

Flash Note

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Commercial Banks

United Bank Limited (UBL)

Earnings: United Bank Limited (UBL) announced its financial result for the second quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 13.86bn (PKR 11.32/share) during 2QCY24 compared to PKR 12.42bn (PKR 10.14/share) last year, down by 11%q/q and up by 12%/y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 11/share along with the result this quarter taking the cumulative dividend for 1HCY24 to PKR 22/share.

Operating Performance: During the 2QCY24 period under review, the Bank reported net-interest income of PKR 27bn (down by -24%/y/y) and non-interest income of PKR 18bn (up by +5.3xy/y). Non-interest income was lower on a q/q basis due to a drop in trading gains and lower fee income during 2QCY24. As a result, the total revenue of the bank clocked in at PKR 45bn (up by +16%/y/y). Moreover, UBL recorded operating expenses of PKR 19bn (up by +18%/y/y), however the bank's cost/income ratio remained unchanged at 41% on the back of higher total revenue. The bank booked a provision reversal of PKR 0.6bn during 2QCY24 likely related to expected credit losses allowance compared to a provision reversal of PKR 3bn in the same period last year. The tax charge for this quarter came at PKR 13bn (effective tax rate of 49% compared to 53% in 2QCY23).

Exhibit: Financial Highlights United Bank Limited (UBL)					
Latest result published for 2Q'/24					
Period (PKRbn)	2Q'/24	2Q'/23	1Q'/24	1H'24	1H'23
Net Interest Income	27	36	27	54	69
Fee Income	5	4	5	10	9
Treasury Income	10	(1)	16	25	3
Non-Interest Income	18	3	20	39	12
Total Revenue	45	39	47	92	81
Op. Exp.	(19)	(16)	(18)	(37)	(31)
Provision charge	0.6	3	1.7	2	0
Profit Before Tax	27	26	30	58	51
Tax	(13)	(14)	(15)	(28)	(24)
Profit After tax	13.86	12.42	15.59	29.45	26.32
EPS	11.32	10.14	12.73	24.05	21.50
DPS	11.00	11.00	11.00	22.00	22.00

Analyst

Sakina Makati

Sakina.makati@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

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Research Identity Number: BRP009

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