

Flash Note

Wednesday, April 16, 2025



Commercial Banks

United Bank Limited (UBL)

Earnings: United Bank Limited (UBL) announced its financial result for the first quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 35.6bn (PKR 28.4/share @ 1.252bn shares) during 1QCY25 compared to PKR 15.6bn (PKR 12.4/share @ 1.252bn shares) last year, surging by +2.3xy/y/39%q/q.

Dividend/Payout: The Bank announced a cash dividend of PKR 11/share along with the result. The Bank has also announced its plans to subdivide the value of its shares in the ratio of 2:1 subject to the approval of shareholders.

Operating Performance: During the 1QCY25 period under review, UBL reported net-interest income of PKR 84.2bn (up by +3.2xy/y) on the back of drop in interest expense likely due to lower cost of funds. However, non-interest income clocked in at PKR 15.6bn (down by -24%y/y) due to a -61%y/y decline in trading gains as compared to same period last year. As a result, the total revenue of the bank clocked in at PKR 99.8bn (up by +2.1xy/y). Moreover, UBL recorded operating expenses of PKR 26.1bn (up by +43%y/y). The bank's cost/income ratio declined to 26% (1QCY24: 39%) on the back of higher total revenue. UBL booked a provision reversal of PKR 1.6bn during 1QCY25 compared to a provision reversal of PKR 1.7bn in the same period last year. The tax charge for this quarter came at PKR 39.7bn (effective tax rate of 53% compared to 49% in the same period last year).

Exhibit: Financial Highlights United Bank Limited (UBL)- Unconsolidated					
Latest result published for 1Q'/25					
Period (PKRbn)	1Q'/25	1Q'/24	4Q'/24	CY'24	CY'23
Net Interest Income	84.2	26.6	68.2	1,084.6	521.4
Fee Income	6.5	5.3	3.0	3.1	2.1
Treasury Income	8.9	14.9	23.0	1.8	1.7
Non-Interest Income	15.6	20.4	26.2	18.9	17.5
Total Revenue	99.8	47.0	94.4	1,103.5	538.9
Op. Exp.	(26.1)	(18.3)	(37.8)	0.0	0.0
Provision charge	1.6	1.7	(14.2)	0.0	0.0
Profit Before Tax	75.3	30.5	42.4	1,103.5	538.9
Tax	(39.7)	(14.9)	(16.9)	(1.9)	(2.0)
Profit After tax	35.6	15.6	25.5	80.5	53.2
EPS (@ 1.252bn shares)	28.4	12.4	20.4	64.31	42.47
DPS	11.0	11.0	11.0	44.0	44.0

Source: Company accounts, IGI Research. No. of shares: 1252.1mn

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- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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