

Flash Note

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Commercial Banks

United Bank Limited (UBL)

Earnings: United Bank Limited (UBL) announced its financial result for the fourth quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 24.5bn (PKR 20.86/share) during 4QCY24 compared to PKR 12.3bn (PKR 10.06/share) last year, surging by +2.1xy/y taking the total earnings for CY24 to PKR 80.5bn (PKR 65.78/share), up by +51%/y, as compared to PKR 53.2bn (PKR 43.44/share) in CY23.

Dividend/Payout: The Bank announced a cash dividend of PKR 11/share along with the result this quarter taking the cumulative dividend for CY24 to PKR 44/share.

Operating Performance: During the 4QCY24 period under review, the Bank reported net-interest income of PKR 68.2bn (up by +88%/y) and non-interest income of PKR 26.2bn significantly higher as compared to the same period last year due to a rise in the bank's treasury income on the back of high capital gains. As a result, the total revenue of the bank clocked in at PKR 94.4bn (up by +2.0xy/y). Moreover, UBL recorded operating expenses of PKR 37.8bn (up by +2.1xy/y) leading to a slight increase in bank's cost/income ratio to 40% (4QCY23: 39%) on the back of higher total revenue. The bank booked a provision charge of PKR 14.2bn during 4QCY24 compared to a provision reversal of PKR 0.7bn in the same period last year. The tax charge for this quarter came at PKR 16.9bn (effective tax rate of 40% compared to 58% in the same period last year bringing total effective tax rate for CY24 to 46% compared to 51% last year.

Exhibit: Financial Highlights United Bank Limited (UBL)					
Latest result published for 4Q'/24					
Period (PKRbn)	4Q'/24	4Q'/23	3Q'/24	CY'24	CY'23
Net Interest Income	68.2	36.2	51.6	173.4	142.9
Fee Income	3.0	4.5	5.8	18.9	17.5
Treasury Income	23.0	5.6	9.5	60.7	14.6
Non-Interest Income	26.2	10.3	22.6	87.5	33.2
Total Revenue	94.4	46.5	74.2	260.9	176.1
Op. Exp.	(37.8)	(18.1)	(23.2)	(98.0)	(66.7)
Provision charge	(14.2)	0.7	(0.9)	(12.8)	(1.3)
Profit Before Tax	42.4	29.1	50.1	150.2	108.1
Tax	(16.9)	(16.8)	(24.6)	(69.7)	(54.9)
Profit After tax	25.5	12.3	25.5	80.5	53.2
EPS	20.86	10.06	20.86	65.78	43.44
DPS	11.00	11.00	11.00	44.0	44.0

Source: Company accounts, IGI Research. No. of shares: 1224.2mn

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- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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