

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 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 12.32bn (PKR 10.06/share) during 4QCY23 compared to PKR 13.30bn (PKR 10.87/share) last year, a drop of 15%q/q and a 7%y/y. This brings total profitability for CY23 to PKR 53.18bn (PKR 43.44/share), up by +66%y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 11/share along with the result this quarter bringing total cash payout for CY23 to PKR 44/share compared to PKR 22.0/share in the similar period last year.

Operating Performance: During the 3QCY23 period under review, the Bank reported net-interest income of PKR 36bn (up by +19%/y) and non-interest income of PKR 10bn (up by +10xy/y). Non-interest income was higher on a q/q basis due to treasury and Fx income during 4QCY23. As a result, the total revenue of the bank stood at PKR 46bn (up by +8%/y). Moreover, UBL recorded operating expenses of PKR 18bn (up by +22%/y), which deteriorated the bank's cost/income ratio to 39% (4QCY22: 35%). The bank booked a provision reversal of PKR 1.2bn during 4QCY23 compared to a provision charge of PKR 10.3bn in the same period last year. The tax charge for this quarter came at PKR 17bn (effective tax rate of 58% compared to 25% in 4QCY22). This brings total effective tax rate for CY23 to 51% compared to 53% in the similar period last year.

Exhibit: Financial Highlights United Bank Limited (UBL)

Latest result published for 4Q'/23

Period (PKRbn)	CY23	4Q'/23	3Q'/23	2Q'/23	1Q'/23	CY22	4Q'/22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	143	36	38	36	33	103	30	28	24	21
Fee Income	18	4	4	4	4	16	4	4	4	4
Treasury Income	4	5	(4)	(1)	4	11	1	3	4	3
Non-Interest Income	23	10	1	3	9	34	12	7	8	7
Total Revenue	166	46	39	39	42	138	43	35	32	28
Op. Exp.	(67)	(18)	(18)	(16)	(15)	(54)	(15)	(14)	(13)	(12)
Provision charge	9.0	1.2	7.4	3.1	(2.6)	(15.7)	(10.3)	(4.7)	(0.4)	(0.3)
Profit Before Tax	108	29	28	26	24	68	18	16	18	16
Tax	(55)	(17)	(14)	(14)	(10)	(36)	(4)	(10)	(16)	(6)
Profit After tax	53.18	12.32	14.55	12.42	13.90	32.06	13.30	6.90	2.33	9.53
EPS	43.44	10.06	11.88	10.14	11.36	26.19	10.87	5.63	1.91	7.78
DPS	44.00	11.00	11.00	11.00	11.00	22.00	9.00	4.00	4.00	5.00

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

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