

Flash Note

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Commercial Banks

United Bank Limited (UBL)

Earnings: United Bank Limited (UBL) announced its financial result for the first quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 15.59bn (PKR 12.73/share) during 1QCY24 compared to PKR 13.90bn (PKR 11.36/share) last year, up by 39%q/q and 12%/y.

Dividend/Payout: The Company announced a cash dividend of PKR 11/share along with the result this quarter.

Operating Performance: During the 1QCY24 period under review, the Bank reported net-interest income of PKR 27bn (down by -20%/y/y) and non-interest income of PKR 20bn (up by +2.3xy/y). Non-interest income was higher on a q/q basis due to significant capital gains and higher fee income during 1QCY24. As a result, the total revenue of the bank stood at PKR 47bn (up by +12%/y/y). Moreover, UBL recorded operating expenses of PKR 18bn (up by +22%/y/y), which deteriorated the bank's cost/income ratio to 39% (1QCY23: 36%). The bank booked a provision reversal of PKR 1.7bn during 1QCY24 likely related to expected credit losses allowance compared to a provision charge of PKR 2.6bn in the same period last year. The tax charge for this quarter came at PKR 15bn (effective tax rate of 49% compared to 43% in 1QCY23).

Exhibit: Financial Highlights United Bank Limited (UBL) - Unconsolidated							
Latest result published for 1Q'/24							
Period (PKRbn)	1Q'/24	2023	4Q'/23	3Q'/23	2Q'/23	1Q'/23	2022
Net Interest Income	27	143	36	38	36	33	103
Fee Income	5	18	4	4	4	4	16
Treasury Income	16	4	5	(4)	(1)	4	11
Non-Interest Income	20	22	9	1	3	9	34
Total Revenue	47	165	45	39	39	42	138
Op. Exp.	(18)	(67)	(18)	(18)	(16)	(15)	(54)
Provision charge	1.7	9.0	1.2	7.4	3.1	(2.6)	(16)
Profit Before Tax	30	107	28	28	26	24	68
Tax	(15)	(55)	(17)	(14)	(14)	(10)	(36)
Profit After tax	15.59	52.09	11.22	14.55	12.42	13.90	32.06
EPS	12.73	42.55	9.17	11.88	10.14	11.36	26.19
DPS	11.00	44.00	11.00	11.00	11.00	11.00	22.00

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

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