880,342	Banks, DFIs and NBFIs	1.54
8,988,789	Insurance Companies	0.73
7,856,659	Modarabas & Mutual Funds	0.64
1	Securities & Exchange Commission of Pakistan	0.00
2,079,102	International GDRs (non-voting shares)	0.17
1,224,179,687	Total	100

**Subsequently these shares have been merged together in to State Bank of Pakistan's account and these combined shares form part of this Offer

3.2 Offerer

The Shares of the Bank constituting this Offer are owned by SBP pursuant to specific directives of the GoP

The following shareholders are divesting 19.8% of their shareholding in UBL, the details of which are given below:

No. of shares	Offerer	Percentage holding
241,921,931	GoP, through the Privatisation Division	19.8%
241,921,931	Total	19.8%

3.3 Offer for Sale through Book Building

No. of shares	Face value (PKR)	Premium (PKR)	Total (PKR)
The present Offer 160,000,000 Ordinary Shares (i.e. 13.1% of paid-up capital) having par value of PKR 10/- each, with a Upsize Option of up to an additional 81,921,931 Ordinary Shares (i.e. 6.7% of paid-up capital) having par value of PKR 10/- each at a Floor Price which shall be at a premium to the Par Value OF PKR 10/- per share			

3.4 Opening and Closing of the Book Building

The book building will open at 08:00 AM PST on June 11, 2014 and will close on the same day at 09:00 PM PST.

3.5 Refund of Subscription Money to Unsuccessful Applicants

On behalf of the Offerer, the DLMs shall take a decision within 2 day(s) of the closure of the Book Building process as to which applications have been accepted or are successful and refund the Bid Amount in cases of unaccepted or unsuccessful Bids without the interest or mark up within seven (7) days of the date of such decision.

If refund as required under the above paragraph is not made within the time specified therein, the Offerer shall be liable to repay that money with surcharge at the rate of one and a half percent (1.5%) for every month or part thereof from the expiration of the 15th day and, in addition, to a fine not exceeding five thousand rupees and in case of continuing offense to a further fine not exceeding one hundred rupees for every day after the said 15th day on which the default continues. Provided that the Offerer shall not be liable if he/she proves that the default in making the refund was not due to any misconduct or negligence on his/her part.

3.6 Credit and Transfer of Share Certificates under Book Entry System

Shares acquired through Book Building shall be transferred in scrip-less form by crediting the respective Central Depository System ("CDS") of Central Depository Company of Pakistan Limited ("CDC" or "CDCPL") accounts of the successful applicants. The Shares will be

transferred within thirty (30) days of the close of the Offer, subject to fulfillment of requisite clearances, if any.

The applicants should fill in the relevant columns of the Bidding Form for transfer of shares and should have CDS account in their name at the time of subscription.

The shares maintained with the CDS in the book entry form shall be transferred in accordance with the provisions of the Central Depositories Act, 1997 and the CDC Regulations.

3.7 Shares Issued In Preceding Years

An aggregate of **1,224,179,687** fully paid ordinary shares of the face value of PKR 10/- each have been issued during preceding years. The Paid-Up Capital of UBL had been reduced to 518,000,000 shares through order dated 09-10-2002 of High Court of Sindh, Karachi. The details of share issues post the order are as follows:

No of shares	Par value (PKR)	Amount (PKR)	Premium (PKR)	Consideration	Date of issue
129,500,000	10	1,295,000,000	-	Bonus Issue	2005
161,875,000	10	1,618,750,000	-	Bonus Issue	2006
202,343,750	10	2,023,437,500	-	Bonus Issue	2007
101,171,875	10	1,011,718,750	-	Bonus Issue	2008
111,289,062	10	1,112,890,620	-	Bonus Issue	2009

3.8 Principal Purpose for the Offer for Sale of Shares

The primary purpose of the Offer includes:

- Mobilize savings of individuals, households and institutions of Pakistan and allow them to take ownership in the successful businesses of the economy
- Improving standing of domestic capital markets by attracting maximum Foreign Portfolio and Institutional Investment ("FPI"), increased investment from overseas Pakistanis and other foreign investors
- Strengthen the domestic capital markets
- Maximize sale proceeds for GoP

3.9 Interest of Shareholders

None of the holders of the issued shares of the Bank have any special or other interest in the property or profits of the Bank other than as holders of the ordinary shares in the capital of the Bank.

3.10 Dividends

The rights in respect of capital and dividends attached to each share are and will be the same. The Bank in its general meeting may declare dividends but no dividends shall exceed the amount recommended by the Directors.. Dividend, if declared in the general meeting, shall be paid according to the terms of the provisions of the Ordinance.

The Directors may from time to time pay to the shareholders such interim dividends as appear to the Directors to be justified by the profits of the Bank. No dividends shall be paid otherwise than out of the profits of the Bank for the year or any other undistributed profits.

No unpaid dividends shall bear interest or mark-up against the Bank. The dividends shall be paid within the period laid down in the Ordinance.

3.11 Eligibility for Dividend

The Bank in this matter will follow the provisions of Section 92 (2) of the Companies Ordinance, 1984 and the dis-invested Shares shall rank pari-passu with all other existing shares in all matters, including the right to such bonus or right issue and dividends as may be declared by the Bank subsequent to the date of this OFSD.

3.12 Deduction of Zakat

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980. (XVIII of 1980) as may be applicable from time to time.

3.13 CDC Transfer Charges

CDC transfer at 0.004% will be levied on total amount of the Bid which is equivalent to the product of the Strike Price and the number of shares Bid for.

3.14 Capital Gains Tax

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of the Income Tax Ordinance, 2001.

S. No.	Tax Year	Tax Rate		
		Holding period of securities		
		less than six months	more than six months and less than twelve months	Twelve months & more than twelve months
1	2011	10.0%	7.5%	0.0%
2	2012	10.0%	8.0%	0.0%
3	2013	10.0%	8.0%	0.0%
4	2014	10.0%	8.0%	0.0%
5	2015	17.5%	9.5%	0.0%
6	2016	-	10.0%	0.0%

3.15 Withholding Tax on Dividends

Dividend distribution to the shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 at the rate of 10.0% as specified in part I, Division III of First Schedule to the said Ordinance as amended from time to time. In terms of the provision of Section 8 of the said Ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits.

3.16 Income Tax

The income of the Bank is subject to Income Tax under the Income Tax Ordinance 2001.

3.17 Deferred Taxation

Deferred tax is recognized using the liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the period when the difference are expected to reverse, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

The Bank also recognizes deferred tax asset/liability on surplus/deficit on revaluation of fixed assets and securities which is adjusted against the related surplus/deficit in accordance with the requirements of International Accounting Standards (IAS 12) dealing with Income Taxes.

3.18 Sales Tax on Sale/Purchase of Shares

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award the Government of Sindh, Government of Punjab and the Government of Khyber Pakhtunkhwa have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012 and the Khyber Pakhtunkhwa Sales Tax on Khyber Pakhtunkhwa Finance Act, 2013 respectively. The Sindh Revenue Board, the Punjab Revenue Authority and the Khyber Pakhtunkhwa Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST") and Khyber Pakhtunkhwa Sales Tax ("KST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The Second Schedule of the above mentioned Acts levy a sales tax on Brokerage at the rate of 16%.

Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

3.19 Capital Value Tax ("CVT") On Purchase of Shares

Pursuant to amendments made in the (Finance Act 1989) through Finance (Amendments) Ordinance, 2012 promulgated on April 24, 2012, 0.01% Capital Value Tax will be applicable on the purchase value of shares.

3.20 Tax Credit for Investment in Shares Acquired Through Privatisation

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a company, shall be entitled to a tax credit for a tax year in respect of the cost of acquiring in the year new shares offered to the public by a public company listed on a stock exchange in Pakistan,

provided the resident person is the original allottee of the shares or the shares are acquired from the Privatisation Commission of Pakistan.

Where a person makes a disposal of the share within 24 months of the date of acquisition, the amount of tax credit allowed to him under section 62 will be added to his taxable income in the year of disposal.

3.21 Justification for the Premium

The Offerer has, inter alia, decided to offer 160,000,000 Ordinary Shares (13.1% of paid-up capital) having par value of PKR 10/- each, with an Upsize Option of up to an additional 81,921,931 Ordinary Shares (6.7% of paid-up capital) at a premium to their par value of PKR 10/- each, which premium shall be determined by the Offerer.

The premium on Shares of UBL is adequately justified, based on the following considerations:

- One of the top 3 Pakistani bank by market cap, loans and deposits with over 50 years of history of successful operations in Pakistan
- 3rd largest branch network with a total of 1,281 branches across Pakistan, including 22 Islamic Banking Branches
- Largest Pakistan based Bank in the Middle East with branches in UAE, Qatar, Yemen, Bahrain and USA. The Bank's international outreach is extended through fully licensed banks in UK, Switzerland and Tanzania. A total of 18 branches of the Bank are operating outside Pakistan.
- Pioneers of Branchless Banking in Pakistan with more than 14,500 agents in 800 cities and towns across Pakistan
- Investment in subsidiaries and affiliates, including Asset Management and Insurance services. It also has a majority stake in Khushhali Bank, a leading microfinance bank in Pakistan
- One of the most profitable banks in Pakistan with an ROE of 21% in 2013. Pre-tax profit has increased at a CAGR of 16% between 2008 and 2013
- A long term rating of AA+ and short term rating of A-1+ by JCRVIS
- Senior management team (average of >15 years of experience) has extensive industry and leadership experience in the banking and financial sector domestically and with international banks and corporations
- Pioneer in many services in Pakistan. Focused on innovation has resulted in a number of "firsts" 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)

- Winner of numerous awards and recognitions – a testament to UBL's focus on excellence. A few of its awards include:
 - 2012 & 2013 Bank of the Year in Pakistan Award, awarded by The Banker Magazine, an affiliate of the Financial Times, UK
 - Recognized globally in 2013 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 implementations surveyed
 - 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)"
 - "Pakistani Deal of the Year", 2012, award from Acquisition International Magazine for the acquisition of majority stake in Khushhali Bank Limited
 - ASIAMONEY Best Domestic Bank Award for 2011 and 2012
 - Top 25 Companies award by the Karachi Stock Exchange for 2012
 - Awarded by CFA Pakistan Society for the "Best Investor Relations" function in 2013

4 Underwriting, Commissions, Brokerage and Other Expenses

4.1 Underwriting

Underwriting is required for public offerings where a premium is being charged under the provisions of rule 9(iii) of the Companies (Issue of Capital) Rules, 1996. This Offer for Sale has not been underwritten. A relaxation from the requirements of the said rule has been obtained by the Offerer from the SECP vide letter no. SMD/Co.62/02/2014 dated May 20, 2014.

4.2 Buy back/repurchase agreement

The JLMs have not entered into any buy back/re-purchase agreement with the Offerer or any other person in respect of this offer.

4.3 Commission to the Bankers to the Offer

Commission at the rate of 0.125% of the amount collected on allocation in respect of successful applicants will be paid by the Offerer to the Bankers to this Offer for services to be rendered by them in connection with this Offer, plus out-of-pocket expenses, if any, capped at PKR 25,000

4.4 Brokerage

For this Issue, brokerage shall be paid to the TREC Holders of KSE, LSE and ISE at the rate of 0.6% on the value of Shares actually sold through them.

4.5 Expenses to the Offer

The breakup of expenses to this offer is given in the table below:

Expense	Rate	Amount (Rupees)
Bankers to the Offer commission**	0.125%	
Bankers to the Offer (out of pocket expenses)		25,000
Financial Advisor & Arranger fees**	0.75%	
Brokerage to the members of KSE, LSE & ISE**	0.60%	
Printing, publication etc.*		8,600,000
KSE, ISE & LSE Service Charges		110,000
SECP Application and processing fees		250,000

*The costs provided are caps as agreed with the Offerer, actual may vary.

** Actual amount will be determined based on the final size after the determination of Strike Price

5 History and Prospects

5.1 The Bank

Brief History

UBL is the second largest amongst the private sector banks operating in Pakistan in terms of total assets. The Bank was set up in 1959 and quickly became an important player on the domestic banking scene through aggressive expansion and bold initiatives. After its set-up, UBL was known for its progressive approach and its drive for constant expansion.

In 1974, the Government of Pakistan ("GoP") took over UBL under the nationalization program. Subsequent years saw a decline in performance and operating results. During the 1990s, the GoP started a drive to privatize the entities that were nationalized in 1974. Efforts were made to improve the Bank in order to make it viable for privatization.

In October 2002, UBL was privatized and 51% shareholding of UBL, along with management control, was sold to a consortium comprising of Abu Dhabi Group, UAE (ADG) and Bestway Group, UK (BG). In 2005, SBP, which holds shares on behalf of GoP, and held 48.98% of the shares, divested approximately 4.2% to the public through listing the Bank on the Stock Exchanges. In 2007, an additional 25% of the share capital was divested by the GoP to international investors through a GDR offering thus bringing the government shareholding down to 19.78%. BG subsequently acquired ADG's stake in UBL, thereby resulting in Bestway Group, which currently holds 61% of the shareholding, becoming the parent sponsors of the Bank. The Bank is listed on all the three Stock Exchanges of Pakistan namely the Karachi Stock Exchange, the Lahore Stock Exchange and the Islamabad Stock Exchange and its GDRs are listed internationally on the London Stock Exchange.

UBL has witnessed an impressive growth over the years after its privatization. Through its 1,281 branches in Pakistan (including a branch in the Export Processing Zone, Karachi), UBL has a full range of banking operations, covering Corporate Banking, Investment Banking, Treasury and Capital Markets, Commercial Banking, Consumer Banking, Islamic Banking, and Branchless Banking. The Bank also has direct presence in United Arab Emirates, Bahrain, Qatar, Yemen and USA through its network of 18 branches. In addition the Bank has fully licensed banking subsidiaries in the United Kingdom, Switzerland and Tanzania, and an asset management subsidiary, UBL Fund Managers. Through significant stakes in associated companies, UBL also has presence in insurance and microfinance in Pakistan and an exchange company in Oman.

Objective of the Bank

The Bank's objective is to be a world class bank dedicated to excellence, and to surpass the highest expectations of its customers and all other stakeholders.

5.2 The Sponsors

The Bestway Group

The main sponsor of the Bank is the Bestway Group which owns 61.41% of the Bank's shares. The, Bestway Group has interests across a diverse range of industries including Wholesale

Retail (Wholesale Cash & Carry), Cement (Bestway Cement), Global Banking (United Bank Limited) and Properties (Palmbest).

5.3 Product, Services, Demand Outlook & Future Prospects

UBL is one of Pakistan's leading commercial banks offering an extensive array of financial and banking services for all segments. The Bank has 1,281 branches across Pakistan and 18 branches in 5 countries, serving individual customers and businesses with a wide range of banking products and services. UBL's overall domestic market position is one of strength, driven specifically by leadership in the core business segments in which the Bank operates. These are described in detail in the following sections.

UBL's future prospects remain positive as the Bank will build on the strategy that has resulted in a strong performance over the last few years. The Bank will continue to invest prudently in people, innovation and technology and on constantly developing new business models. UBL's domestic network is now up to capacity and focus will be on optimizing this expanded branch network, while continuing to invest in areas that offer attractive potential for physical presence. The acquisition of stable low cost deposits, which has already seen good momentum over the last several months, remains the main priority for the distribution network.

The international business remains a key component of UBL's strategy. The direction here is to maximize penetration within existing markets and leverage synergies with overseas subsidiaries to capture trade and customer flows. New opportunities and new markets will continue to be explored as appropriate, where these are justified by the level of returns available.

The Bank's key differentiating factor and a driving force behind its success has been its ability to innovate, whether it is in the development of the entire branchless banking space in Pakistan or new technologies for home remittances or products that constantly evolve to meet identified customer needs. While cost consciousness will be reinforced at all levels, investment in R&D remains a major element of UBL's strategy and will continue in order to keep developing new products and businesses.

Asset quality remains an ever-present focus area for the Bank, which will continue to pursue recoveries and assist genuinely troubled customers with restructuring efforts. As economic conditions improve and become more conducive, the Bank is well positioned to revitalize its lending activity, for which it has both the risk appetite and the resources.

Retail Banking Group

UBL retail banking is a one stop shop for all financial products catering to individuals from all backgrounds and is at the forefront of the banking and financial services sector in Pakistan. The market position of the Bank is built on a highly diversified deposit base based on market penetration across Pakistan. The systemic importance of UBL to the domestic financial sector is evidenced by a market share of 8.6% of domestic deposits as at March 31, 2014. UBL's targeted focus has been towards core deposits rather than price-sensitive large ticket deposits. The core deposit growth and the ability of the Bank to reprice its deposit base with retention is essentially a function of the market coverage across all flows and a loyal customer base. The branch expansions undertaken in 2011 and 2012 have now begun to deliver strong results with a near doubling of current and core deposits within the new branches. In 2013,

the Bank embarked on a renewed service quality initiative headed by a senior resource as it strongly believes that this remains a key differentiator for customers. This is expected to accelerate momentum and deliver visible change in 2014 with plans for countrywide training and championing by senior management.

The deposit product portfolio offers a mix for all types of financial requirements, covering the requirements for individuals interested in savings, businessmen and traders with a requirement of a business account for daily transactions, and the exclusive needs of high net worth customers.

UBL's Priority Banking service is uniquely designed to meet the highest expectations of its high potential, high net-worth clients. Launched as an independent brand, Signature offers focused and personalized Wealth Management services for selected, high net-worth individuals in a completely secure and congenial atmosphere. Being preferred customers, clients are given exclusive benefits, free services and a range of value added facilities.

UBL offers a wide range of channels to address the needs of a diverse customer base but with a strategic focus to attract younger customers who can stay with the Bank. The channel strategy evolves to remain relevant to ever changing customer needs, in line with the Bank's "innovation" agenda, which aims to remain on the cutting edge of designing services and products, and rapidly create and roll out new business models.

Apart from the branch network, alternate touch points available to customers include 725 ATMs, Debit and Credit Cards, IVR banking, a 24X7 Call Center, Agent banking through 14,000+ retail outlets, Mobile Banking, Internet Banking and Social Media. UBL's Internet and Mobile banking channels provide unparalleled services, convenience and transaction security. Services include inter-bank transfers, bill, card and loan payments, statements, alerts and online subscription and investment services.

UBL's 350 seat Contact Centre is one of the largest banking call centers in Pakistan and serves as the most direct contact point for customer queries and complaints. UBL has also enhanced its digital presence with the launch of Pakistan's first internet acquiring platform with 3D security, enabling customers to conduct transactions at their convenience. The Bank's environment friendly "Go-Green" initiative has proved popular as over 74,000 customers have subscribed to paperless e-statements. Usage of the best-in-class NetBanking platform has grown by 40% with new bill payment and vendor alliances for online payments and the launch of an Android mobile application for electronic banking. UBL retains the distinction of being the first and only bank to offer electronic IPO subscriptions. The Facebook page has attracted over 25,000 fans and is an excellent interaction mechanism for fulfilling individual customer needs.

UBL offers a complete range of Consumer Assets including Credit Cards, Mortgages, Autos and Personal Loans. The offering is primarily directed at existing branch customers with whom the Bank has a relationship. Through its unique annual "Silah Mila" campaign, UBL also acknowledges and rewards customers who have a good credit history, both with the Bank as well with other banking institutions. The consumer offering is supported by a strong retail risk management team and the use of application and behavior score models.

With over 20% of Pakistan's GDP accounted for by agriculture, UBL offers a diverse mix of agricultural finance products. These cover production related financing for major and minor

crops across the country, developmental requirements for land, purchase of equipment or machinery or livestock financing. With simple eligibility criteria and easy collateral requirements, the bank's agricultural financing products are available across Pakistan. Under the Small Business Scheme, UBL also provides loans on convenient terms to those who wish to set up their own small-scale business.

The geostrategic position unique to UBL is presence in countries with significant overseas Pakistanis, creating a captive channel for Home Remittances. UBL has achieved market leadership in the domestic home remittances business with a 23% market share, driven by its TezRaftar service and the distribution of "Pardes" cards, a unique product allowing international remittances to flow directly to beneficiaries through their debit cards. UBL is now auto-processing its home remittance transactions on a 24x7 basis and the UBL Online Remittance Portal makes it convenient for remitting partners to execute and monitor their transactions. The depth and consistent performance of the Bank's home remittance business is driven by greater focus on target markets that originate higher remittance volumes, through increased overseas sales representation, brand building and joint marketing initiatives with overseas partners.

Corporate Banking Group (CBG)

CBG is a long term business partner for large corporates, both local and multinationals, within Pakistan. The full product and service offering, suited to the specific requirements of clients within varied industries, is supported by a very experienced team of relationship managers.

CBG remains a preferred business partner and provider of structured financial solutions to the top tier corporate clientele in Pakistan. Amongst the local banks, UBL is the pioneer in providing innovative solutions to its diversified and satisfied customer base. The Corporate Banking team assesses the needs of the prospective clients and adequately packages transactions to meet these needs.

The business' forte is providing exemplary customer service using the "Single Window" concept and product superiority. The Relationship Management team, manned by highly qualified individuals from the industry has steadily expanded the customer base and continues to deepen relationships. Cross-sell of other UBL products from within the Investment Banking, Treasury, Trade Finance and Cash Management product space is part of the customer driven strategic focus.

UBL's risk appetite is supported by a strong capital base and diversification across sectors. This has helped the Bank to maintain performance in this sector and capture significant market share, in many cases customers that were previously the exclusive domain of foreign banks. This has been achieved through aggressive marketing combined with professionalism and a superior product suite.

Loan book build up in recent years has been very selective, in top tier names, amidst significant competition and lower margins. However, the primary focus has remained on managing the existing loan book and continuing to support the industry and customers in managing through difficult times in the local market. With a focused approach towards business development, UBL has been able to achieve attractive fee and commission revenues, primarily due to its innovative complementary products and superior client servicing capabilities. The mid-tier customer segment is serviced through commercial centers targeting

wider outreach. The objective is to provide clients with specific business solutions and easy access through a team of fully dedicated relationship managers localized to adapt to the needs of smaller businesses.

UBL has been the market leader in the Cash Management business for several years. The Cash Management business has evolved to the level of addressing the corporate customers' entire supply chain needs, from vendor payments to collection solutions. These initiatives not only result in incremental revenues for the Bank, but also give the business a competitive edge.

The Cash Management business has now evolved into a complete Transaction Banking model, aimed at serving the end to end financial needs of targeted clientele. This has created synergies with customers who seek a comprehensive financial architecture including procurement of inventory, managing work in progress and handling finished goods and receivables. The supply chain and distribution network of customers offers further opportunities for business generation. Transaction Banking now encompasses cash management for Corporate and Commercial Assets, Structured Trade, Liquidity Management and Custodial Services. This business realignment has already starting delivering incremental throughput and profitability.

In the product development area, UBL continues to stay ahead of the market with the launch of Smart Pay, a mobile-based application to facilitate collections, utility bills payments, funds transfer and other payments. Similarly, UBL has become the first bank to offer "Cash over The Counter Facility" for corporate clientele needing cash based disbursement solutions. To capture payment and disbursement business from corporate and institutional clients, specific products like the Corporate Bankers' Cheque and Corporate Customers Cheque have been launched and product development towards more innovative payment mechanisms remains a key focus as the Bank aims to revolutionize the payments process through technology solutions.

Investment Banking

UBL's Investment Banking Group (IBG) possesses diversified industry experience, exposure to a spectrum of landmark transactions and knowledge of a broad range of products resulting in superior deal execution to provide quality investment banking services to its clientele.

IBG provides debt arrangement, project finance and corporate finance to both public and private sector entities including advising clients on optimal debt structure, security package, etc, for raising financing for new and existing projects. This includes end to end structuring and execution of large ticket size and complex transactions. IBG also provides a complete one stop solution to clients by managing the loan agency relationship for them.

IBG is structured into the following units

- Debt Capital Markets & Syndications ("DCMS")
- Project & Structured Finance ("P&SF")
- Equity and Advisory ("E&A")

Products offered by DCMS and P&SF units are both Islamic and conventional debt arrangements which are offered domestically and internationally. The DCMS desk's expertise in dealing with tradable and syndication products covers plain vanilla facilities, bonds, term

finance certificates, commercial papers, sukuk, short and long term facilities, securitizations, murabahas and diminishing musharakah structures. The P&SF unit's expertise also lies in advisory transactions in sectors like power, infrastructure, and public private partnership based transactions.

The Equity and Advisory services include buy side and sell side advisory, Mergers and Acquisitions transactions, and all capital market transactions including IPOs, SPOs, offer for sale transactions and right issue underwriting transactions. UBL also provides pure advisory transactions such as corporate/group valuation, balance sheet restructuring, etc. E&A has the expertise to advise on the whole range of equity and mezzanine structures for both privately placed as well as public instruments.

Treasury & Capital Markets (TCM)

The Bank is a major player in the Pakistan financial markets, given the relative size of the balance sheet and its market position. The investment portfolio remains well diversified comprising a significant holding of sovereign paper under fixed income securities, investment in Term Finance Certificates issued by corporates, holdings in mutual funds, and listed equities. The Bank also participates actively in the FX market with sizable business volumes generated across the wide branch network. In addition UBL is one of the few banks in Pakistan that are active players in the derivatives markets providing a variety of customers with currency and interest rate hedges over the years.

Treasury activities are managed by a team of experienced managers and traders who devise strategies and actions plans for business solicitations and book running capabilities within approved internal and regulatory frameworks. Running a dynamic strategy, timely information and proactive decision making gives UBL an edge over other counterparts. Synergies are created amongst teams which are involved in market making in the financial markets.

UBL Treasury comprises of six major units dealing with corporate customers and interbank counterparts.

- **Liquidity Desk**

This unit's primary concern is to manage the Bank's balance sheet. In doing so it manages gaps, mitigates interest rate risk and is also responsible for meeting regulatory requirements such as the CRR and SLR.

- **FX Desk**

The FX unit provides hedging solutions to corporate customers in USD/PKR as well as G-7 currencies at the most competitive pricing and also serves as a medium for overseas customers to handle remittance business for the bank.

- **Money Market Desk**

UBL, as a Primary Dealer, is amongst the top market makers in government debt instruments including sukuk.

- **Equity Desk**

Leverages the strength of UBL's balance sheet to earn greater after-tax returns by investing in stable dividend yielding equities.

- **Sales Desk**

- a. **Foreign Exchange Sales**

- The Corporate and Institutional Solutions Desk serves the foreign exchange needs of corporate, institutional & retail clients. It offers a comprehensive foreign exchange service and competitive exchange rates to remain ahead of the competition.

- b. **Fixed Income Sales**

- The Fixed Income sales team provides client specific investment solutions in risk free government instruments to corporations, welfare trusts, individuals, etc

- **Derivatives Desk**

- UBL is amongst the pioneers in developing the derivatives market in the country and the first local bank to be granted the status of an Authorized Derivative Dealer. The desk provides customized structured solutions designed to meet customer needs. This desk also deals in providing hedging transactions to other Financial Institutions.

UBL International

The International business operates with a branch network of 18 overseas branches in 5 countries. 17 of the branches are in the GCC region and offer full-fledged branch banking services besides offering a full array of wholesale banking services to their customers within the target market. These include corporate banking services, treasury and investment banking solutions and services tailored to financial institutions.

Operating on the wholesale banking model, the main focus of International has remained towards serving corporate customers and financial institutions by offering products including trade / contractor financing, extending guarantees, discounting and forfeiting services. These are complemented by standard treasury products and investment banking offerings.

In order to follow the strategy of growing organically, the respective territories offer a full range of liability products to their corporate and retail customers. The business plays a key role in facilitating UBL's market leadership in home remittances through its overseas branch network, and also offers mortgage financing in the UAE and credit cards.

With a positive economic outlook for the GCC economies, the future prospects of the international business are positive. The business operates with a clear strategy of building and retaining strong customer relationships and increasing synergies with UBL subsidiary companies.

Key risks faced by the bank in international banking include credit and liquidity risks. International Group closely monitors these risks with a comprehensive structure of review committees and strong risk management policy framework. Proper client identification, robust risk assessment and a strong monitoring system works as a key deterrent against possible delinquencies. Proactive review of liquidity positions across the network and adherence to the internal guidance on liquidity is monitored through monthly ALCO meetings. Special emphasis is given on liquidity forecasts, sources and uses of funds and ensuring that the business continues to operate with a sound liquidity buffer.

Branchless Banking (“UBL Omni”)

UBL is the first commercial bank in Pakistan to offer branchless banking services via its proprietary technology, UBL “Omni”, and the only bank with a full service menu of products. UBL Omni provides basic financial services such as money transfer, savings and payments via retail shops i.e. Omni Dukaans using web and mobile technologies supported by a centralized call center unit. UBL Omni account holders also have the ability to transact via a mobile application, SMS and ATM/Debit cards. UBL Omni currently operates in over 800 cities and towns with over 15,000 distinct outlets. With an estimated population of 185 million in Pakistan with over 80% unbanked, it is expected that UBL Omni service uptake will continue to grow rapidly as branchless banking service awareness and usage increases. With an established reputation for innovation, UBL Omni is poised to continue its success on the basis of its key competitive advantages, which are a proprietary technology platform, telco-agnostic solution, a direct distribution model and a constant evolution of new applications and business models.

Omni has maintained its market dominance in the G2P disbursements arena by working closely with the government on programmes such as the Benazir Income Support Program (BISP) and with multilateral agencies including the World Health Organization (WHO) and the World Food Programme (WFP). UBL also partnered with the Prime Minister’s Relief Package and has disbursed funds to more than 51,000 families of Thar through the BISP. UBL Omni’s work on financial inclusion of the country’s unbanked population, has received international recognition and financial support from the Bill & Melinda Gates Foundation.

UBL Omni offers products & services that cater to three distinct customer segments:

- a) **Retail Consumers:** This includes both Account Holders and over-the-counter non-Account Holders. Services include account based savings, instant ATM/Debit card issuance, money transfer, utility/mobile bill payments, and merchant payments and cash in/cash out services.
- b) **Cash Management Business:** Branchless banking solutions for organizations and their employees/customers, examples include microfinance payments and collections, school fee and insurance collections, employee salary and wage disbursements, etc.
- c) **G2P (Government to Person) Initiatives:** UBL Omni dominates the market in branchless banking solutions for government and multilateral organizations’ cash transfer initiatives.

In 2013, the Omni proprietary technology platform successfully achieved the internationally recognized PA-DSS “Payment Application Data Security Standards” certification after having undergone a rigorous validation of security safeguards and controls against global security standards created by the Payment Card Industry Security Standards Council (PCI SSC).

Omni’s cutting edge technology, agility of response and contributions to financial inclusion have been recognized internationally.

- Recognized globally in 2013 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 implementations surveyed.

- 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)**”. At the time, the only organization from Pakistan to win an award from GSMA in their 17 year history.
- UBL Omni was also nominated for the GSMA 2013 award for “Best use of mobile for Women”.
- The Bill & Melinda Gates Foundation grant awarded to the Bank earlier is international recognition of its long term role as an institution committed to and capable of redefining the banking landscape

Islamic Banking

UBL Ameen provides innovative and customized products and services through its 22 branches across Pakistan.

Being part of one of the largest commercial banks in the country, it is our endeavor to become a significant player in Islamic banking and contribute to the growth and development of the Islamic financial industry in Pakistan.

5.4 Risk Factors

Risk Management

The risk management structure of the Bank entails a consolidated and holistic approach. The risk management process is overseen by the Board Risk Management Committee (BRMC). The Risk & Credit Policy Group is responsible for the implementation of risk policies as approved by the Board / BRMC. This group has the following divisions, headed by senior executives, reporting to the Group Head – Risk and Credit Policy:

- Credit Policy & Research
- Credit Risk Management
- Market, and FI Risk Management
- Operational Risk & Basel II
- International Risk

The Bank is exposed to the following risks in general:

Credit Risk

Credit risk is the risk that a customer or counterparty may not settle an obligation for full value, either when due or at any time thereafter. This risk arises from a potential client/counterparty's inability to meet its obligation, resulting in an economic loss to the Bank.

The credit risk management process is driven by the Bank's Credit Policy, which provides guiding policies and procedures in relation to credit initiation, approval, documentation and disbursement, credit maintenance and remedial management. Individual credit authorities are delegated to credit officers by the Board according to their seasoning/maturity. Approvals for Corporate and Consumer loans are centralized, while approval authorities for Commercial and SME exposures are delegated to a Regional level. All credit policy functions are centrally organized.

Continuous effort for the updation of Risk Acceptance Criteria to lend to low-risk customers serves as a key support tool in the credit disbursement process. The Credit Policy and Credit Manuals for the bank are regularly updated and modified based on the changing risk and regulatory environment. An Obligor Risk Rating model and a Facility Risk Rating model have been developed to reflect more objective ratings.

Risks in the Consumer loan portfolio are managed by enhancing process controls, changing policy parameters to target better quality segments, and improving product design. The continued usage of existing customer scoring models (both application and behavior) and strengthening documentation has improved the overall consumer risk management process.

Concentrations of credit risk exist if clients are engaged in similar activities, or are located in the same geographical region, or have comparable economic characteristics such that their ability to meet contractual obligations would be similarly affected by changes in economic, political or other conditions. The Bank manages limits and controls concentrations of credit risk to individual counterparties and groups, and to industries, where appropriate. Limits are also applied to portfolios or sectors where the Bank considers it appropriate to restrict credit risk concentrations, or to areas of higher risk, or to control the rate of portfolio growth. Domestic and International industry concentration limits are periodically reviewed and amended where necessary to direct business units towards a planned acquisition of assets.

Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, exchange rates and equity prices as well as from changes in the correlations between them. Each of these components of market risk consists of a general market risk and a specific market risk that is driven by the nature and composition of the portfolio.

Measuring and controlling market risk is usually carried out at a portfolio level. However, certain controls are applied, where necessary, to individual risk types, to particular books and to specific exposures. Controls are also applied to prevent any undue risk concentrations in trading books, taking into account variations in price, volatility, market depth and liquidity. These controls include limits on exposure to individual market risk variables as well as limits on concentrations of tenors and issuers.

Trading activities are centered in the Treasury and Capital Markets Group which facilitates clients and also runs proprietary positions. The Bank is active in the cash and derivative markets for equity, interest rate and foreign exchange.

The Market and Treasury Risk division performs market risk management activities. Within this division, the Market Risk Management unit is responsible for the development and review of market risk policies and processes, and is involved in research, financial modeling and testing / implementation of risk management systems, while Treasury Middle Office is responsible for implementation and monitoring of market risk and other policies, escalation of deviations to senior management, and MIS reporting.

The functions of the Market Risk Management unit are as follows:

- a) To keep the market risk exposure within the Bank's risk appetite as assigned by the Board of Directors ("BoD") and the Board Risk Management Committee ("BRMC").
- b) To develop, review and upgrade procedures for the effective implementation of market risk management policies approved by the BoD and BRMC.
- c) To review new product proposals and propose / recommend / approve procedures for the management of their market risk. Various limits are assigned to different businesses on a product/portfolio basis. The products are approved through product programs, where risks are identified and limits and parameters are set. Any transactions / products falling outside these product programs are approved through separate transaction / product memos.
- d) To maintain a comprehensive database for performing risk analysis, stress testing and scenario analysis. Stress testing activities are performed on a quarterly basis on both the Banking and Trading books.
- e) Proactively manage FI exposures and provide monthly updates to senior management about aggregate exposures by country. The unit also conducts semiannual reviews of assigned country risk limits and takes appropriate measures to realign them with business strategies and the Bank's risk appetite.

Foreign Exchange Risk

It is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. Exposures are monitored by currency to ensure that they remain within the established limits for each currency. Exposures are also monitored on an overall basis to ensure compliance with the Bank's SBP approved Foreign Exchange Exposure Limit.

The Bank is an active participant in the cash and derivatives markets for currencies and carries currency risk from these trading activities, conducted primarily by the Treasury and Capital Markets Group ("TCM"). These trading exposures are monitored through prescribed stress tests and sensitivity analyses.

The Bank's reporting currency is the Pakistan Rupee, but its assets, liabilities, income and expenses are denominated in multiple currencies. From time to time, TCM proactively hedges foreign currency exposures resulting from its market making activities, subject to pre-defined limits.

Equity position risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate due to changes in the prices of individual stocks or the levels of equity indices. The Bank's equity book comprises of held for trading ("HFT") and available for sale ("AFS") portfolios. The objective of the HFT portfolio is to make short-term capital gains, whilst the AFS portfolio is maintained with a medium term view of earning both capital gains and dividend income. Product program manuals have been developed to provide guidelines on the objectives and policies, risks and mitigants, limits and controls for the equity portfolios of the Bank.

Yield / interest rate risk

It is the risk that the fair value of a financial instrument will fluctuate as a result of changes in interest rates, including changes in the shape of yield curves. Interest rate risk is inherent in many of the Bank's businesses and arises from mismatches between the contractual maturities or the re-pricing of on and off balance sheet assets and liabilities. The interest rate

sensitivity profile is prepared on a quarterly basis based on the re-pricing or contractual maturities of assets and liabilities.

Interest rate risk is monitored and managed by performing periodic gap analysis, sensitivity analysis and stress testing and taking appropriate actions where required.

Liquidity risk

Liquidity risk is the risk that the Bank may be unable to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses.

The Assets and Liability Management Committee (“ALCO”) of the Bank is responsible for the oversight of liquidity management and meets on a monthly basis or more frequently, if required.

The Bank’s approach to liquidity management is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking sustained damage to business franchises. A centralized approach is adopted, based on an integrated framework incorporating an assessment of all material known and expected cash flows and the availability of collateral which could be used to secure additional funding if required. The framework entails careful monitoring and control of the daily liquidity position, and regular liquidity stress testing under a variety of scenarios. These encompass both normal and stressed market conditions, including general market crises and the possibility that access to markets could be impacted by a stress event affecting some part of the Bank’s business.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Operational Risk & Basel II Division is primarily responsible for the oversight of operational risk management across the Bank. The operational risk management framework of the Bank is governed by the Operational Risk Management Policy and Procedures, while the implementation is supported by an operational risk management system and designated operational risk coordinators within different units across the bank. The framework is in line with international best practices, flexible enough to implement in stages and permits the overall approach to evolve in response to organizational learning and future requirements.

Loss data, collected through a well-defined program, is evaluated and processes are reviewed for improvements in mitigation techniques. Periodic workshops are conducted for Risk & Control Self-Assessment and key risk exposures are identified and assessed against existing controls to evaluate improvement opportunities. Key Risk Indicators are also defined for monitoring of risk exposures.

Business Continuity Plans have been implemented across the bank, clearly defining the roles and responsibilities of respective stakeholders, and covering recovery strategy, IT and structural backups, scenario and impact analyses and testing directives. The outsourcing policy has also been augmented to address risks associated with such arrangements.

Other than the general risks mentioned above, the following business risks should also be taken into consideration

Business Risks

The major risks that are relevant to the business of the Bank include:

Risk of lower margins

The risk that the Bank's margins may reduce in future due to changes in economic and market conditions and/or change in regulatory regime.

This risk is mitigated on the cost side, by continued focus on acquisition of low cost deposits and building up a stable deposit base. This helps to contain cost and also increase the overall size of the Balance Sheet. Also, the recent linking of the savings rate to the repo rate has limited the downside in the case of falling interest rates. On the asset side, the Bank mitigates the risk of lower margins through prudent management of the Balance Sheet and building an appropriate mix of short and long term Government securities. As economic conditions improve, UBL has sufficient capital and risk appetite to increase its lending to the private sector which will also result in an improvement in margins as assets shift from lower yielding T-Bills into advances. In addition to the above specific actions to contain margin compression, the Bank also continues to focus on existing and new fee based income sources to mitigate the risk of lower margins.

Risk of reduced credit demand

The economic growth in the previous few years has been adversely affected due to the ongoing power crisis, law and order conditions and a general downturn in the economy with high budget deficits and falling reserves. This has reduced investor confidence and resulted in reduced credit demand. While economic indicators and investor confidence are currently on the upswing, this could reverse due to failure to resolve the above issues.

The current momentum of developments taking place and the business friendly stance of the government indicate that improvements in the macroeconomic landscape should be sustainable. Energy has been the Government's top priority and new projects are being launched along with plans to privatize existing power generation and distribution companies. International confidence has been renewed with an oversubscription of the Eurobond, receipt of aid from multilateral agencies, and a strengthening of reserves, all leading to an unprecedented appreciation in the currency. All these measures should result in further investment, both domestic and international and stimulate the demand for credit.

Risk of lower government borrowing requirements

Due to slow economic growth in the past few years along with no major attempt at increasing the tax net, the government has run sizeable budget deficits which are heavily funded by the banking system. In the absence of private credit demand in recent years, higher government borrowing has helped the banking industry in deploying its excess liquidity. An improving macroeconomic outlook with higher revenue collection and a curtailed fiscal deficit under the IMF regime could gradually reduce government's credit demand from the banking system. If this is not offset by faster private sector credit growth, deployment of surplus liquidity could become a major business risk on banks' balance sheets.

Improving investors' confidence in the economy coupled with the government's focus on resolving key structural issues, private credit demand is expected to grow going forward, which should mitigate the risk arising from lower government borrowing requirements. Also, the very issues that would lead to lower Government borrowing should themselves create a climate that is conducive to private sector credit growth.

Competition

The major competitors for UBL continue to be its peers, viz MCB Bank Ltd, Habib Bank Ltd and Allied Bank Limited. Now, comparatively smaller but growing medium sized banks are also competing in the same space. Additionally, National Savings Schemes have always been a major competitor for banks' deposits. The government's focus on bringing in more schemes in the near term and rejuvenating IPS systems for individuals' participation in government papers could serve as a risk for deposit growth in the medium term.

UBL's existing infrastructure and wide network of branches throughout the country and overseas give it an edge over smaller competitors. UBL also has a highly professional and experienced management team. Moreover, constant innovation in products and customer services, leadership in the branchless banking and home remittances space, and investment in people, R&D and technology will continue to help UBL to maintain its competitive advantage.

Regulatory Risk

There is a risk that unanticipated changes in regulations could have an adverse impact on the Bank. However, such regulatory changes could reasonably be expected to affect all players within the sector and would therefore not affect UBL's competitive position or business in isolation.

Capital Market Risk

Prices of shares depend on behavior of stock markets and the performance of the Bank. Hence, prices of shares may increase/ decrease based on market movement.

The increase/ decrease in prices is mainly governed by market forces, however, from a fundamental point of view, the investor sentiment is mainly driven by strong financial performance. The Bank has strong fundamentals based on its asset size (i.e. the second largest private sector Bank in Pakistan), experienced management with proven track record and ownership by a strong group.

In making the investment decision, the investor may also take into consideration the following risk factors:

- a) Any variation in the quoted price of the Shares as a consequence of this Offer or publication of OFSD or otherwise;
- b) **It is stated that all material risk factors have been disclosed and that nothing has been concealed in this respect.** However, there may be additional risk factors, which are not disclosed herein, that are not presently known to us or that we currently deem to be less significant, which may materially and adversely affect UBL's business, financial condition, results of operations and prospects.

6 Financial Information

6.1 Auditors Report

Auditors Report Under Section 53(1) Read With Clause 28(1) And 28(2) of Section 2 of Part I of the Second Schedule To The Companies Ordinance, 1984 for the Purpose of Inclusion In The OFSD of United Bank Limited



KPMG Taseer Hadi & Co.
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The Board of Directors
United Bank Limited
State Life Building No. 1
11, Chundrigar Road
Karachi

Our ref KA-AQ-1517

Contact Mazhar Saleem

20 May 2014

Dear Sirs,

Auditors report under Section 53(1) read with Clause 28, Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of offering of shares of United Bank Limited by Privatisation Commission of Pakistan

We have reviewed the audited financial statements of United Bank Limited ("the Bank") for the five years beginning 31 December 2009 to 31 December 2013 and the consolidated financial statements of the Bank and the subsidiaries ("the Group") for the five years beginning 31 December 2009 to 31 December 2013 and in accordance with Section 53(1) read with Clause 28 of Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984, a summary of the assets, liabilities and shareholders' equity and the profit and loss account of the Bank and the Group for inclusion in the prospectus for sale of shares of the Bank held by the Government

The standalone and consolidated financial statements of the Bank for the years ended 31 December 2009 to 31 December 2012 were jointly audited by BDO Ebrahim & Co., Chartered Accountants and Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants whereas the standalone and consolidated financial statements for the year ended 31 December 2013 were audited by us (KPMG Taseer Hadi & Co., Chartered Accountants) jointly with BDO Ebrahim & Co., Chartered Accountants. Unqualified audit opinion was issued in each of the above mentioned year.

As at 31 December 2013, the Bank have five subsidiaries namely UBL National Bank Limited (UBL UK), UBL (Switzerland) AG ("UBL Switzerland"), UBL Fund Managers Limited ("UBL FML"), UBL Bank (Tanzania) Limited ("UBL Tanzania") and United Executors and Trustees Company Limited ("UET").

In accordance with Section 53(1) read with Clause 28 of Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984, we report that:

KPMG Taseer Hadi & Co. is a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



KPMG Taseer Hadi & Co.

United Bank Limited

Auditors report under Section 53(1) read with Clause 28,
Section 2 of Part I of the Second Schedule to the
Companies Ordinance, 1984 for the purpose of offering of
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Commission of Pakistan
20 May 2014

UNITED BANK LIMITED AND THE GROUP

1. Summary of Assets, Liabilities and Shareholders' Equity
As at 31 December 2013

- 1.1. The summary of assets, liabilities and shareholders' equity of the Bank and the Group as at 31 December 2013 were as follows:

	United Bank Limited	
	(The Bank)	(The Group)
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	88,520,725	89,591,601
Balances with other banks	25,867,497	32,658,606
Lendings to financial institutions	28,835,115	29,858,038
Investments	423,777,250	458,846,198
Advances	390,813,462	415,283,310
Operating fixed assets	24,607,937	28,037,980
Deferred tax assets - net	-	-
Other assets	27,316,665	29,356,983
	1,009,738,651	1,083,632,716
LIABILITIES		
Bills payable	16,590,884	16,600,691
Borrowings	40,573,874	41,077,730
Deposits and other accounts	827,847,738	889,525,603
Sub-ordinated loans	665,328	665,328
Liabilities against assets subject to finance lease	-	1,325
Deferred tax liabilities - net	1,087,240	1,395,138
Other liabilities	22,059,590	23,093,754
	908,824,654	972,359,569
NET ASSETS	100,913,997	111,273,147
REPRESENTED BY:		
Share capital	12,241,798	12,241,798
Reserves	33,681,210	38,049,345
Unappropriated profit	42,634,545	45,208,302
	88,557,553	95,499,445
Non-controlling interest in equity	-	3,487,918
	88,557,553	98,987,363
Surplus on revaluation of assets - net of deferred tax	12,356,444	12,285,784
	100,913,997	111,273,147



KPMG Taseer Hadi & Co.

United Bank Limited

Auditors report under Section 33(1) read with Clause 28,
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United Bank Limited
(The Bank) (The Group)
(Rupees in '000)

1.2. Contingencies and Commitments**1.2.1. Contingent liabilities in respect of guarantees given favouring**

• Government	3,796,673	3,796,673
• Banking companies and other financial institutions	2,540,111	3,078,030
• Others	3,872,302	3,912,366
	10,209,086	10,787,069

1.2.2. Transaction-related contingent liabilities

Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring

• Government	81,454,308	81,454,308
• Banking companies and other financial institutions	5,364,806	5,364,806
• Others	32,724,186	32,724,186
	119,543,300	119,543,300

1.2.3. Trade-related contingent liabilities

Contingent liabilities in respect of letters of credit opened favouring

• Government	38,251,175	38,995,105
• Banking companies and other financial institutions	-	10,120,833
• Others	129,710,865	129,878,651
	167,962,040	178,994,589

1.2.4. Other Contingencies

Claims against the Bank not acknowledged as debts	12,464,289	12,471,155
Contingency in respect of Workers' Welfare Fund	-	305,997

1.2.5. Commitments to extend credit

The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

1.2.6. Commitments in respect of forward exchange contracts

Purchase	207,539,873	238,732,897
Sale	172,499,461	202,902,937



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		United Bank Limited	
		(The Bank)	(The Group)
		(Rupees in '000)	
1.2.7.	Commitments in respect of derivatives		
	Interest rate swaps	5,723,576	5,723,576
	Cross currency swaps	10,550,240	10,550,240
1.2.8.	Commitments in respect of capital expenditure	1,699,696	1,699,696
1.2.9.	Contingency for tax payable		

The Income Tax returns of the Bank have been filed up to the tax year 2013 (accounting year ended 2012) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance) unless amended by the Commissioner of Inland Revenue.

The income tax authorities have issued amended assessment orders for the tax years 2003 to 2013, and created additional tax demands of Rs. 9,589 million, which have been fully paid as required under the law. The Bank has filed appeals before the various appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favor of the Bank.

Under the Seventh Schedule to the Ordinance, banks are allowed to claim provisions against advances up to 5% of total advances for consumer and small and medium enterprises and up to 1% of total advances for remaining advances. Amounts above these limits are allowed to be claimed in future years. The Bank has booked a deferred tax asset of Rs. 2,365 million (2012: Rs.3,229 million) in respect of provisions in excess of the above mentioned limits.

The Bank also carries a tax asset amounting to Rs. 4,114 million (2012: Rs. 4,114 million), representing disallowance of provisions against advances and off-balance sheet obligations, for the periods prior to the applicability of the Seventh Schedule. The management, in consultation with its tax advisor, is confident that these would be allowed to the Bank at appellate levels.

The tax returns for Azad Kashmir (AK) Branches have been filed upto the tax year 2013 (financial year 2012) under the provisions of section 120(1) read with section 114 of the Ordinance and in compliance with the terms of the agreement between banks and the Azad Kashmir Council in May 2005. The returns filed are considered as deemed assessment orders under the law.



KPMG Taseer Haidi & Co.

United Bank Limited

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The tax returns for overseas branches have been filed upto the year ended 31 December 2012 under the provisions of the laws prevailing in the respective countries, and are deemed as assessed unless opened for reassessment.

For all the subsidiaries, income tax returns have been filed up to the accounting year ended 31 December 2012 under the provisions of the laws prevailing in the respective countries and are deemed as assessed unless opened for reassessment by the tax authorities. Additionally, for UBL UK and UBL (Switzerland) AG, tax clearance has been issued till the accounting years 2011 and 2012, respectively. There are no material tax contingencies in any of the subsidiaries.

2. UNITED BANK LIMITED
Unconsolidated Profit and Loss Account
For the years ended 31 December 2009 to 31 December 2013

	Year ended 31-Dec-13	Year ended 31-Dec-12	Year ended 31-Dec-11	Year ended 31-Dec-10	Year ended 31-Dec-09
	(Rupees in '000)				
Revenue					
Mark-up / Return / Interest earned	72,846,281	73,507,415	70,450,897	59,331,761	61,107,025
Mark-up / Return / Interest expensed	34,910,356	34,947,698	31,025,869	25,223,233	28,163,787
Net Mark-up / Interest Income	37,935,925	38,559,717	39,425,028	34,108,508	32,943,238
- Provision against loans and advances - net	1,055,067	3,245,268	6,194,973	6,803,355	9,623,204
- Provision against lendings to financial institutions - net	60,509	168,492	345,858	-	560,852
- Provision for diminution in value of investments - net	5,871	438,149	410,085	204,573	945,342
- Bad debts written off directly	181,724	284,991	340,416	996,722	1,485,976
	1,303,171	4,136,900	7,291,332	8,004,700	12,615,374
Net Mark-up / Interest income after Provisions	36,632,754	34,422,817	32,133,696	26,103,808	20,327,864
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	10,049,330	8,162,535	6,949,191	6,337,745	5,925,082
Dividend income	2,074,118	2,664,242	786,496	591,017	606,347
Income from dealing in foreign currencies	2,155,628	1,862,585	2,078,260	1,653,793	1,213,881
Gain on sale of securities	2,777,035	464,386	518,710	158,885	629,418
Unrealized (loss) / gain on revaluation of investments classified as held for trading	(6,390)	2,236	(43,750)	(38,565)	(3,006)
Other Income	1,064,054	5,975,234	2,429,346	1,417,557	3,047,849
Total Non Mark-up / Interest income	18,113,795	17,131,218	12,718,253	10,120,632	11,419,571
	54,746,549	51,554,035	44,851,949	36,224,440	31,747,435



KPMG Taseer Hadi & Co.

United Bank Limited

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NON MARK-UP / INTEREST EXPENSES

Administrative expenses	26,945,441	23,528,312	19,784,894	17,765,036	16,608,561
Other provisions - net	145,073	361,928	226,204	63,233	642,274
Workers' Welfare Fund	499,746	531,106	513,121	413,542	397,547
Other charges	249,377	103,962	104,939	240,391	64,552
Total Non-Mark-up / Interest expense	26,939,637	24,525,108	20,629,158	18,482,222	17,712,934
PROFIT BEFORE TAXATION	27,806,912	27,028,927	24,222,791	17,742,218	14,034,501
Taxation					
- Current	8,242,269	8,947,398	8,946,039	6,805,506	6,930,583
- Prior	54,398	497,000	679,290	411,136	76,328
- Deferred	896,290	-422,199	-902,201	-638,354	-2,165,099
	9,192,957	9,022,199	8,723,128	6,582,288	4,841,814
PROFIT AFTER TAXATION	18,613,955	18,006,728	15,499,663	11,159,930	9,192,687
Basic / diluted Earnings per share (Rupees)	15.21	14.71	12.66	9.12	7.51

- 2.1. In the financial year ended 31 December 2013, the Bank changed its accounting policy for defined benefit plan with retrospective effect as per the revisions in International Accounting Standard (IAS) 19 'Employee benefits'. The profit and loss account for prior years as reported above are as per published audited statutory accounts of the respective years. The change in accounting policy resulted in adjustment to opening retained earnings of the financial statements of 31 December 2012 and a restatement of profit and loss account for the year ended 31 December 2012. For further details, see note 4.1.1.

Further, there have been reclassifications effected in years subsequent to publishing which are not reflected in the above numbers.

3. UNITED BANK LIMITED Consolidated Profit and Loss Account For the years ended 31 December 2009 to 31 December 2013

	Year ended 31-Dec-2013	Year ended 31-Dec-2012	Year ended 31-Dec-2011	Year ended 31-Dec-2010	Year ended 31-Dec-2009
	(Rupees in '000)				
Revenue					
Mark-up / Return / Interest earned	75,709,170	71,379,861	71,376,843	60,100,410	61,745,862
Mark-up / Return / Interest expensed	36,199,807	35,736,983	31,305,056	25,433,850	28,323,272
Net Mark-up / Interest Income	39,509,363	39,642,876	40,071,787	34,666,560	33,422,590



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United Bank Limited

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	Year ended 31-Dec-2013	Year ended 31-Dec-2012	Year ended 31-Dec-2011	Year ended 31-Dec-2010	Year ended 31-Dec-2009
(Rupees in '000)					
(Reversal) / Provision against non-performing loans and advances	1,346,141	3,321,224	6,176,475	8,838,156	9,644,927
Provision against lendings to financial institutions - net	60,509	168,492	345,858	-	560,852
Provision for diminution in value of investments - net	5,871	438,189	412,115	304,028	1,187,460
Bad debts written off directly	181,724	319,102	340,416	1,007,890	1,485,976
	1,594,245	4,246,967	7,274,864	8,150,258	12,879,215
Net Mark-up / Interest income after provisions	37,915,118	55,395,409	32,796,923	28,516,302	20,542,975
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	11,443,376	9,449,629	7,578,081	7,021,661	6,736,356
Dividend income	1,611,917	539,640	296,949	133,962	214,727
Income from dealing in foreign currencies	2,211,756	1,925,838	2,156,038	1,734,851	1,275,914
Gain on sale of securities - net	3,026,130	1,259,476	478,168	188,164	699,275
Unrealized gain on revaluation of investments classified as held-for-trading	(4,416)	(541)	(32,241)	(33,214)	(2,582)
Other income	1,127,398	4,020,789	2,452,788	1,569,731	3,146,810
Total Non Mark-up / Interest income	19,416,161	17,194,831	13,129,783	10,614,955	12,070,500
	57,331,479	72,590,240	45,926,706	39,131,257	32,613,475
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	28,570,569	25,448,913	21,253,504	18,996,661	17,803,338
Other provisions / write offs	725,562	489,322	194,881	68,113	642,274
Workers welfare fund	503,175	535,756	514,621	414,833	401,073
Other charges	249,327	103,962	104,939	240,393	64,552
Total Non-Mark-up / Interest expense	29,648,633	26,577,953	22,067,945	19,719,998	18,911,237
Share of income of associates	1,282,382	2,397,639	(225,125)	277,364	689,943
PROFIT BEFORE TAXATION	28,965,178	28,410,446	23,633,636	17,688,623	14,392,181
Taxation					
- Current	8,302,311	9,061,871	8,967,802	6,850,854	6,996,257
- Prior	61,892	489,932	681,560	415,329	78,710
- Deferred	870,204	(421,141)	(902,839)	(598,485)	(2,170,738)
	9,234,407	9,130,662	8,746,523	6,667,698	4,904,229
PROFIT AFTER TAXATION	19,730,771	19,279,784	14,887,113	11,020,925	9,487,952



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	Year ended 31-Dec-2013	Year ended 31-Dec-2012	Year ended 31-Dec-2011	Year ended 31-Dec-2010	Year ended 31-Dec-2009
	(Rupees in '000)				
Profit attributable to:					
Equity shareholders of the Bank	19,285,513	19,227,848	14,854,785	11,051,630	9,521,546
Non-controlling interest	445,258	51,936	32,328	(10,705)	(31,594)
	<u>19,730,771</u>	<u>19,279,784</u>	<u>14,887,113</u>	<u>11,020,925</u>	<u>9,489,952</u>
Basic diluted Earnings per share (Rupees)	<u>15.75</u>	<u>15.71</u>	<u>12.15</u>	<u>9.01</u>	<u>7.78</u>

3.1. Refer note 2.1 for details regarding change in accounting policy by the Group.

3.2. We further report that:

- a) The details of cash and bonus issues declared by the Bank and its subsidiaries during the five years from 01 January 2009 to 31 December 2013 are as follows:

	For the year ended 31 December				
	2013	2012	2011	2010	2009
	Percentage				
Cash dividend					
United Bank Limited	100%	85%	75%	50%	25%
UBL UK	Nil	Nil	Nil	Nil	1.50%
UBL Switzerland	3.50%	2.50%	Nil	Nil	Nil
UBL FML	16%	22%	8%	8%	25%
Bonus dividend					
United Bank Limited	Nil	Nil	Nil	Nil	10%
UBL FML	Nil	21.74%	8%	25%	Nil
Preference Dividend					
UBL UK (Rupees in million)	344	16	15	52	90

4. SIGNIFICANT DISCLOSURES MADE IN THE NOTES TO THE PULISHED FINANCIAL STATEMENTS OF THE BANK / THE GROUP FOR THE RELEVANT FINANCIAL YEARS:

We give below the significant disclosures made in the notes to the published financial statements of the Bank and the Group for the financial years ended 31 December 2009 to 31 December 2013:



KPMG Taseer Hadi & Co.

United Bank Limited

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4.1. Financial statements for the year ended 31 December 2013

4.1.1. Change in accounting policy

Group

During the year the Group has adopted IAS-19 (Revised) effective from 1 January 2013. The revised standard has removed the option to defer recognition of actuarial gains and losses (i.e., the corridor approach) for defined benefit plans. As revised, actuarial gains and losses are recognized in other comprehensive income when they occur. Amounts recorded in the profit and loss account are limited to current and past service costs, gains or losses on settlements, and net interest income / expense. All other changes in net defined benefit obligations are recognized directly in other comprehensive income with no subsequent recycling through the profit and loss account.

The adoption of the revised standard has resulted in a change in the Group's accounting policy related to recognition of actuarial gains and losses. Consequently, the Group now recognizes all actuarial gains and losses directly in other comprehensive income with no subsequent recycling through the profit and loss account.

	31-Dec-13	31-Dec-12	31-Dec-11
Impact on Balance Sheet			
Increase in other assets	58,964	1,595,173	1,744,154
(Decrease) in deferred tax assets	-	-	(686,170)
Increase in deferred tax liabilities	541,407	577,939	-
(Decrease) in other liabilities	(1,487,856)	(56,081)	(216,329)
Increase in unappropriated profit	1,005,413	1,073,315	1,274,313
Impact on Profit and Loss Account			
Increase in administrative expenses	194,954	94,467	
(Decrease) in tax expense	(56,487)	(62,122)	
(Decrease) / increase in profit attributable to non-controlling interest	(15,103)	37,361	
Impact on Other Comprehensive Income			
Recognition of actuarial gain / (loss) - net of deferred tax - Equity shareholders of the Bank	46,120	(131,293)	
Non-controlling interest	15,103	(37,361)	
(Decrease) in earnings per share (Rupees / share)	(0.10)	(0.06)	



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Standalone UBL

The effect of this change in accounting policy on the current and prior period standalone financial statements have been summarized below:

	31-Dec-13	31-Dec-12	31-Dec-11
Impact on Balance Sheet			
Increase in other assets	58,964	1,595,173	1,744,154
(Decrease) in deferred tax assets	-	-	(686,673)
Increase in deferred tax liabilities	542,092	578,558	-
(Decrease) in other liabilities	(1,489,869)	(57,849)	(217,767)
Increase in unappropriated profit	1,006,741	1,074,464	1,275,248
	31-Dec-13	31-Dec-12	31-Dec-11
Impact on Profit and Loss Account			
Increase in administrative expenses	161,391	177,492	
(Decrease) in tax expense	(56,487)	(62,122)	
Impact on Other Comprehensive Income			
Recognition of actuarial gain / (loss) - net of deferred tax	28,998	(85,414)	
(Decrease) in earnings per share (Rupees / share)	(0.09)	(0.10)	

4.1.2. Advances which have been placed under non-performing status (Group)

Non-performing advances include gross advances of Rs.12,541.082 million and advances net of provision of Rs.1,697.164 million which, though restructured and performing, have been placed under non-performing status as required by the Prudential Regulations issued by the SBP, which require monitoring for at least one year before any upgradation is considered.

General provision represents provision amounting to Rs. 252.592 million against consumer finance portfolio and Rs. 32.942 million against advances to small enterprises as required by the Prudential Regulations issued by the SBP and Rs. 1,560.209 million pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the overseas branches and subsidiaries operate. General provisions also include an amount of Rs. 48.000 million which the Group carries as a matter of prudence given the current economic environment, and is based on management estimates.

The Bank has availed the benefit of Forced Sale Value (FSV) of mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs.1,354.730



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million. The FSV benefit availed is not available for the distribution of cash or stock dividend to shareholders.

4.1.3. Investments (Group)

During the year, the Bank has exercised its pledge on shares of DHA Cogen Limited. As a result, the Bank now holds 20.99% of the issued and paid up shares of DHA Cogen Limited without any consideration having been paid. Consequently, DHA Cogen Limited is considered as an associated company of the Bank from 9 October 2013.

The details of assets, liabilities, revenues and results of the company as of 31 December 2013 based on reviewed financial statements are as follows:

	Assets	Liabilities	Revenue	Loss
	(Rupees in '000)			
DHA Cogen Limited	4,668,118	14,371,096	-	(1,371,855)

4.1.4. Capital Structure (Group)

The Basel III Framework is applicable to the Bank on both at the consolidated level (comprising wholly owned subsidiaries and associates) and also on a stand alone basis. Capital Adequacy Ratio (CAR) has been calculated in accordance with the guidelines as stipulated by State Bank of Pakistan vide BPRD Circular No. 06 of 15 August 2013. The said circular has revised the Basel II Framework with Basel III Capital reforms to further strengthen the capital related rules. These instructions are effective from 31 December 2013 in a phased manner with full implementation intended by 31 December 2019.

4.2. Financial statements for the year ended 31 December 2012 (Group)

4.2.1. Advances which have been placed under non-performing status

Non-performing advances include advances having gross book value of Rs.14,554.414 million and net book value of Rs.3,124.456 million which, though restructured and performing, have been placed under non-performing status as required by the Prudential Regulations issued by the SBP, which require monitoring for at least one year before any up gradation is considered.

General provision represents provision amounting to Rs.264.970 million against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs.949.862 million pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries in which the overseas branches operate. General provisions also include an amount of Rs.48.000 million which the Bank carries as matter of prudence given the current economic environment and is based on management estimates.



KPMG-Taseer Hadi & Co.

United Bank Limited

*Auditors report under Section 53(1) read with Clause 28,
Section 2 of Part I of the Second Schedule to the
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shares of United Bank Limited by Privatization
Commission of Pakistan
20 May 2014*

The Bank has availed the benefit of Forced Sale Value (FSV) of pledged stocks and mortgaged properties held as collateral against nonperforming advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs.3,169 million. The FSV benefit recognized will not be available for the distribution of cash or stock dividend to shareholders.

The SBP, vide Letter No. BPRD/BRD-(Policy)/2012-13702 dated 20 November 2012 has permitted banks to maintain provision against Azgard Nine Limited, classified in loss category, at 50% of the exposure. Accordingly, specific provision include Rs.67,501 million against Azgard Nine Limited.

4.2.2. Revaluation of properties

The properties of the Bank were last revalued by independent professional valuers as at 31 December 2009. The revaluation was carried out by M/s. Parsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s. Maricon Consultants (Private) Limited and M/s. Engineering Pakistan International (Private) Limited on the basis of professional assessment of present market values and resulted in a surplus of Rs.4,139,592 million.

The properties of UBL UK were revalued by independent professional valuers, RONA and Advance Surveyors Limited, as at 31 December 2012. These revaluations were based on present market values and resulted in a deficit of Rs.168,777 million.

Had there been no revaluation, the carrying amount of revalued assets at 31 December 2012 would have been as follows:

	2012	2011
	(Rupees in million)	
Freehold land	1,484,906	1,484,906
Leasehold land	9,168,903	9,168,903
Buildings on freehold land	1,282,990	1,161,740
Buildings on leasehold land	1,398,032	1,491,367

4.2.3. Capital adequacy

The Basel II Framework is applicable to the Group whereby the Standardized Approach for reporting Capital Adequacy is currently implemented. Under this approach, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach.

The Group's capital adequacy is reported using the rules and ratios provided by the State Bank of Pakistan.



KPMG Taseer Hadli & Co.

United Bank Limited

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Commission of Pakistan
20 May 2014*

4.3. Financial Statements for the year ended 31 December 2011 (Group)

4.3.1. Advances which have been placed under non-performing status

Non-performing advances include advances having gross book value of Rs.10,591.010 million and net book value of Rs.3,207.771 million which, though restructured and performing, have been placed under non-performing status as required by the Prudential Regulations issued by the SBP, which require monitoring for at least one year before any up gradation is considered.

General provision represents provision amounting to Rs.308.153 million against consumer finance portfolio as required by the Prudential Regulations issued by the SBP and Rs.600.541 million pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries in which the overseas branches operate. General provisions also include an amount of Rs.100.000 million which the Bank carries as matter of prudence given the current economic environment and is based on management estimates.

The Bank has availed the benefit of Forced Sale Value (FSV) of pledged stocks and mortgaged properties held as collateral against nonperforming advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs.3,217 million. The FSV benefit recognized will not be available for the distribution of cash or stock dividend to shareholders.

4.3.2. Revision in estimates of depreciation rates

During the year, the management has revised its estimates with respect to depreciation rates on leasehold land based on the characteristics of the underlying properties. As such, no depreciation has been charged on leasehold land during the year. Had there been no change in estimate, the profit for the year and the carrying value of leasehold land would have been lower by Rs.292.183 million.

4.3.3. Revaluation of properties

The properties of the Bank were last revalued by independent professional valuers as at December 31, 2009. The revaluation was carried out by Mis. Pirsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s. Maricon Consultants (Private) Limited and M/s. Engineering Pakistan International (Private) Limited on the basis of professional assessment of then market values and resulted in a surplus of Rs.4,139.592 million.

The properties of UBL UK were revalued by an independent professional valuer, Jones Lang Lasalle, as at 31 December 2011. These revaluations were based on present market values and resulted in a surplus of Rs.329.495 million.



KPMG Taseer Hadi & Co.

United Bank Limited

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Commission of Pakistan
20 May 2014

Had there been no revaluation, the carrying amount of revalued assets at 31 December 2011 would have been as follows:

	2011	2010
	(Rupees in million)	
Freehold land	1,484.906	1,484.906
Leasehold land	9,168.903	9,168.903
Buildings on freehold land	1,161.740	1,134.537
Buildings on leasehold land	1,491.367	1,584.701

4.4. Capital adequacy

The Basel II Framework is applicable to the Group whereby the Standardized Approach for reporting Capital Adequacy is currently implemented. Under this approach, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach.

The Group's capital adequacy is reported using the rules and ratios provided by the State Bank of Pakistan.

4.5. Financial statements for the year ended 31 December 2010 (Group)

4.5.1. Advances which have been placed under non-performing status

Non-performing advances include advances having gross book value of Rs. 5,774.675 million and net book value of Rs. 2,110.614 million which, though restructured and performing, have been placed under non-performing status as required by the Prudential Regulations issued by the SBP, which require monitoring for at least one year before any up gradation is considered.

General provision represents provision amounting to Rs. 375.327 million against consumer finance portfolio as required by the Prudential Regulations issued by the SBP. Rs. 415.169 million pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries in which the overseas branches operate. General provisions also include an amount of Rs. 635 million which the Group carries as matter of prudence given the current economic environment prevailing in Pakistan and is based on management estimates.

4.5.2. Revaluation of properties

The properties of the Bank were last revalued by independent professional valuers as at 31 December 2009. The revaluation was carried out by M/s. Parsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s. Maricon Consultants (Private) Limited and M/s. Engineering Pakistan International (Private) Limited. These revaluations were based on professional assessment of present market values and resulted in a surplus of Rs. 4,139.592 million.



KPMG Taseer Hadli & Co.

United Bank Limited

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The properties of UBL UK were last revalued by an independent professional valuer as at 31 December 2010 by King Sturge. These revaluations were based on present market values and resulted in a surplus of Rs.414,843 million. Had there been no revaluation, the carrying amount of revalued assets at 31 December 2010 would have been as follows:

	2010	2009
	(Rupees in million)	
Freehold land	1,484.906	1,484.906
Leasehold land	9,168.903	9,472.729
Buildings on freehold land	1,134.537	1,179.068
Buildings on leasehold land	1,584.701	1,679.280

4.5.3. Capital adequacy

The Basel II Framework is applicable to the Bank whereby the Standardized Approach for reporting Capital Adequacy is currently implemented. Under the said approach, credit risk and market risk exposures are measured using the Standardized Approach and operational risk is measured using the Basic Indicator Approach.

The Group's capital adequacy is reported using the rules and ratios provided by the State Bank of Pakistan. The subsidiaries comply with the capital adequacy and risk management frameworks prescribed by their respective regulations in their jurisdictions.

4.6. Financial statements for the year ended 31 December 2009 (Group)

4.6.1. Provision against advances

Non-performing advances include advances having gross book value of Rs.1,596.136 million and net book value of Rs.919.006 million though restructured and performing have been placed under non-performing status as required by the revised Prudential Regulations issued by the State Bank of Pakistan, which requires monitoring for at least one year before any up gradation is considered.

General provision represents provision amounting to Rs. 569.195 million against consumer finance portfolio as required by the Prudential Regulations issued by State Bank of Pakistan and Rs. 144.311 million pertaining to overseas advances to meet the requirements of monetary agencies and regulatory authorities of the respective countries in which the overseas branches and subsidiaries operate.

4.6.2. Revaluation of properties

During the year, the properties of the Group were revalued by independent professional valuers and the results of the revaluation exercise were incorporated in the consolidated financial statements as at 31 December 2009. The revaluation was carried out by M/s. Pirsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s.



KPMG Taseer Hadi & Co.

United Bank Limited

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Commission of Pakistan
20 May 2014

Maricon Consultants (Private) Limited, M/s. Engineering Pakistan International (Private) Limited, JRA Macdonald Fries, Douglas Duff, O' Hearn & Partners and Alex Smith & Co on the basis of professional assessment of present market values and resulted in a surplus of Rs.4,139.592 million. Had there been no revaluation, the carrying amount of revalued assets at 31 December 2009 would have been as follows:

(Rupees in million)

Freehold land	1,484.906
Leasehold land	9,472.729
Buildings on freehold land	1,179.068
Buildings on leasehold land	1,679.280

4.6.3. Capital adequacy

The Basel II Framework is applicable to UBL, both at the consolidated level (comprising of wholly / partially owned subsidiaries) and also on a standalone basis. Group's capital adequacy is being managed, maintained and reported using various measures including the rules and ratios provided by the State Bank of Pakistan.

Yours faithfully,

KPMG Taseer Hadi *SL*

6.2 Share Break-Up Value Certificate



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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The Board of Directors
United Bank Limited
State Life Building No.1
I.I. Chundrigar Road
Karachi

Our ref KA-AQ-1518

Contact Mazhar Saleem

20 May 2014

Dear Sirs,

Auditors' certificate for break-up value of shares

As requested, we confirm that the break-up value of the ordinary shares of United Bank Limited ("the Bank") of Rs. 10 each, based on the audited financial statements for the year ended 31 December 2013 is as follows:

	United Bank Limited	
	(The Bank)	(The Group)
	(Rupees in '000)	
Share capital	12,241,798	12,241,798
Reserves	33,681,210	38,049,345
Unappropriated profits	42,634,545	45,208,302
	88,557,553	95,499,445
Non-controlling interest in equity	-	3,487,918
	88,557,553	98,987,363
Surplus on revaluation of assets-net	12,356,444	12,285,784
	100,913,997	111,273,147
	(Number of shares)	
Number of ordinary shares	1,224,179,687	1,224,179,687
	(Rupees per share)	
Break-up value per ordinary share of Rs.10 each (excluding surplus on revaluation of assets-net)	72.34	80.86
Break-up value per ordinary share of Rs.10 each (including surplus on revaluation of assets-net)	82.43	90.90

Yours faithfully,

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

6.3 Auditors Certificate on Issued, Subscribed, And Paid-Up-Capital of the Bank



KPMG Taseer Hadi & Co.
Chartered Accountants
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Internet www.kpmg.com.pk

The Board of Directors
United Bank Limited
State Life Building No. 1
I.I. Chundrigar Road
Karachi

Our ref KA-AQ-1519

Contact Mazhar Saleem

20 May 2014

Dear Sirs,

Auditors' certificate on issued, subscribed and paid-up share capital

We have verified from the books of account and records of United Bank Limited ("the Bank") that the issued, subscribed and paid-up share capital of the Bank as at 31 December 2013 was Rs. 12,241.798 million, comprising of the following:

Number of shares		(Rupees in '000)
Fully paid up shares of Rs. 10 each		
518,000,000	Issued for cash	5,180,000
706,179,687	Issued as bonus shares	7,061,798
<u>1,224,179,687</u>		<u>12,241,798</u>

Yours faithfully,

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity

6.4 Unaudited Financial Statements for March 2014

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2014**

	Note	March 31, 2014	March 31, 2013
		----- (Rupees in '000) -----	
Mark-up / return / interest earned	14	19,394,031	17,005,878
Mark-up / return / interest expensed	15	(9,580,200)	(8,218,114)
Net mark-up / return / interest income		9,813,831	8,787,764
Provision against loans and advances - net		(146,947)	(419,155)
Reversal of provision against lendings to financial institutions - net		338	4,338
Reversal / (provision) for diminution in value of investments - net		5,578	(13,220)
Bad debts written off directly		(43,730)	(44,691)
		(184,761)	(472,728)
Net mark-up / return / interest income after provisions		9,629,070	8,315,036
Non mark-up / interest income			
Fee, commission and brokerage income		2,703,171	2,344,275
Dividend income		674,592	548,856
Income from dealing in foreign currencies		654,435	394,018
Gain on sale of securities - net		783,002	393,011
Unrealized (loss) / gain on revaluation of investments classified as held for trading		(46,728)	6,222
Other income		305,315	168,191
Total non mark-up / interest income		5,073,787	3,854,573
		14,702,857	12,169,609
Non mark-up / interest expenses			
Administrative expenses	16	(6,720,293)	(6,194,632)
Other provisions - net		(13,522)	(3,954)
Workers' Welfare Fund		(156,876)	(116,523)
Other charges		(151)	(299)
Total non mark-up / interest expenses		(6,890,842)	(6,315,408)
Profit before taxation		7,812,015	5,854,201
Taxation - Current		(2,670,060)	(1,924,554)
- Deferred		67,520	24,188
		(2,602,540)	(1,900,366)
Profit after taxation		5,209,475	3,953,835
		----- (Rupees) -----	
Earnings per share - basic and diluted		4.26	3.23

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014**

	Note	(Un-audited) March 31, 2014	(Audited) December 31, 2013
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		84,774,704	88,520,725
Balances with other banks		14,223,260	25,867,497
Lendings to financial institutions	6	17,154,879	28,835,115
Investments	7	483,820,409	423,777,250
Advances	8	377,057,444	390,813,462
Operating fixed assets	9	24,217,590	24,607,937
Deferred tax asset - net		-	-
Other assets		29,529,731	27,338,719
		1,030,778,017	1,009,760,705
LIABILITIES			
Bills payable		9,552,252	16,590,884
Borrowings	10	43,593,588	40,573,874
Deposits and other accounts	11	846,680,006	827,847,738
Subordinated loans		332,660	665,328
Liabilities against assets subject to finance lease		-	-
Deferred tax liability - net		1,802,274	1,087,240
Other liabilities		28,785,831	22,081,644
		930,746,611	908,846,708
NET ASSETS		<u>100,031,406</u>	<u>100,913,997</u>
REPRESENTED BY:			
Share capital		12,241,798	12,241,798
Reserves		31,738,875	33,681,210
Unappropriated profit		42,442,965	42,634,545
		86,423,638	88,557,553
Surplus on revaluation of assets - net of deferred tax	12	13,607,768	12,356,444
		<u>100,031,406</u>	<u>100,913,997</u>
CONTINGENCIES AND COMMITMENTS			
	13		

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2014**

	Note	March 31, 2014 ----- (Rupees in '000) -----	March 31, 2013 ----- (Rupees in '000) -----
Mark-up / return / interest earned	14	20,114,281	17,709,285
Mark-up / return / interest expensed	15	(9,856,766)	(8,567,121)
Net mark-up / return / interest income		10,257,515	9,142,164
Provision against loans and advances - net		(268,035)	(525,584)
Reversal of provision against lendings to financial institutions - net		338	4,338
Reversal / (provision) for diminution in value of investments - net		5,578	(13,220)
Bad debts written off directly		(43,730)	(44,691)
		(305,849)	(579,157)
Net mark-up / return / interest income after provisions		9,951,666	8,563,007
Non mark-up / interest income			
Fee, commission and brokerage income		3,112,052	2,653,593
Dividend income		655,396	542,851
Income from dealing in foreign currencies		669,565	416,029
Gain on sale of securities - net		762,547	1,000,117
Unrealized (loss) / gain on revaluation of investments classified as held for trading		(45,862)	6,287
Other income		329,343	183,442
Total non mark-up / interest income		5,483,041	4,802,319
		15,434,707	13,365,326
Non mark-up / interest expenses			
Administrative expenses	16	(7,377,123)	(6,664,019)
Other provisions - net		(15,863)	(3,954)
Workers' Welfare Fund		(157,936)	(117,315)
Other charges		(151)	(299)
Total non mark-up / interest expenses		(7,551,073)	(6,785,587)
		7,883,634	6,579,739
Share of income of associates		269,692	294,359
Profit before taxation		8,153,326	6,874,098
Taxation - Current		(2,694,911)	(1,948,654)
- Deferred		65,789	23,284
		(2,629,122)	(1,925,370)
Profit after taxation		5,524,204	4,948,728
Attributable to:			
Equity shareholders of the Bank		5,512,963	4,675,952
Non-controlling interest		11,241	272,776
		5,524,204	4,948,728
Earnings per share - basic and diluted		----- (Rupees) ----- 4.50	3.82

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014**

	Note	(Un-audited) March 31, 2014	(Audited) December 31, 2013
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		85,383,062	89,591,601
Balances with other banks		23,175,408	32,658,606
Lendings to financial institutions	6	16,760,288	29,858,038
Investments	7	511,336,209	458,846,198
Advances	8	405,740,682	415,283,310
Operating fixed assets	9	27,435,446	28,037,980
Deferred tax asset - net		-	-
Other assets		31,185,993	29,379,037
		1,101,017,088	1,083,654,770
LIABILITIES			
Bills payable		9,583,956	16,600,691
Borrowings	10	43,556,584	41,077,730
Deposits and other accounts	11	905,168,624	889,525,603
Subordinated loans		332,660	665,328
Liabilities against assets subject to finance lease		1,111	1,325
Deferred tax liability - net		2,094,573	1,395,138
Other liabilities		30,236,568	23,115,808
		990,974,076	972,381,623
NET ASSETS		110,043,012	111,273,147
REPRESENTED BY			
Share capital		12,241,798	12,241,798
Reserves		35,501,556	38,049,345
Unappropriated profit		45,312,122	45,208,302
Total equity attributable to the equity holders of the Bank		93,055,476	95,499,445
Non-controlling interest		3,316,076	3,487,918
		96,371,552	98,987,363
Surplus on revaluation of assets - net of deferred tax	12	13,671,460	12,285,784
		110,043,012	111,273,147
CONTINGENCIES AND COMMITMENTS			
	13		

6.5 Significant Financial Information for the Last 5 Years

Unconsolidated Financial Statements

<i>Amounts in PKR mn</i>	2009	2010	2011	2012	2013
Operational Results					
Mark-up/Interest Earned	61,107	59,332	70,451	73,507	72,846
Mark-up/Interest Expense	(28,164)	(25,223)	(31,026)	(34,948)	(34,910)
Provisions	(12,615)	(8,005)	(7,291)	(4,137)	(1,303)
Non-Interest Income	11,420	10,121	12,718	17,131	18,114
Admin Expenses & Other Charges	(17,713)	(18,482)	(20,629)	(24,525)	(26,940)
Profit before Income Tax	14,035	17,742	24,223	27,029	27,807
Profit after Taxation	9,193	11,160	15,500	18,007	18,614
Balance Sheet					
Shareholders' equity excl. surplus on reval	52,276	60,181	70,623	77,627	88,558
Shareholders' equity incl. surplus on reval	60,937	68,415	79,152	91,164	100,914
Total Assets – net of provisions	619,744	698,785	778,060	894,399	1,009,739
Cash and Bank Balances	66,568	85,654	102,956	109,315	114,388
Advances	354,092	333,732	325,347	364,364	390,813
Investments	136,146	224,579	294,411	349,590	423,777
Deposits and other accounts	492,036	550,646	612,980	699,936	827,848
Ratios (%)					
Capital adequacy	13.2%	14.5%	14.3%	15.0%	13.3%
Profit Before Tax Ratio	31.6%	40.0%	46.5%	48.2%	49.6%
Gross spread ratio	53.9%	57.8%	56.0%	52.5%	52.1%
Return on Average Equity	19.5%	19.8%	23.7%	24.3%	22.4%
Return on Average Assets	1.5%	1.7%	2.1%	2.2%	2.0%
Advances/ Deposits Ratio – Gross	77.7%	67.0%	59.8%	58.4%	52.8%
Advances/ Deposits Ratio – Net	72.0%	60.6%	53.1%	52.2%	47.2%
Breakup value/share excl. reval. of assets (PKR)	46.97	49.16	57.69	63.41	72.34
Breakup value/share incl. reval. of assets (PKR)	54.76	55.89	64.66	74.47	82.43
Earnings per share (PKR)	7.51	9.12	12.66	14.71	15.21

Source: UBL financial statements & Auditor's Certificate issued by KPMG on May 20, 2014

Note: ROE is calculated based on equity excluding surplus on revaluation of assets

Consolidated Financial Statements

<i>Amounts in PKR mn</i>	2009	2010	2011	2012	2013
Operational Results					
Mark-up/Interest Earned	61,745	60,100	71,377	75,380	75,709
Mark-up/Interest Expense	(28,323)	(25,434)	(31,305)	(35,737)	(36,200)
Provisions	(12,879)	(8,150)	(7,275)	(4,247)	(1,594)
Non-Interest Income incl. share of profit from	12,761	10,892	12,905	19,592	20,699

associates

Non Mark-up Expenses	(18,911)	(19,720)	(22,068)	(26,578)	(29,649)
Profit before Income Tax	14,392	17,689	23,634	28,410	28,965
Profit after Taxation	9,488	11,021	14,887	19,280	19,731

Balance Sheet

Shareholders' equity excl. surplus on reval	58,194	66,127	76,270	85,599	98,987
Shareholders' equity incl. surplus on reval	67,318	75,134	85,921	100,854	111,273
Total Assets	640,450	725,390	807,205	960,210	1,083,633
Cash and Bank Balances	75,303	93,648	105,728	117,610	122,250
Advances	362,080	341,510	341,140	385,834	415,283
Investments	137,735	231,717	301,107	381,246	458,846
Deposits and other accounts	503,832	567,611	633,889	755,264	889,526

Ratios

Capital adequacy	14.03%	15.04%	14.88%	14.71%	13.30%
Profit Before Tax Ratio	31.2%	38.8%	44.6%	48.0%	48.1%
Gross spread ratio	54.1%	57.7%	56.1%	52.6%	52.2%
Return on Average Equity	18.0%	17.7%	20.9%	23.8%	21.4%
Return on Average Assets	1.5%	1.6%	1.9%	2.2%	1.9%
Advances/ Deposits Ratio – Gross	77.5%	66.3%	60.3%	57.0%	51.9%
Advances/ Deposits Ratio – Net	71.9%	60.2%	53.8%	51.1%	46.7%
Breakup value/share excl. reval. of assets (PKR)	52.3	54.0	62.3	69.9	80.9
Breakup value/share incl. reval. of assets (PKR)	60.5	61.4	70.2	82.4	90.9
Earnings per share (PKR)	7.78	9.01	12.13	15.71	15.75

Source: Auditor's Certificate issued by KPMG on May 20, 2014 & UBL financial statements

Note: ROE is calculated based on equity excluding surplus on revaluation of assets

7 Board and Management

The Bank's affairs are governed by a Board of Directors, which currently consists of the President and Chief Executive Officer and nine other Directors. The President and Chief Executive Officer has an overall responsibility for the strategic direction, government relations and to manage the portfolio of business and its functions

7.1 Board of Directors of the Bank

Name	Designation	Directorships in other companies
Sir Mohammed Anwar Pervez, OBE, HPk Address: C/o. Bestway (Holdings) Ltd., 2-Abbey Road, Park Royal, London, UK NW10 7BW.	Chairman / Non-Executive Director	<ul style="list-style-type: none"> ▪ Bestway (Holdings) Limited, UK ▪ Bestway Northern Limited, UK ▪ Bestway Cash & Carry Limited, UK ▪ Batleys Limited, UK ▪ Palmbest Limited, UK ▪ Bestway Direct Limited, UK ▪ Euroimpex Limited, UK ▪ MAP Trading Limited, UK ▪ Bestway Cement Limited, Pakistan ▪ Buybest Limited, UK ▪ Peppermill Limited, UK ▪ Bestway Stores, UK ▪ Bestway Foundation, UK ▪ Bestway Foundation, Pakistan ▪ Duke of Edinburgh's Award Scheme, UK
Mr. Zameer Mohammed Choudrey Address: C/o. Bestway (Holdings) Ltd., 2-Abbey Road, Park Royal, London, UK NW10 7BW.	Non-Executive Director	<ul style="list-style-type: none"> ▪ Bestway (Holdings) Limited, UK ▪ Bestway Northern Limited, UK ▪ Bestway Cash & Carry Limited, UK ▪ Batleys Limited, UK ▪ Batleys Properties Limited, UK ▪ Bellevue Cash & Carry Limited, UK ▪ Benson (Grocers) Limited, UK ▪ Palmbest Limited, UK ▪ Bestway Direct Limited, UK ▪ Euroimpex Limited, UK ▪ MAP Trading Limited, UK ▪ Bestway Cement Limited, Pakistan ▪ UBL Insurers Limited, Pakistan ▪ Buybest Limited, UK

Mr. Haider Zameer Choudrey Non-Executive
Address: C/o. Bestway (Holdings) Director
 Ltd., 2-Abbey Road, Park Royal,
 London, UK NW10 7BW.

Mr. Rizwan Pervez Non-Executive
Address: C/o. Bestway (Holdings) Director
 Ltd., 2-Abbey Road, Park Royal,
 London, UK NW10 7BW.

Dr. Shujat Ali GoP Nominee
Address: Additional Secretary Director
 (Budget), Finance Division,
 Ministry of Finance, Government
 of Pakistan, Islamabad, Pakistan.

Mr. Zaheer Sajjad Independent
Address: House No. 1-C, Danepur Director
 Road, GOR-I, Lahore, Pakistan.

Mr. Amin Uddin Independent
Address: 92, CMA Colony, Lahore Director
 Cantt., Lahore, Pakistan

Mr. Arshad Ahmad Mir Independent
Address: 16 Partridge Close, Director
 Barnet Hertfordshire, UK EN5 2DT

Mr. Seerat Asghar GoP Nominee
Address: Secretary Food, Ministry Director

- Peppermill Limited, UK
- Bestway Stores, UK
- Bestway Foundation, UK
- Bestway Foundation, Pakistan
- GroceryAid, UK
- Crimestoppers, UK
- Pakistan Britain Trade & Investment Forum, UK
- British Asian Trust UK Advisory Council
- Rainbow Foundation
- Conservative Friends of Pakistan
- None

- Bestway (Holdings) Limited
- Bestway Northern Limited, UK
- Bestway Cash & Carry Limited, UK
- Batleys Limited, UK
- Palmbest Limited, UK
- Bestway Direct Limited, UK
- Euroimpex Limited, UK
- MAP Trading Limited, UK
- UBL Insurers Limited, Pakistan
- Buybest Limited, UK
- Peppermill Limited, UK
- Bestway Stores, UK
- Bestway Foundation, UK
- None

None

None

None

- PASSCO

of Food Security, B-Block, 3rd
Floor, Pak Secretariat, Islamabad

Mr Wajahat Husain

President & CEO

Address: United Bank Limited, 8th
Floor, State Life Building No.1, I.I.
Chundrigar Road, Karachi,
Pakistan

- UBL (Switzerland) AG
- United Bank, UK
- Oman United Exchange
Company LLC
- UBL Bank (Tanzania) Limited
- Abu Dhabi Cricket Club
- Abu Dhabi Cricket Council

7.2 Overdue Loans

There are no overdue loans (local or foreign currency) payable by the Bank or its Directors.

7.3 Dividend Record of Associated Companies - Listed On Stock Exchange(s)

None of the Bank's associated companies or subsidiaries are listed on the Stock Exchanges

7.4 Dividend Payout by Listed Companies in which the Bank's Directors hold Directorship

2 of the Bank's Directors hold directorship in Bestway Cement, whose dividend payout is as follows:

Year	Cash	Stock	Total
2004	10%	10%	20%
2005	10%	10%	20%
2006	10%	10%	20%
2007	0%	0%	0%
2008	0%	0%	0%
2009	0%	0%	0%
2010	0%	0%	0%
2011	0%	0%	0%
2012	0%	0%	0%
2013	40%	0%	40%
9MFY14	45%	0%	45%

7.5 Profiles of Directors

7.5.1 Sir Mohammad Anwar Pervez, OBE, HPk

Chairman / Non-Executive Director

Sir Mohammed Anwar Pervez, OBE HPk, became the Chairman of the Board of Directors of United Bank Limited in December 2013; prior to that he had been the Deputy Chairman since October 2002. He is also the Chairman of Bestway UK & its subsidiaries, which include Batleys Limited and Bestway Cement Limited. He is also Chairman of Bestway Northern Limited in UK.

Sir Pervez began his career in the food business in 1963, when he opened a convenience store in London. He ventured into the wholesale business in 1976 and has been responsible for growing Bestway Group into the seventh largest family business in the UK.

Today, Bestway group is the 2nd largest wholesaler in the UK, the 2nd largest cement producer in Pakistan and the 2nd largest private bank in Pakistan. The Group provides employment to over 25,700 people globally.

Sir Pervez was awarded the "Order of the British Empire (OBE)" in 1992 and was conferred the title of "Knight's Bachelor" in 1999 by Her Majesty, the Queen, for his services to the food industry and various charitable causes in the UK. In 2000 he was awarded "Hilal-e-Pakistan".

In 2005, Sir Mohammad Anwar Pervez was voted winner of the prestigious "Grocer Cup for Outstanding Business Achievement" by the Institute of Grocery Distribution, UK. In 2006 he received "Sitara-e-Essar" by the President of Pakistan. The same year he was chosen as the "Master Entrepreneur – UK" at the Ernst & Young Entrepreneur of the Year 2006 Awards.

7.5.2 Mr. Zameer Mohammad Choudrey

Non-Executive Director

Mr. Zameer Mohammed Choudrey has been a Member of the Board of Directors of UBL since October 19, 2002. He is Chairman of the Board Audit Committee. He is also a Director of UBL Insurers Limited.

Mr. Choudrey is a Chartered Accountant by profession. He joined Bestway Group as a financial controller in 1984. In 1990, he was promoted as the Group Finance Director. In 1995, he was given additional responsibilities of business diversification both in UK and Pakistan and was promoted as Chief Executive of Bestway Cement Limited. He was appointed as the Group CEO in 2004.

He is a fellow of the Institute of Chartered Accountants of England & Wales and a member of the Institute of Directors. He is also the Deputy Chairman of the Pakistan Britain Trade and Investment Forum.

7.5.3 Mr. Haider Zameer Choudrey

Non-Executive Director

Mr. Haider Zameer Choudrey is a qualified Chartered Accountant from the Institute of Chartered Accountants of England & Wales.

Mr. Choudrey joined Bestway Group in 2012 as Group Financial Accountant, reporting to the Finance Director, where he is responsible for analyzing industries and appraising specific business opportunities as part of the Group's diversification plan. His other responsibilities include looking after Bestway Group's taxation affairs and devising taxation strategies accordingly.

Mr. Choudrey was appointed as a Director of UBL in February 2014 and is a member of the Board Risk Management Committee.

7.5.4 Mr. Rizwan Pervez*Non-Executive Director*

Mr. Pervez graduated from the University of Pittsburgh, USA in 1990 with a BSc in Business Management. He then trained with a leading UK firm of Chartered Accountants and qualified in August 1995. He is a member of the Institute of Chartered Accountants of England & Wales.

Mr. Pervez joined Bestway as a Financial Accountant in 1995 and was elected to the Board of Directors in January 2000 as Group Business Development Director. He was responsible for developing the Group's fascia and delivered business. Mr. Pervez was instrumental in creating the "Best-One" symbol group and Bestway Direct, the Group's delivered wholesale operation. Best-One now boasts over 1,000 stores throughout the UK and Bestway Direct continues to exhibit double digit growth year on year.

In 2006, Mr. Pervez was appointed Group Operations Director where he led and managed the integration of Bestway and Batleys wholesale operations which created the UK's largest independent wholesale group.

In 2012, Mr. Pervez was appointed the Group Marketing & PR Director. Mr. Pervez has served as Governor of John Kelly Schools in North West London playing a leading role in the school's attainment of 'academy' status and establishing the school as a centre of excellence under its new name of The Crest Academy. Mr. Pervez is a Trustee of Bestway Foundation, UK. Mr. Pervez was appointed as a Director of UBL in March 2014 and is a member of the Human Resource and Compensation Committee.

7.5.5 Mr. Zaheer Sajjad*Independent Director*

Mr. Zaheer Sajjad was appointed as a Director of United Bank Limited in March 2014. He is also a member of the Human Resource Compensation Committee of UBL.

Mr. Zaheer Sajjad, after completing his Masters degree in Geology and Geophysics from Punjab University, joined the Civil Service of Pakistan in November 1963. While in public service, he took up Development Studies at Bradford University, UK and also at Harvard University, USA. Some of the important positions held by him in public service include Chairman State Cement Corporation, Chairman National Fertilizer Corporation, Secretary Ministry of Health, Secretary Economic Affairs Division and Cabinet Secretary to the Government of Pakistan. After retirement, he was also a Director at Union Bank Limited for two years.

7.5.6 Mr. Amin Uddin*Independent Director*

Mr. Amin Uddin has been a member of the Board of Directors of UBL from March 05, 2009. He is a member of the Board Audit Committee of UBL.

He completed a Banking Management course in 1986-87 from McGill University, Canada and has a B.A. (Economics and Statistics) from Punjab University. He has over 40 years of experience in Pakistan, Middle East, Europe, Africa & Canada.

He is a Certified Director from the Pakistan Institute of Corporate Governance as per the requirements of the Listing Regulations.

7.5.7 Mr. Arshad Ahmad Mir
Independent Director

Mr. Arshad Ahmad Mir was appointed as a member of the Board of Directors on October 26, 2009. He has over four decades of extensive corporate experience in financial services, oil industry, management consultancy, manufacturing and wholesale distribution businesses.

He has served with major corporate entities in the areas of general management, corporate planning, project management, compliance and consultancy. Geographical coverage of his corporate roles and responsibilities encompass Pakistan, Middle East, Africa, U.K & Europe.

Mr. Mir is a member of the Institute of Chartered Accountants of England & Wales and the Institute of Bankers, UK. He is also the Chairman of the Board Risk Management Committee of the Bank.

7.5.8 Dr. Shujat Ali
GoP Nominee Director

Dr. Shujat Ali has been appointed as Director of United Bank Limited by the Government of Pakistan with effect from 18th April, 2014. He is also a Member of the Board Audit Committee of the Bank. Dr. Shujat Ali has varied experience of public service assignments in the Provincial and Federal Governments. He brings with him a rich professional and academic background. He is a graduate of London School of Economics and has a Doctorate in Economics from Simon Fraser University, British Columbia, Canada. He has attended various international conferences/training events at renowned institutions. He has also authored/contributed to academic papers/policy reports. Presently, he is serving as Additional Finance Secretary in the Finance Division, Government of Pakistan, since July, 2013.

7.5.9 Mr. Seerat Asghar
GoP Nominee Director

Mr. Seerat Asghar was appointed as a Director of United Bank Limited by the Government of Pakistan with effect from 30th March, 2010. He is also the Chairman of the Board Human Resource and Compensation Committee of the Bank.

Mr. Seerat Asghar has a vast experience, gathered over 32 years of service, in the Provincial as well as Federal Governments. He brings with him a rich professional and academic experience. He holds an LLB and a Master's degree in Political Science from Punjab University, Lahore.

His last academic pursuit was at Cornell University USA, where he attended an Executive Development Program in Food and Agriculture Business Management. He has also attended an Executive Leadership Development program at Harvard University. He has developed expertise in management and macro-economic planning, and has represented Pakistan in many international conferences across the globe.

During the last 3 years, he has held important assignments as special secretary and later on as principal secretary to the prime minister. Currently, he holds the position of the Federal

Secretary of the Ministry of National Food Security and Research and is also the Chairman of Pakistan Agricultural Storage & Services Corporation (PASSCO).

7.5.10 Mr. Wajahat Husain

President & CEO

Mr Wajahat Husain, the newly appointed President and CEO of UBL, has a banking career spanning three decades in Pakistan and abroad. His last assignment was as Senior Executive Vice President, Group Executive responsible for managing the Bank's International and Financial Institutions business. He is a Director of UBL (Switzerland) AG, United Bank UK, UBL Bank (Tanzania) Ltd and Oman United Exchange Company LLC.

Under his stewardship, UBL expanded and re-strategized the business in the Middle East, established a footprint in China through its Beijing Representative office in 2007 and made its first foray into Africa with the commencement of business of its subsidiary in Tanzania in 2013.

Mr. Husain has worked in and outside Pakistan in various capacities throughout his career. An MBA from the Institute of Business Administration, University of Karachi, he has served in various institutions at senior management positions, including Union National Bank and Mashreq Bank in the UAE.

An active sportsman, Mr. Husain has for the last 27 years been deeply involved in cricket in the UAE. He is the President of the Abu Dhabi Cricket Council, Director Abu Dhabi Cricket Club, and a selector on the Emirates Cricket Board.

Mr. Husain has been appointed as the President & CEO of the Bank effective June 01, 2014.

7.6 Management Profiles

7.6.1 Wajahat Husain

President & CEO

Mr Wajahat Husain, the newly appointed President and CEO of UBL, has a banking career spanning three decades in Pakistan and abroad. His last assignment was as Senior Executive Vice President, Group Executive responsible for managing the Bank's International and Financial Institutions business. He is a Director of UBL (Switzerland) AG, United Bank UK, UBL Bank (Tanzania) Ltd and Oman United Exchange Company LLC.

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An active sportsman, Mr. Husain has for the last 27 years been deeply involved in cricket in the UAE. He is the President of the Abu Dhabi Cricket Council, Director Abu Dhabi Cricket Club, and a selector on the Emirates Cricket Board.

Mr. Wajahat Husain has been appointed as the President & CEO of the Bank effective June 01, 2014.

7.6.2 Rayomond H. Kotwal

Chief Financial Officer

Mr. Rayomond Kotwal has Bachelors and Masters degrees in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology, U.S.A and a Masters degree in Business Administration from the Institute of Business Administration, Karachi.

Mr. Kotwal has over 26 years of experience in Pakistan and overseas with organizations such as Citibank Pakistan, Citi Cards Canada, ICI, and Standard Microsystems Corporation. Prior to joining UBL in 2010, Mr. Kotwal was associated with NIB Bank as their CFO.

In addition to his responsibilities as CFO, Mr. Kotwal is a Director of UBL Fund Managers Limited, UBL Insurers Limited, UBL Bank (Tanzania) Limited and is the Chairman of Khushhali Bank Limited.

7.6.3 Aqeel Ahmed Nasir

Company Secretary & Chief Legal Counsel

Mr. Aqeel Ahmed Nasir holds a Master's degree in Law from the University of London. He has an experience of over 23 years in diversified areas of Law and Corporate Affairs including various transactions related to mergers/acquisitions. He also spearheaded the legal team for the issuance of GDRs of UBL and their listing on London Stock Exchange in 2007.

Before joining UBL in 2006, Mr. Nasir has served various public and private sector industries. Mr. Nasir is a qualified solicitor of the Senior Courts of England & Wales. He has also completed a Directors' Certification Course under the auspices of Pakistan Institute of Corporate Governance, Karachi.

Mr. Nasir is a member of the Board of Directors of Lahore Stock Exchange in the capacity of an independent director nominated by the SECP.

7.6.4 Aameer Karachiwalla

Chief Operating Officer

Mr. Aameer Karachiwalla is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales with over 30 years of experience. In his role as the COO, he is responsible for Global Operations & Technology, Credit Administration, General Services and Branchless Banking. Prior to his current assignment, Mr. Karachiwalla has held the roles of Chief of Staff, Chief Financial Officer and Group Executive Retail Bank with UBL. He is also the Chairman of UBL Insurers Limited. He has previously been associated with American Express Bank, Citicorp Investment Bank, and Artal Group of Companies. He has been an instrumental part of UBL since late 1998.

7.6.5 Ali Sameer Farooqui

Head Corporate and Commercial Banking

Mr. Ali Sameer has a Masters degree in Business Administration from the Lahore University of Management Sciences and has over 27 years of experience in the areas of Corporate and Investment Banking and also in Risk and Treasury. This experience has been gained in local and international organizations such as American Express Bank, Robert Fleming Merchant Bank and Prime Commercial Bank.

Prior to his current assignment, he held the position of Group Executive Risk & Credit Policy and acted as the Group Chief Risk Officer for a period of over 8 years. He has been associated with UBL since 2001. Mr. Sameer is also on the Board of UBL Insurers Limited.

7.6.6 Ali Hasnain

Head of Retail Banking

Mr. Ali Hasnain has an undergraduate degree from the London School of Economics and has over 33 years of experience in organizations like Deutsche Bank, Allied Dunbar, Bank of America, MasterCard International, ABN Amro Bank and RBS. He has functional experience in Corporate Banking, Financial services, Corporate Finance, Consumer Products, Credit Cards and Islamic Banking. He has been associated with UBL since 2010.

7.6.7 Mohammad Hanif Akhai

Head of Treasury & Capital Markets

Mr. Hanif Akhai is a graduate of the University of Karachi and has over 35 years of diversified experience within the financial industry working as Treasurer in both local and multinational banks such as United Arab Bank, Societe Generale, and Habib Bank.

Mr. Akhai has also served in the State Bank of Pakistan as a Foreign Exchange Advisor and played an instrumental role in setting up its Treasury Department. Mr. Akhai joined UBL in 2009. Mr. Akhai is also on the Board of UBL Fund Managers Limited.

7.6.8 Saeed Iqbal

Head of Investment Banking

Mr. Saeed Iqbal has completed his undergraduate degree from the London School of Economics and Political Science and a Masters degree in Development Economics from the University of Sussex. He has more than 20 years of work experience in the areas of Research Economics and Investment Banking in various institutions like National Development Finance Corporation, Taurus Securities Limited, and ANZ Investment Bank.

Mr. Iqbal has been a part of the UBL team since 2003 and has been in his current role since late 2005. Mr. Iqbal is also on the Board of UBL Fund Managers Limited.

7.6.9 Zulfiqar Alavi

Group Head Risk & Credit Policy

Mr. Zulfiqar Alavi has a Bachelor's degree in Economics and Finance from Macalester College, St. Paul, Minnesota and has over 25 years of banking experience with Union Bank and Faysal Bank Ltd. He has been associated with UBL since 2006.

7.6.10 Jamal Nasir*Group Executive, Human Resources*

Mr. Jamal Nasir is an engineering graduate of the University of Texas at Austin, U.S.A and has a Masters degree in Business Administration from the Institute of Business Administration, Karachi. Mr. Nasir has over 26 years of experience in Pakistan and abroad with Standard Chartered Bank, ABN AMRO, and Engro Chemicals. His last assignment was at SCB as Senior Manager HR, Asia and Head of HR, Indonesia. Mr. Nasir joined UBL in 2010 and is also on the Board of UBL Fund Managers Limited.

7.6.11 Atif Rasheed*Head of Compliance & Control Assurance*

Mr. Atif Rasheed has an MBA from the Institute of Business Administration, Karachi and the City University of New York. Before joining UBL in 2005, Mr. Rasheed spent almost 10 years with organizations like the State Bank of Pakistan in the Banking Inspection Department and with Caltex Oil.

7.6.12 Syed Javed*Group Executive, Strategic Business Planning*

Mr. Syed Javed holds a Masters degree in Economics from Peshawar University and has over 30 years of experience in senior leadership positions with American Express in the Middle East and Asia Pacific regions. Mr. Javed joined UBL in 2006 as Head of Business Transformation and has also been responsible for Branch Operations, Consumer Collections & Recovery functions. He assumed his current role in March 2012. Mr. Javed is on the Board of Khushhali Bank Limited.

7.6.13 Mohammad Ejazuddin*Group Executive, Audit & Inspection*

Mr. Mohammed Ejazuddin is a Commerce Graduate of the University of Punjab, with 39 years of diversified banking experience in Branch operations, Controls, Compliance and Audit. He has been with UBL since 1999 and is responsible for the Internal Audit, Investigation and Risk Review functions of the bank. Prior to UBL he worked with Citibank in Pakistan and abroad.

7.7 Number of Directors

Pursuant to section 174 of the Companies Ordinance, 1984, the number of Directors of the Bank shall not be less than seven. At present, the Board consists of 10 Directors including the President & CEO.

7.8 Qualification of Directors

The qualification of a Director, except for a nominee under section 183 of the Ordinance or a Director covered by the proviso to section 187(h) of the Ordinance, shall be holding shares in the Company of the nominal value of Rs. 25,000.

7.9 Remuneration of the Directors

According to Article 70 of the Articles of Association of the Bank, the remuneration of Directors for attending the meetings of the Board or a Committee shall from time to time be determined by the Board in accordance with the provisions of the Ordinance and the Banking Companies Ordinance, 1962.

7.10 Remuneration for Extra Service

According to Article 91 of the Articles of Association of the Bank, if any Director (including an alternate Director) being willing, shall be called upon to perform extra services (which expression shall include the work done by a Director as a member of any committee formed by the Board or in relation to signing share certificates) or for any of the purposes of the Company, the Company may (subject to the requirements of the Ordinance and / or the Banking Companies Ordinance, 1962) remunerate the Director so doing by a fixed sum or by monthly salary or remuneration as may be determined by the Board provided that such remuneration for extra services shall not be paid in the form of percentage of profits.

7.11 Benefits to the Promoters and Officers

No benefit has been given or is intended to be given by the Bank to the promoters and officers of the Bank other than remuneration for services rendered by them as full time executives of the Bank.

7.12 Interest of Directors

The directors may be deemed to be interested to the extent of fees payable to them for attending Board and Committee meetings. The Directors performing whole time services in the Bank may also be deemed interested in the remuneration payable to them by the Bank.

The nominee directors have interest in the Bank to the extent of representing the shareholders in the capital of the Bank.

7.13 Interest of Directors in Property Acquired By the Bank

None of the Directors of the Bank had or has any interest in any property acquired by the Bank within the last two years.

7.14 Appointment of Managing Director/Chief Executive/President

According to Article 79 of the Articles of Association of the Bank

- a) Within fourteen (14) days from the date of an election of Directors or within fourteen (14) days from the date on which the office of the President / Managing Director falls vacant for whatsoever reason, the Board shall appoint any person (including a Director) to be the Chief Executive of the Company designated as President / Managing Director, but such appointment shall not be for a period exceeding three (3) years from the date of appointment

- b) Upon the expiry of his term of appointment under clause (a) above a President / Managing Director shall be eligible for re-appointment
- c) The President / Managing Director shall, if he is not already a Director of the Company, be deemed to be a Director and be entitled to all the rights and privileges and subject to all the liabilities of the office of Director of the Company
- d) The Directors may, by a resolution passed by not less than three-fourths of the total number of Directors for the time being, or the Company may by Special Resolution, remove a President / Managing Director before the expiration of his term of office notwithstanding anything contained (if any) in these Articles or in any agreement between the Company and the President / Managing Director
- e) The terms and conditions of appointment of the President / Managing Director, shall be determined by the Board

7.15 Remuneration of President/Managing Director

According to Article 80 of the Articles of Association of the Bank, the remuneration of the President / Managing Director shall be determined and approved by the Directors by way of salary and/ or other remuneration as per the criteria laid down by the Directors from time to time.

7.16 Appointment/Election of Directors

The Directors of the Bank are elected for a term of three years in accordance with the procedure laid down in section 178 of the Ordinance.

The Directors shall comply with the provisions of Sections 174 to 178 and Sections 180 and 184 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Ordinance, the Bank may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he/she had become a Director on the day on which the Director in whose place he/she is chosen was last elected as Director.

The Bank may remove a Director in accordance with the provisions of the Ordinance.

7.17 Voting Rights

The rights and privileges, including voting rights, attached to the Ordinary Shares of the Bank are equal.

7.18 Board Audit Committee and Board Human Resources & Compensation Committee

Board Audit Committee and Board Human Resources & Compensation Committee of the Board have been formed to comply with the Code of Corporate Governance 2012 in

accordance with the Listing Regulations of KSE, LSE & ISE. The Board Audit Committee of the Bank comprises of the following individuals:

- Mr. Zameer Mohammed Choudrey
- Mr. Amin Uddin
- Dr. Shujat Ali

And Board Human Resources & Compensation Committee comprises of following individuals:

- Mr. Seerat Asghar
- Mr. Zaheer Sajjad
- Mr. Rizwan Pervez

7.19 Internal Audit

The Board of Directors has setup an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Bank and are involved in the internal audit function on a full time basis.

7.20 Borrowing Powers

The Directors may from time to time raise or borrow any sum or sums of money or make any arrangement for finance for the purpose of the Bank. The Directors may raise or secure the payment of such sum or sums or financial arrangement in such manner and upon such terms and conditions in all respects as they think fit and in particular by making, drawing, accepting or endorsing on behalf of the Bank any promissory notes or bills of exchange or by issuing bonds, perpetual or redeemable debentures or debenture stock or any mortgage, charge or other security on the undertaking or the whole or any part of the property of the Bank (both present and future) but so that no such charge shall be created on unpaid capital of the Bank.

7.21 Powers of Directors

As required under section 196 of the Companies Ordinance, 1984, and the Articles of Association of the Bank, the authority to conduct the business of the Bank is vested with its Board of Directors and they may exercise all such powers of the Bank as are not required by the Companies Ordinance, 1984 or the Articles of Association of the Bank or by a special resolution, to be exercised by the Bank in the general meeting of the shareholders.

7.22 Indemnity

Every Director or officer of the Bank and every person employed by the Bank as auditor shall be indemnified out of the funds of the Bank against all liability incurred by him as such Director, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the relevant provisions of the Ordinance in which relief is granted to him by the court.

7.23 Investment in Associated Companies

The Bank holds investments in the following associated companies:

Associated Company	Investment	Percentage Holding
UBL Insurers Limited	PKR 240mn	30.0%
Khushhali Bank Limited	PKR 832mn	29.7%
Oman United Exchange Company	PKR 7mn	25.0%

7.24 Investment in Subsidiaries

Extent of the interest of United Bank Limited (the holding company) in the equity of its subsidiaries is as follows:

Subsidiary Company	Investment	Percentage Holding
United National Bank Limited	PKR 1,482mn	55.0%
UBL (Switzerland) AG	PKR 590mn	100.0%
UBL Fund Managers Limited	PKR 100mn	99.5%
UBL Bank (Tanzania) Limited	PKR 1,322mn	99.9%
United Executors & Trustees Company Limited	PKR 30mn	100.0%

8 Miscellaneous Information

8.1 Registered Office

13th Floor, UBL Building
Jinnah Avenue, Blue Area
Islamabad

8.2 Head Office/Corporate Office

State Life Building No. 1
I.I. Chundrigar Road
Karachi, 74000, Pakistan
UAN: 111 825 111
Contact Centre: 111 825 888
Fax Number: +92 21 9921 7448
Website: www.ubldirect.com
Email: customer.services@ubl.com.pk

8.3 Company Secretary

Mr. Aqeel Ahmed Nasir
Company Secretary & Chief Legal Counsel

State Life Building No. 1
I.I. Chundrigar Road
Karachi, 74000, Pakistan
UAN: 111 825 111

8.4 Auditors of the Bank

1. M/s. KPMG TaseerHadi & Co.
First Floor Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi 75530
Pakistan
2. M/s. A. F. Ferguson & Co.
State Life Building 1-C
I. I. Chundrigar Road
Karachi, 74000
Pakistan

8.5 Legal Advisor of the Bank

M/s. Mahmood Abdul Ghani & Co.
511, 5th Floor, Clifton Centre
Clifton
Karachi 75600
Pakistan

8.6 Legal Counsel to the Offer

M/s. HaidermotaBNR& Co.
D-79, Block No.5
Karachi 75600
Pakistan

8.7 Legal Counsel of the Offerer

M/s. Ahmed & Qazi, Advocates & Legal Consultants
403, 404 & 417, Clifton Centre
Clifton, Karachi
Pakistan

8.8 Share Registrar

M/s. THK Associates (Pvt.) Limited
2nd Floor, State Life Building No. 3
Dr. Ziauddin Ahmed Road, Karachi
Pakistan

8.9 Bankers to the Offer

Bank Alfalah Limited
United Bank Limited

8.10 Domestic Lead Managers and Book Runners

ARIF HABIB LIMITED

Arif Habib Centre
23, M.T. Khan Road
Karachi, Pakistan 74000
+92 21 32460717
www.arifhabibltd.com

ELIXIR SECURITIES PAKISTAN (PRIVATE) LIMITED

The Dawood Center
8th Floor
M.T. Khan Road
Karachi, Pakistan 75530
+92 21 111 354 947
www.elixirsec.com

8.11 Material Contracts / Documents

The Bank enters into various contracts in the ordinary course of business such as rental agreements, contracts for IT and other maintenance, marketing / advertising agreements etc. Material contracts other than those entered into in the ordinary course of business are as follows:

Contracts/Documents In respect of Term Finance Certificates ("TFCs"), details of which are set out in the Prospectus dated August 30, 2006

A total amount of PKR 2,000 million was raised through these TFCs. The TFCs have a tenor of 8 years and rank subordinated as to the payment of principal and profit to all other indebtedness of the bank (including deposits). The TFCs carry a markup of 6 months KIBOR plus 1.70% p.a. to be paid and reset on a semi-annual basis, (effective rate at the time of issue was 12.11% p.a.). The principal amount representing 0.2% of the face value of these TFCs is redeemable semi-annually in the first 60 months and the balance is redeemable in six equal semi-annual Installments of 16.63% each starting from the 66th month.

Contracts for construction of its Head Office building in Karachi

The bank has entered into various contracts for construction of its Head Office building at Karachi. These include contracts for design, supervision, civil and electrical works, lifts, metal structure and other ancillary procurement and installations. The total value of these contracts entered as at May 30, 2014 is PKR 2.3 billion.

Contracts for construction of its Regional Office at Lahore

The bank has entered into various contracts for construction of its Regional Office at Lahore. These include contracts for design and supervision. The total value of these contracts as at May 30, 2014 is PKR 50 million.

8.12 Inspection of Documents and Contracts

Copies of Memorandum and Articles of Association of the Company, the Auditors' Certificate, Information Memorandum, Credit Rating Report and copies of agreements referred to in the OFSD may be inspected during usual business hours on any working day at the registered office of the company from the date of publication of the OFSD until the closing of subscription list.

8.13 Legal Proceedings

The Bank is engaged in litigations, mainly for recovery of defaulted loans, in the ordinary course of its business. These loans are generally classified and provided in accordance with the criteria specified by SBP regulations. Further, there are claims that have been filed against the Bank by various parties, majority of these representing counter claims by the borrowers where the Bank has initiated recovery proceedings. The Bank periodically evaluates these claims and takes provisions against the same if an adverse outcome is expected against the Bank. As at December 31, 2013, such claims totaling PKR 12.464 billion have not been acknowledged as debt, as disclosed in note 22.4 of the Unconsolidated Financial Statements of the Bank for the period, as the Bank considers that the likely outcome of these cases would be in favor of the Bank.

8.14 Memorandum of Association

The Memorandum of Association, inter alia, contains the objects for which the Bank was incorporated and the business which the Bank is authorized to undertake. A copy of the

Memorandum of Association is annexed to this Offer for Sale and is being published with all issues thereof except those released as newspaper advertisements.

8.15 Revaluation of Assets

The properties of the Bank were last revalued by independent professional valuers as at December 31, 2009. The revaluation was carried out by M/s. Pirsons Chemicals Engineering (Private) Limited, M/s. Sadruddin Associates, M/s. Maricon Consultants (Private) Limited and M/s. Engineering Pakistan International (Private) Limited on the basis of professional assessment of present market values and resulted in an increase in the surplus by PKR 4,140 million.

The properties of United National Bank Limited were revalued by Independent professional valuers, RONA and Advance Surveyors Limited, as at December 31, 2012. These revaluations were based on present market values and resulted in a deficit of PKR 169 million.

Had there been no revaluation, the carrying amount of the revalued assets as December 31, 2013 would have been as follow:

	(PKR' 000)
Freehold land	782,581
Leasehold land	196,217
Buildings of freehold land	1,747,980
Buildings on leasehold land	204,724

8.16 Financial Year of the Bank

The financial year of the Bank commences from the 1st day of January and ends on the 31st day of December each year.

8.17 Capitalization of Profits

The Bank has issued a total of 706,179,687 bonus shares amounting to PKR 7,062mn.

8.18 Dividend History

Year	Cash	Dividends Paid		Total
			Stock	
2003	23%			23%
2004	15%			15%
2005	25%		25%	50%
2006	30%		25%	55%
2007	30%		25%	55%
2008	25%		10%	35%
2009	25%		10%	35%
2010	50%			50%
2011	75%			75%
2012	85%			85%
2013	100%			100%
Mar'14*	25%			25%

*Interim dividend

Dividends are a percentage of PAR value of shares (i.e. PKR 10)

9 Bid Application and Allocation Instructions

Instructions for Filling the Bidding Form

1. The bidding period shall remain open from 08:00 AM on June 11, 2014 to 09:00 PM on June 11, 2014.
2. Fill in all the particulars of the form accurately in **BLOCK LETTERS**.
3. Kindly provide a copy of CNIC or passport (in case of HNWI) or NTN Certificate (in case of financial institution) or Certificate of Incorporation (in case of companies) along with the bidding form.
4. Applicants are requested to provide accurate contact details. Please provide accurate landline number(s), mobile number(s), fax number(s) and email address(es).
5. Submit complete bidding form along with the margin money via Demand Drafts or Pay Orders only.

Please Note:

1. For deposit of Margin Money/Bid Amount, only Pay Orders or Demand Draft will be accepted.
2. Receiving will only be provided on duplicate bidding form. Please ensure that a duly filled duplicate bidding form is submitted with at the time of placement of bid.
3. The bidder is required to duly fill Additional Payment Form for depositing additional funds for enhancement of deposit amount.
4. Investors can revise and withdraw their bids by notifying either of the Domestic Book Runners. Bid revisions and withdrawal facility will be available throughout the entirety of the Book Building process.
5. All Payments to be made in favor of **"Offer for Sale of United Bank Limited - Book Building Account"** at any of the following bidding centers:

Bid Collection Centers

Arif Habib Limited	Elixir Securities Pakistan (Pvt.) Ltd.
Karachi	
Contact Person: Syed Saquib Ali	Contact Person: Waqar Ali
Direct Number: +92 21 3246 2597	PABX No: +92 21 111 354947
Mobile No: +92 321 234 5010	Ext: 3152
Fax No: +92 21 3242 9653	Fax No: +92 21 3569 4696
Email: saquib.ali@arifhabibltd.com	Email: wali@elixirsec.com
Website: www.arifhabibltd.com	Website: www.elixirsec.com
Postal Address: Arif Habib Limited	Postal Address: Elixir Securities Dawood Centre

2nd Floor, Arif Habib
Centre
23 M.T. Khan Road
Karachi

M.T. Khan Road
Karachi

Islamabad

Contact Person: Saad Khan	Contact Person: Najeeb Altaf
Mobile No: +92 308 233 1916	Mobile No: +92 300 522 2241
Email: saad.khan@arifhabibltd.com	Email: naltaf@elixirsec.com
Website: www.arifhabibltd.com	Website: www.elixirsec.com
Postal Address: House # 68, Main Margalla Road, F-6/2, Islamabad	Postal Address: House # 68, Main Margalla Road, F-6/2, Islamabad

Lahore

Contact Person: Tahir Abbas	Contact Person: Tahir Maqbool
Mobile No: +92 336 000 4896	Mobile No: +92 300 847 3258
Email: tahir.abbas@arifhabibltd.com	Email: tmaqbool@elixirsec.com
Website: www.arifhabibltd.com	Website: www.elixirsec.com
Postal Address: Room # 22, Arif Habib Lahore Stock Exchange, LSE Plaza, Khayaban-e-Iqbal, Lahore	Postal Address: Office # 2, Ground Floor, Rehman Business Centre, 32-B-III, Lahore

6. **CASH SHOULD NOT BE SUBMITTED WITH BIDDING FORM AT THE BID COLLECTION CENTER.**
7. THE BID SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON OR THROUGH FAX AT THE NUMBER mentioned in note 6 above.
8. The bidders are requested to fill in both the original and duplicate copy of bidding forms completely. Upon submission, they will receive back the duly signed and stamped duplicate form of their bids which will be proof of their bid submission. In case of facsimile, a copy of form with receiving will be faxed back to the bidder. The bidder will not be provided with any receiving if a duly filled duplicate form is not submitted along with the bid.
9. Bids can be placed at "limit price", "strike order", or "step bid".

d) Payment for Limit Price

If investors are placing their bids through "limit price" then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 5 million shares at a price of PKR 200 per share, then the total Application Money would amount to PKR 1,000,000,000 /- plus CDC transfer charges of 0.004% (1,000,000,000*0.004% = PKR 40,000). The Bid Amount will be PKR 1,000,040,000/-. In such a case, investor shall deposit PKR 1,000,040,000 in the Book Building account as the Bid Amount which is 100% of PKR 1,000,040,000

e) Payment for Strike Order

If investors are placing a "Strike Order", then they shall deposit the Margin Money/Bid Amount equal to the product of the number of shares they are bidding for and the Floor

Price, plus applicable CDC transfer charges of 0.004%, assuming an arbitrary floor price of PKR 200 per share.

For instance, if an investor is applying for 2.0 million Shares then the total Application Money would be PKR 400,000,000/- plus CDC transfer charges of 0.004% ($400,000,000 \times 0.004\% = \text{PKR } 16,000$). The Bid Amount will be PKR 400,016,000/-. In such a case, investors shall deposit PKR 400,016,000/- as Bid Amount which is 100% of PKR 400,016,000/-. All Strike Orders will be considered for allocation of shares at the Strike Price.

f) Payment for Step Bids

If investors are placing a "Step Bid", which is a series of limit bids at increasing prices, then they shall deposit the Margin Money/Bid Amount based on the total number of shares they are bidding for at their stated bid prices.

For instance, if the investor bids for 0.5 million shares at PKR 200 per share, 0.4 million shares at PKR 205 per share and 0.3 million shares at PKR 210 per share, then in essence the investor has placed one "Step Bid" comprising three limit bids at increasing prices. The Application Money would amount to PKR. 245,000,000/- plus CDC transfer charges of 0.004% ($245,000,000 \times 0.004\% = \text{PKR } 9,800$). The Bid Amount will be PKR 245,009,800/-. In such a case, investors shall deposit PKR 245,009,800/- in the Book Building Account as Bid Amount which is 100% of PKR 245,009,800

10. Bid/margin money shall be deposited through demand draft or pay order only. The applicant shall submit amount of 100% of the application money as bid/margin money.
11. Bidders can place their bids with the Domestic Book Runners from 08:00 AM on June 11, 2014 to 09:00 PM on June 11, 2014.
12. Bidders can revise and withdraw their bids by notifying either of the Domestic Book Runners. Bid revisions and withdrawal facility will be available throughout the entirety of the Book Building process. For details, please refer to Para 2.10 and 2.12 of the Offer for Sale Document.
13. The color of the book i.e., the price range and the number of shares for which bids have been received, will be notified periodically to bidders/investors through announcements on Karachi, Lahore and Islamabad Stock Exchanges and/or through notices on the websites of the respective Stock Exchanges.
14. Successful bidders shall be intimated, within **one (1) working day** of the closing of the bidding period, the strike price and the number of shares provisionally allotted to each of them.
15. Where a successful bidder defaults in payment of shares allotted to him, in any manner whatsoever, the margin money deposited by such bidder shall be forfeited to the Domestic Book Runners.

16. Final allotment of shares out of the Book Building Issue shall be made after receipt of full subscription money from the successful bidders. Shares to successful bidders shall be transferred within **seven (7) working days** of the book building process.
17. Unsuccessful bid shall be refunded within **seven (7) working days** of the close of the bidding period, through courier, to the address submitted on the Bidding Form.

10 Signatories to the OFSD

Signed, as required by Section 57(3) read with Section 62(3) of the Companies Ordinance, 1984 by

-sd-

Sardar Ahmad Nawaz Sukhera
Additional Secretary (Incharge)
Privatisation Division
Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatisation
Government of Pakistan, Islamabad

-sd-

Arshad Mehmood Kiyani
Senior Joint Secretary
Government of Pakistan, Islamabad

Witnesses:

1. -sd-
Name: Khurram Ishatti
Address: 5-A Constitution Avenue, Islamabad
CNIC #: 61101-1890010-5

Date: 05 June 2014

Place: Islamabad

2. -sd-
Name: Fazal Elahi
Address: 5-A Constitution Avenue, Islamabad
CNIC #: 37405-5439314-1

Date: 05 June 2014

Place: Islamabad

11 Memorandum of Association of United Bank Limited

MEMORANDUM OF ASSOCIATION OF United Bank Limited

- I The name of the Company is **UNITED BANK LIMITED**.
- II The Registered Office of the Company will be situated at Islamabad
- III The objects for which the Company is established are -
- (a) To carry on the business of a Banking Company as defined by Section 5 of the Banking Companies Ordinance 1962 and particularly the following forms of business
- (1) The accepting of deposits of money on current account or otherwise subject to withdrawal by cheque, draft or order
- (2) The borrowing, raising or taking up of money, the lending or advancing of money either upon or without security, the drawing, making, accepting, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hoondees, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not, the granting and issuing of letters of credit, travellers' cheques and circular notes, the buying, selling and dealing in billon and speci the buying and selling of foreign exchange including foreign bank notes, the acquiring, holding, issuing on commission, under writing and dealing in stock, funds shares, debentures, debenture stock, bonds, obligations securities and investment of all kinds, the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents to others, the negotiating of loans and advances, the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody or otherwise, the collecting and transmitting of money and securities

- (3) Acting as agents for Governments or local authorities or for any other person or persons, the carrying on of agency business of any managing agent including the power to act as attorneys and to give discharge and receipts
- (4) Contracting for public and private loans and negotiating and issuing the same
- (5) The promoting, effecting, insuring, guaranteeing, underwriting, participating in, managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue
- (6) Carrying on and transacting every kind of guarantee and indemnity business
- (7) Promoting or financing or assisting in promoting or financing any business undertaking of industry, either existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise
- (8) Acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or movable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition of which in the opinion of the company is likely to facilitate the realization of any securities held by the Company or to prevent or diminish any apprehended loss or liability
- (9) Managing, selling and releasing all property movable and immovable which may come into the possession of the company in satisfaction or parts satisfaction of any of its claims
- (10) Acquiring and holding and generally dealing with any property and any right, title or interest in any property movable or immovable which may form part of the security for any loans or advance or which may be connected with any such security
- (11) Undertaking and executing trusts
- (12) Undertaking the administration of estates as executor, trustee or otherwise

- (13) Taking or otherwise acquiring and holding shares in any other company having objects similar to those of the company
- (14) Establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons, granting pensions and allowances and making payments towards insurance, subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object
- (15) The acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purpose of the Company
- (16) Selling, improving, managing, developing, leasing mortgaging, disposing of or turning into account, exchanging, or otherwise dealing with all or any part of the property and rights of the Company
- (17) Acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in Section 7 of the Banking Companies Ordinance 1962
- (18) Doing all such other things as are incidental or conducive to the promotion or advancement of the business of the Company
- (19) All such other forms of business which may be specified from time to time as lawful for a banking company to engage in by the authority prescribed by Section 7 of the Banking Companies Ordinance 1962 or any modification thereof or alteration or addition thereto for the time being in force

IV The Liability of the members is limited

V The Capital of the Bank is Rs 20,000,000,000/- (Rupees Twenty Billion only) divided into 2,000,000,000 (Two Billion) ordinary shares of Rs 10/- each
(Amended pursuant to the Special Resolution passed in the Annual General-Meeting of the shareholders of the Bank held on 29 March 2008)

We the several whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names

S. No	Name of Shareholder & Description	Address	No of Shares Taken	Signature	Name address and description of witness
1	11 Chundrigar, Esqr, Advocate	4th Floor, Karachi House, McLeod Road, Karachi	2,500	Sd/-	M Ajmal Siddiqui, 5-C, 4/15, Nazimabad, Karachi (Service)
2	Muhammad Sayeed Saigol Esqr, Businessman	42, Lawrance Road, Lahore	2,500	Sd/-	do-
3	Abdul Razzak Dada Esqr, Businessman	Dada Ltd Darya Lal St, Jodia Bazar, Karachi	2,500	Sd/-	do-
4	Mian M. Yahya Esqr, Businessman	Nisbat Ltd Valika Chambers, S Napier Road, Karachi	2,500	Sd/-	do-
5	Muhammad Bashir Saigol, Esqr,	Kohinoor Colony, Rawalpindi	2,500	Sd/-	do-
6	Muhammad Rafique Saigol Esqr, Businessman	Kohinoor Nagar, Lyallpur	2,500	Sd/-	do-
7	Muhammad Shafique Saigol Esqr, Businessman	12-B, Queens Road, Karachi	2,500	Sd/-	do-
8	Agha Hasan Abedi Esqr,	395/4, Pedro D'Souza Road, Garden East, Karachi	2,500	Sd/-	do-

Dated the, 24th day of July 1999

12 Bid Application Forms / Bidding Forms

INSTRUCTIONS FOR BIDDING

OFFER FOR SALE OF RESIDUAL SHAREHOLDING OF GOVERNMENT OF PAKISTAN IN UNITED BANK LIMITED THROUGH PRIVATISATION AT A FLOOR PRICE

The present offer consists of 160,000,000 Ordinary Shares representing 13.1% of the Total Paid Up Share Capital of United Bank Limited with an Upsize Option of up to an additional 81,921,931 Ordinary Shares representing 6.7% of the Total Paid Up Share Capital of United Bank Limited at a Floor Price which shall be at a premium to the Par Value of PKR 10/- per share (the "Offer")

Instructions for Filling the Bidding Form

1. The bidding period shall remain open from 08:00 AM on June 11, 2014 to 09:00 PM on June 11, 2014.
2. Fill in all the particulars of the form accurately in **BLOCK LETTERS**.
3. Kindly provide a copy of CNIC or passport (in case of HNWI) or NTN Certificate (in case of financial institution) or Certificate of Incorporation (in case of companies) along with the bidding form.
4. Applicants are requested to provide accurate contact details. Please provide accurate landline number(s), mobile number(s), fax number(s) and email address(es).
5. Submit complete bidding form along with the margin money via Demand Drafts or Pay Orders only.

Please Note:

1. For deposit of margin money, only Pay Orders or Demand Draft will be accepted.
2. Receiving will only be provided on duplicate bidding form. Please ensure that a duly filled duplicate bidding form is submitted with at the time of placement of bid.
3. The bidder is required to duly fill Additional Payment Form for depositing additional funds for enhancement of deposit amount.
4. Investors can revise and withdraw their bids by notifying either of the Domestic Book Runners. Bid revisions and withdrawal facility will be available throughout the entirety of the Book Building process.
5. All Payments to be made in favor of **"Offer for Sale of United Bank Limited - Book Building Account"** at any of the following bidding centers:

Bid Collection Centers

Arif Habib Limited

Elixir Securities Pakistan (Pvt.) Ltd.

Karachi

Contact Person: **Syed Saquib Ali**
 Direct Number: +92 21 3246 2597
 Mobile No: +92 321 234 5010
 Fax No: +92 21 3242 9653
 Email: saquib.ali@arifhabibltd.com
 Website: www.arifhabibltd.com
 Postal Address: **Arif Habib Limited**
 2nd Floor, Arif Habib
 Centre
 23 M.T. Khan Road
 Karachi

Contact Person: **Waqar Ali**
 PABX No: +92 21 111 354947
 Ext: 3152
 Fax No: +92 21 3569 4696
 Email: wali@elixirsec.com
 Website: www.elixirsec.com
 Postal Address: **Elixir Securities**
 Dawood Centre
 M.T. Khan Road
 Karachi

Islamabad

Contact Person: **Saad Khan**
 Mobile No: +92 308 233 1916
 Email: saad.khan@arifhabibltd.com
 Website: www.arifhabibltd.com
 Postal Address: House # 68, Main Margalla
 Road, F-6/2, Islamabad

Contact Person: **Najeeb Altaf**
 Mobile No: +92 300 522 2241
 Email: naltaf@elixirsec.com
 Website: www.elixirsec.com
 Postal Address: House # 68, Main Margalla
 Road, F-6/2, Islamabad

Lahore

Contact Person: **Tahir Abbas**
 Mobile No: +92 336 000 4896
 Email: tahir.abbas@arifhabibltd.com
 Website: www.arifhabibltd.com
 Postal Address: Room # 22, Arif Habib
 Lahore Stock Exchange,
 LSE Plaza, Khayaban-e-
 Iqbal, Lahore

Contact Person: **Tahir Maqbool**
 Mobile No: +92 300 847 3258
 Email: tmaqbool@elixirsec.com
 Website: www.elixirsec.com
 Postal Address: Office # 2, Ground Floor,
 Rehman Business Centre,
 32-B-III, Lahore

6. **CASH SHOULD NOT BE SUBMITTED WITH BIDDING FORM AT THE BID COLLECTION CENTER.**
7. **THE BID SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON OR THROUGH FAX AT THE NUMBER mentioned in note 6 above.**
8. The bidders are requested to fill in both the original and duplicate copy of bidding forms completely. Upon submission, they will receive back the duly signed and stamped duplicate form of their bids which will be proof of their bid submission. In case of facsimile, a copy of form with receiving will be faxed back to the bidder. The bidder will not be provided with any receiving if a duly filled duplicate form is not submitted along with the bid.
9. Bids can be placed at "limit price", "strike order", or "step bid".

g) **Payment for Limit Price**

If investors are placing their bids through "limit price" then they shall deposit the margin money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 5 million shares at a price of PKR 200 per share, then the total Application Money would amount to PKR 1,000,000,000/- plus CDC transfer charges of 0.004% ($1,000,000,000 \times 0.004\% = \text{PKR } 40,000$). The Bid Amount will be PKR 1,000,040,000/-. In such a case, investor shall deposit PKR 1,000,040,000 in the Book Building account as the Bid Amount which is 100% of PKR 1,000,040,000

h) Payment for Strike Order

If investors are placing a "Strike Order", then they shall deposit the Margin Money/Bid Amount equal to the product of the number of shares they are bidding for and the Floor Price, plus applicable CDC charges of 0.004%, assuming an arbitrary floor price of PKR 200 per share.

For instance, if an investor is applying for 2.0 million Shares then the total Application Money would be PKR 400,000,000/- plus CDC transfer charges of 0.004% ($400,000,000 \times 0.004\% = \text{PKR } 16,000$). The Bid Amount will be PKR 400,016,000/-. In such a case, investors shall deposit PKR 400,016,000/- as Bid Amount which is 100% of PKR 400,016,000/-. All Strike Orders will be considered for allocation of shares at the Strike Price.

i) Payment for Step Bids

If investors are placing a "Step Bid", which is a series of limit bids at increasing prices, then they shall deposit the Margin Money/Bid Amount based on the total number of shares they are bidding for at their stated bid prices.

For instance, if the investor bids for 0.5 million shares at PKR 200 per share, 0.4 million shares at PKR 205 per share and 0.3 million shares at PKR 210 per share, then in essence the investor has placed one "Step Bid" comprising three limit bids at increasing prices. The Application Money would amount to PKR. 245,000,000/- plus CDC transfer charges of 0.004% ($245,000,000 \times 0.004\% = \text{PKR } 9,800$). The Bid Amount will be PKR 245,009,800/-. In such a case, investors shall deposit PKR 245,009,800/- in the Book Building Account as bid amount which is 100% of PKR 245,009,800

10. Bid/margin money shall be deposited through demand draft or pay order only. The applicant shall submit amount of 100% of the application money as bid/margin money.
11. Bidders can place their bids with the Domestic Book Runners from 08:00 AM on June 11, 2014 to 09:00 PM on June 11, 2014.
12. Bidders can revise and withdraw their bids by notifying either of the Domestic Book Runners. Bid revisions and withdrawal facility will be available throughout the entirety of the Book Building process. For details, please refer to Para 2.10 and 2.12 of the Offer for Sale Document.
13. The color of the book i.e., the price range and the number of shares for which bids have been received, will be notified periodically to bidders/investors through announcements on Karachi, Lahore and Islamabad Stock Exchanges and/or through notices on the websites of the respective Stock Exchanges.

14. Successful bidders shall be intimated, within **one (1) working day** of the closing of the bidding period, the strike price and the number of shares provisionally allotted to each of them.
15. Where a successful bidder defaults in payment of shares allotted to him, the margin money deposited by such bidder shall be forfeited to the Domestic Book Runners.
16. Final allotment of shares out of the Book Building Issue shall be made after receipt of full subscription money from the successful bidders. Shares to successful bidders shall be transferred within **seven (7) working days** of the book building process.
17. Unsuccessful bid shall be refunded within **seven (7) working days** of the close of the bidding period, through courier, to the address submitted on the Bidding Form.

Bidding Form



UNITED BANK LIMITED

Domestic Book Runners



Tick One ☐ KHI ☐ LHR ☐ ISB

Bidding starts on June 11, 2014

Bidding ends on June 11, 2014

Bidding form No.

The Government of Pakistan, Privatisation Division Of The Ministry Of Finance, Revenue, Economic Affairs, Statistics and Privatization acting through the Privatisation Commission is offering 160,000,000 Ordinary Shares representing 13.1% of the Total Paid Up Share Capital of United Bank Limited with a Upsize Option of up to an additional 81,921,931 Ordinary Shares representing 6.7% of the Total Paid Up Share Capital of United Bank Limited at a Floor Price which shall be at a premium to the par value of PKR 10/-

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	Please Tick the appropriate box		
	<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> High Net Worth Individuals
Address	Cell #	Resident	Nationality
	Land Line#	Non Resident	
		Foreigner	
Fax #	Email:	CNIC/NTN/Passport No.	

Payment Details: Payments to be made in favor of: "Offer for Sale of United Bank Limited - Book Building Account"

Amount in Figures	Instrument No.	Instrument Date	Margin %age
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Banker's Name, Address & Branch

CDC Details for Sub A/C and House A/C

CDC Participant Name	CDC Participant ID No
Sub House A/C No	House A/C No.

CDC Details for Investor A/C

CDC Investor Service A/C ID	CDC Investor A/C No
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The Privatisation Division,
Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization
5-A Constitution Avenue, EDB Building
Islamabad, Pakistan

Dear Sir,

On the basis of Offer for Sale Document by the Privatisation Commission, Government of Pakistan for the sale of Government of Pakistan's residual shareholding in United Bank Limited dated June 7, 2014, I/we hereby bid for subscription of shares of the company as under:

Bid Details

	No. of Shares Bid for (In Figures)	Bid price per share (In figures)	Bid Amount (In figures)	0.004% CDC fee (In figures)	Total Amount (In figures)
Bid Option (Please tick)					
Limit Order					
Strike Order		At Strike Price			
Step Order:					
Option (1)					
Option (2)					
Option (3)					
Option (4)					
Total (Shares and Bid)					

Important Instructions:

- 1) Bid amount should be grossed up by 0.004% for CDC transfer charges
- 2) For strike orders the bid amount should be calculated as the number of shares bid for multiplied by the floor price.
- 3) Bids should be placed for a minimum amount of PKR 1,000,000. It should also be noted that the number of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price or floor price in case of strike order is at least PKR 1,000,000.

Signature of Bidder

THESE MATERIALS ARE NOT INTENDED FOR DISTRIBUTION IN AUSTRALIA, CANADA, HONG KONG, JAPAN, THE UNITED STATES OR ANY OTHER JURISDICTION WHERE THE OFFER OR SALE OF THE SECURITIES IS NOT PERMITTED.

In terms of the Listing Regulations of the Karachi Stock Exchange ("KSE"), Lahore Stock Exchange ("LSE"), and Islamabad Stock Exchange ("ISE") together collectively referred to as (the "Stock Exchanges"), I/we am/are eligible to bid in this Offer For Sale. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order/cheque application money, within seven (7) working days of the close of the bidding period, through courier, to the first address written below or to the bank through which I/we tender this application.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Offer for Sale Document, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the Ordinary Shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the domestic Lead Managers & Book Runners are entitled, in their absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Offer for Sale Document for filling of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Privatisation Commission, the domestic Lead Managers & Book Runners, SECP and the Stock Exchanges reserve the right of legal action against me under the law of Pakistan, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced and I submit to the jurisdiction of the courts of Karachi in case of any dispute in relation to this bidding form or related matters.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FORIEGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important Instructions:

Receiving will only be provided on duplicate bidding form. Please ensure that a duly filled duplicate bidding form is submitted with at the time of placement of bid.

For deposit of margin money, only Pay Orders or Demand Draft will be accepted.

Investors can revise and withdraw their bids by notifying either of the domestic Lead Managers & Book Runners. Bid revisions and withdrawal facility will be available throughout the entirety of the bookbuilding process.

Yours Faithfully,

Signature: _____

To be filled in by the Book Runner

				Pay Order No./ Demand Draft No.	Stamp
Time of Receipt	Date	Location	Amount		

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Duplicate Bidding Form



UNITED BANK LIMITED

Domestic Book Runners



Tick One ☐ KHI ☐ LHR ☐ ISB

Bidding starts on	June 11, 2014
Bidding ends on	June 11, 2014
Bidding form No.	

The Government of Pakistan, Privatisation Division Of The Ministry Of Finance, Revenue, Economic Affairs, Statistics and Privatization acting through the Privatisation Commission is offering 160,000,000 Ordinary Shares representing 13.1% of the Total Paid Up Share Capital of United Bank Limited with a Upsize Option of up to an additional 81,921,931 Ordinary Shares representing 6.7% of the Total Paid Up Share Capital of United Bank Limited at a Floor Price which shall be at a premium to the par value of PKR 10/-

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	Please Tick the appropriate box		
	<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> High Net Worth Individuals
Address	Cell #	Resident	<input type="checkbox"/> Nationality
	Land Line#	Non Resident	
		Foreigner	
Fax #	Email:	CNIC/NTN/Passport No.	

Payment Details:	Payments to be made in favor of: "Offer for Sale of United Bank Limited - Book Building Account"		
Amount in Figures	Instrument No.	Instrument Date	Margin %age

Banker's Name, Address & Branch

CDC Details for Sub A/C and House A/C	
CDC Participant Name	CDC Participant ID No
Sub House A/C No	House A/C No.

CDC Details for Investor A/C	
CDC Investor Service A/C ID	CDC Investor A/C No

The Privatisation Division,
Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization
5-A Constitution Avenue, EDB Building
Islamabad, Pakistan

Dear Sir,
On the basis of Offer for Sale Document by the Privatisation Commission, Government of Pakistan for the sale of Government of Pakistan's residual shareholding in United Bank Limited dated June 7, 2014, I/we hereby bid for subscription of shares of the company as under:

Bid Details					
Bid Option (Please tick)	No. of Shares Bid for (In Figures)	Bid price per share (In figures)	Bid Amount (In figures)	0.004% CDC fee (In figures)	Total Amount (In figures)
Limit Order					
Strike Order		At Strike Price			
Step Order:					
Option (1)					
Option (2)					
Option (3)					
Option (4)					
Total (Shares and Bid)					

Important Instructions:

- 1) Bid price should be grossed up by 0.004% for CDC transfer charges.
- 2) For strike orders the bid amount should be calculated as the number of shares bid for multiplied by the floor price.
- 3) Bids should be placed for a minimum amount of PKR 1,000,000. It should also be noted that the number of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price or floor price in case of strike order is at least PKR 1,000,000.

Signature of Bidder

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I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Offer for Sale Document, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the Ordinary Shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the domestic Lead Managers & Book Runners are entitled, in their absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Offer for Sale Document for filling of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Privatisation Commission, the domestic Lead Managers & Book Runners, SECP and the Stock Exchanges reserve the right of legal action against me under the law of Pakistan, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced and I submit to the jurisdiction of the courts of Karachi in case of any dispute in relation to this bidding form or related matters.

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Yours Faithfully,

Signature: _____

To be filled in by the Book Runner

Time of Receipt	Date	Location	Amount	Pay Order No./ Demand Draft No.	Stamp
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Additional Payment Form



UNITED BANK LIMITED

Domestic Book Runners



Tick One ☐ KHI ☐ LHR ☐ ISB

Bidding starts on June 11, 2014

Bidding ends on June 11, 2014

Bidding form No.

The Government Of Pakistan, Privatisation Division Of The Ministry Of Finance, Revenue, Economic Affairs, Statistics and Privatization acting through the Privatisation Commission is offering 160,000,000 Ordinary Shares representing 13.1% of the Total Paid Up Share Capital of United Bank Limited with a Upsize Option of up to an additional 81,921,931 Ordinary Shares representing 6.7% of the Total Paid Up Share Capital of United Bank Limited at a Floor Price which shall be at a premium to the par value of PKR 10/-

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	CNIC/NTN/ Passport No.	Cell #	Land Line #
Client ID: (ID generated and e-mailed at the time Bid of placement)	Resident	<input type="checkbox"/>	Nationality
	Non Resident	<input type="checkbox"/>	
	Foreigner	<input type="checkbox"/>	

Additional Payment Details

Payments to be made in favor of : "Offer for Sale of United Bank Limited - Book Building Account"

Amount in Figures	Instrument No.	Instrument Date	Margin %age
Banker's Name, Address & Branch			

Important Instructions:

- 2) I DECLARE THAT I have read all the terms and conditions stated in the Offer for Sale Document and Bid Form. The same would be applicable on the additional payment form.

Signature of Bidder

To be filled in by the Book Runner

Time of Receipt	Date	Location	Amount	Pay Order No./ Demand Draft No./	Stamp
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Bid Revision Form



UNITED BANK LIMITED

Domestic Book Runners



Tick One ☐ KHI ☐ LHR ☐ ISB

Bidding starts on June 11, 2014

Bidding ends on June 11, 2014

Bidding form No.

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Address	Cell #	Resident	Nationality
	Land Line#	Non Resident	
		Foreigner	
Fax #	Email:	CNIC/NTN/Passport No.	

Payment Details: Payments to be made in favor of: "Offer for Sale of United Bank Limited - Book Building Account"

Amount in Figures	Instrument No.	Instrument Date	Margin % age
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Banker's Name, Address & Branch

CDC Details for Sub A/C and House A/C

CDC Participant Name	CDC Participant ID No
Sub House A/C No	House A/C No.

CDC Details for Investor A/C

CDC Investor Service A/C ID	CDC Investor A/C No
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The Privatisation Division,
Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization
5-A Constitution Avenue, EDB Building
Islamabad, Pakistan

Dear Sir,

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Bid Details

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Step Order:					
Option (1)					
Option (2)					
Option (3)					
Option (4)					
Total (Shares and Bid)					

Important Instructions:

- I DECLARE THAT I have read all the terms and conditions stated in the Offer for Sale Document and Bid Form. The same would be applicable on the Bid Revision Form.

Signature of Bidder

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