

# Flash Note

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Securities

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## Commercial Banks

### United Bank Limited (UBL)

**Earnings:** United Bank Limited (UBL) announced its financial result for the third quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 14.55bn (PKR 11.88/share) during 3QCY23 compared to PKR 6.90bn (PKR 5.63/share) last year, an increase of +17%q/q and an +2.1xy/y. This brings total profitability for 9MCY23 to PKR 40.87bn (PKR 33.38/share), up by ++2.2xy/y.

**Dividend/Payout:** The Company announced a cash dividend of PKR 11/share along with the result this quarter bringing total cash payout for 9MCY23 to PKR 33/share compared to PKR 13.0/share in the similar period last year.

**Operating Performance:** During the 3QCY23 period under review, the Bank reported net-interest income of PKR 38bn (up by +37%/y/y) and non-interest income of PKR 1bn (down by 87%/y/y). Non-interest income was lower due to loss on securities of PKR 6.2bn during 3QCY23 compared to PKR 0.09bn gain in the same period last year. As a result, the total revenue of the bank stood at PKR 39bn (up by +10%/y/y). Moreover, UBL recorded operating expenses of PKR 18bn (up by +26%/y/y), which deteriorated the bank's cost/income ratio to 45% (last year: 40%). The bank booked a provision reversal of PKR 7.4bn during 3QCY23 compared to a provision charge of PKR 4.7bn in the same period last year. The tax charge for this quarter came at PKR 14bn (effective tax rate of 49% compared to 58% in 3QCY22). This brings total effective tax rate for 9MCY23 to 48% compared to 63% in the similar period last year.

Exhibit: Financial Highlights United Bank Limited (UBL)								
Latest result published for 3Q'/23								
Period (PKRbn)	9M'/23	3Q'/23	2Q'/23	1Q'/23	9M'/22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	107	38	36	33	73	28	24	21
Fee Income	13	4	4	4	12	4	4	4
Treasury Income	(1)	(4)	(1)	4	10	3	4	3
Non-Interest Income	13	1	3	9	22	7	8	7
<b>Total Revenue</b>	<b>120</b>	<b>39</b>	<b>39</b>	<b>42</b>	<b>95</b>	<b>35</b>	<b>32</b>	<b>28</b>
Op. Exp.	(49)	(18)	(16)	(15)	(39)	(14)	(13)	(12)
Provision charge	7.8	7.4	3.1	(2.6)	(5.4)	(4.7)	(0.4)	(0.3)
Profit Before Tax	79	28	26	24	51	16	18	16
Tax	(38)	(14)	(14)	(10)	(32)	(10)	(16)	(6)
<b>Profit After tax</b>	<b>40.87</b>	<b>14.55</b>	<b>12.42</b>	<b>13.90</b>	<b>18.76</b>	<b>6.90</b>	<b>2.33</b>	<b>9.53</b>
<b>EPS</b>	<b>33.38</b>	<b>11.88</b>	<b>10.14</b>	<b>11.36</b>	<b>15.32</b>	<b>5.63</b>	<b>1.91</b>	<b>7.78</b>
<b>DPS</b>	<b>33.00</b>	<b>11.00</b>	<b>11.00</b>	<b>11.00</b>	<b>13.00</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>

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

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